

***Business Operations and Partnerships Department***

***Director of Business Operations & Partnerships: Louise Pringle***

Council Headquarters, Eastwood Park, Giffnock, East Renfrewshire, G46 6UG

Phone: 0141 577 3000

website: [www.eastrenfrewshire.gov.uk](http://www.eastrenfrewshire.gov.uk)

Date: 10 June 2025

When calling please ask for: Linda Hutchison (Tel. No 0141 577 8388)

e-mail: [linda.hutchison@eastrenfrewshire.gov.uk](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

TO: Councillor Andrew Morrison (Chair), Tony Buchanan (Vice-Chair), Provost Mary Montague and Councillors Paul Edlin, Annette Ireland, David Macdonald and Gordon Wallace.

**AUDIT AND SCRUTINY COMMITTEE**

A meeting of the Audit and Scrutiny Committee will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, G46 6UG on **Thursday, 19 June 2025 at 2.00pm.**

The agenda of business is as listed below.

Yours faithfully

*Louise Pringle*

**LOUISE PRINGLE**

**DIRECTOR OF BUSINESS OPERATIONS AND PARTNERSHIPS**

**AGENDA**

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

**3. CHAIR'S REPORT**

**4. UNAUDITED ANNUAL ACCOUNTS FOR 2024-25**

Report by Head of Finance (Chief Financial Officer) (copy attached, pages 3 - 140).

**5. CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT**

Report by Director of Business Operations and Partnerships (copy attached, pages 141 - 196).

**6. NATIONAL EXTERNAL AUDIT REPORT – A REVIEW OF HOUSING BENEFIT OVERPAYMENTS 2018/19 TO 2021/22 – A THEMATIC STUDY**

Report by Clerk (copy attached, pages 197 - 204).

**7. INTERNAL AUDIT ANNUAL REPORT 2024/25**

Report by Chief Auditor (copy attached, pages 205 - 218).

**8. AUDIT AND SCRUTINY COMMITTEE – OUTCOME OF SELF-ASSESSMENT**

Report by Clerk (copy attached, pages 219 - 240).

A recording of the Committee meeting will be available following the meeting on the Council's YouTube Channel <https://www.youtube.com/user/eastrenfrewshire/videos>

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EAST RENFREWSHIRE COUNCIL**AGENDA ITEM No. 4**AUDIT AND SCRUTINY COMMITTEE19 June 2025Report by Head of Accountancy (Chief Financial Officer)UNAUDITED ANNUAL ACCOUNTS FOR 2024/25**PURPOSE OF REPORT**

1. The Annual Accounts for 2024/25 have been submitted for audit to Ernst & Young and a copy is now attached for consideration by the Audit and Scrutiny Committee.

**RECOMMENDATION**

2. The Committee is invited to:
- note and scrutinise the content of the Annual Accounts for 2024/25.

**BACKGROUND**

3. The Annual Accounts for 2024/25 have been submitted for audit to Ernst & Young and, in line with the Local Authority Accounts (Scotland) Regulations 2014, they are attached as Appendix 1 for consideration by the Audit and Scrutiny Committee. The audited accounts will be submitted to the Audit and Scrutiny Committee later in the year, prior to final Council approval.

**REPORT**

4. Despite continuing to face finance challenges around constrained funding and increasing demand, the financial management framework of the Council continues to be satisfactory. In particular, the Accounts show that: -

- The Council's financial affairs have again been managed within its operational budget, returning departmental budget surpluses totalling £2.5m, which is in line with that reported to Cabinet in March 2025. The under-spend related mainly to staff turnover and a reduction in utility costs, as well as a reduction in the anticipated departmental restructuring costs. In addition, the Council received additional income, as well as increased interest earned on temporary investment balances. These were partially offset by increased costs relating to homelessness and temporary accommodation pressures.
- The £2.5m under-spend enabled the transfer of £1m to the Capital Reserve, as anticipated in the Revenue Estimates report to Council in February 2025, leaving the balance of £1.5m retained in the Council's un-earmarked General Reserve, increasing this to 2.7% of the overall 2024/25 budgeted net revenue expenditure and 2.5% of the 2025/26 budgeted net revenue expenditure (i.e. within the recommended 2%-4% range).

- The Council's overall General Fund reserve balances as at 31 March 2025, totals £45.852m and are set out in Note 11 of the Accounts. This is an increase of £4.086m from last year and is comparable with the budgeted position of a reduction of £8.477m, representing an improved in-year position of £12.563m. This improved position is mainly due to the transfer of the in-year pension gains, of £6.3m, to the new Investment in the Future Reserve, as well as a contribution of £4.6m to the Service Concessions reserve, reflecting the approved extension to the write-off period of PPP/PFI debt over the life of the asset instead of the life of the contract. In total, over £37m of General Fund reserve balances are earmarked for specific purposes.
- Capital Expenditure of £65.394m was invested across both General Fund and HRA projects.
- There has been an operating surplus of £0.831m on the Housing Revenue Account, this increasing the accumulated surplus balance to carry forward as at 31 March 2025 to £2.483m.

## RECOMMENDATION

5. The Committee is invited to:

- note and scrutinise the content of the Annual Accounts for 2024/25.

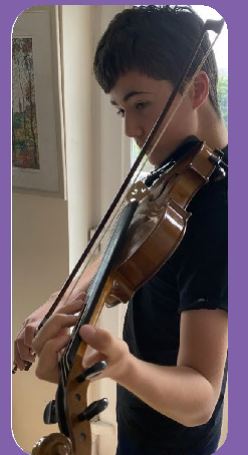
## REPORT AUTHOR

Head of Finance - Kirsty Stanners  
Chief Accountant - Barbara Clark Tel 0141 577 3068  
E-mail. [Barbara.Clark@EastRenfrewshire.gov.uk](mailto:Barbara.Clark@EastRenfrewshire.gov.uk)

## BACKGROUND PAPERS

This report refers to the Council's Annual Accounts for 2024/25.

# EAST RENFREWSHIRE COUNCIL UNAUDITED ANNUAL ACCOUNTS 2024/25





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# Management Commentary

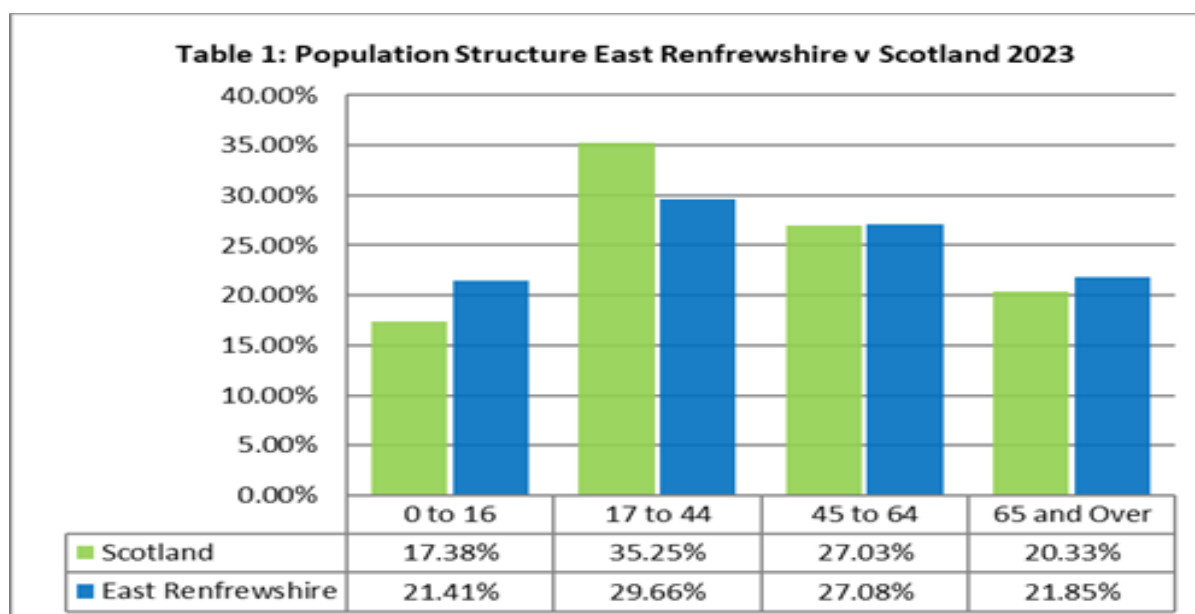
## 1. Introduction

This statement outlines key messages on the objectives and strategy of the Council and its financial performance during 2024/25, and also indicates issues and risks which may impact upon the finances of the Council in the future.

### East Renfrewshire and the local authority

East Renfrewshire is situated to the south of Glasgow. It covers an area of 67 sq. miles (174 sq. km). The region comprises the urban areas of Giffnock, Newton Mearns, Clarkston, Thornliebank and Barrhead, alongside the villages of Uplawmoor, Neilston, Waterfoot and Eaglesham. Approximately 16% of the area is urban and 84% is rural.

The population of East Renfrewshire at 30th June 2023 was 98,600\*. This is our highest ever population, with an increase from 2022 of 1.47%. The 2018 Population Projections show that East Renfrewshire's population is to continue to steadily increase, but at a lower rate than the previous projection. The table below compares the current population of Scotland and East Renfrewshire, and shows that East Renfrewshire has a higher proportion of the population under the age of 16, compared to that of Scotland, as well as a higher proportion of those aged 65 and over.



\*Source 2023 Mid-Year Population Estimates, National Records of Scotland

The Council provides a wide range of vital services to the public such as schools, social care, highways and footpaths, parks, refuse collection and housing. There are eighteen councillors, across five multi-member wards, representing the interests of the community. The composition of both the Council and administration in 2024/25 was 5 SNP, 5 Labour, 5 Conservative and 3 independent, with a minority administration comprising 5 Labour and 1 independent. The management of East Renfrewshire was led by the Chief Executive, Steven Quinn, who is the fourth Chief Executive of East Renfrewshire Council.

### Annual Accounts

The Accounts for East Renfrewshire Council are set out on the following pages in the form of statements which, as certified by the Chief Financial Officer in the Statement of Responsibilities, present a true and fair view of the financial transactions of the Council operating as a going concern





## **Management Commentary (cont'd)**

during the year to 31st March 2025. The Accounts are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom.

The financial statements show the Council's main sources of funding and provide an account of expenditure on service activities. A summary of the Council's Financial Performance is provided later in this Commentary.

The accounts identify two major categories of expenditure, Revenue and Capital. Revenue spending covers the day to day operational expenditure for each service while capital spending covers expenditure on the acquisition, construction and improvement of assets needed to provide services where the benefits will be derived over a number of years.

### **Objectives and Strategy of the Council**

This year marks the conclusion of the East Renfrewshire Community Plan, which set out a vision to be a modern, ambitious council creating a *fairer future with all* and, as a result, is the final time we shall report on the 5 outcomes, agreed with our community planning partners. These are set out in our [Community Plan 2018-2028](#) incorporating [Fairer East Ren Delivery Plans 2023/24](#), our local outcome improvement plan. Our outcomes were -

<b>Early Years and Vulnerable Young People</b>	All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed	
<b>Learning, Life and Work</b>	East Renfrewshire residents are healthy and active and have the skills for learning, life and work.	
<b>Environment and Economy</b>	East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents.	
<b>Safer, Supported Communities</b>	East Renfrewshire residents are safe and live in supportive communities.	
<b>Older People and People with Long-term Conditions</b>	Older people and people with long-term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.	



## Management Commentary (cont'd)

### New Corporate Strategy – A Place to Grow

The Council, together with community planning partners, developed a new ambitious vision and strategy for East Renfrewshire – A Place to Grow between now and 2040. The vision is for East Renfrewshire to be a place where children and young people flourish, communities and places thrive and everyone lives well. A Place to Grow delivery plan 2025-26 was approved at Council in April 2025. Link to plan [here](#). The new performance management framework to measure the impact of A Place to Grow was approved by Council on 23 April 2025.

## EAST RENFREWSHIRE A PLACE TO GROW

a future where . . .



**Our ambition** is that every child and young person, regardless of background or circumstance, will fully flourish on their journey to adulthood.

#### Every child and young person will:

- Be loved, safe and happy
- Be as healthy as they can be
- Have friends and adults they trust
- Be successful learners and well prepared for the future
- Have their voices heard and their rights recognised, respected and nurtured

#### Our children, young people and families that face challenges and disadvantage will:

- Access the right support as early as possible
- Receive support that is compassionate and aspirational and builds on their strengths

#### Our learning establishments will:

- Deliver a curriculum that inspires and prepares children and young people well for the future
- Continue to improve achievement for all

**Our ambition** is an inclusive, connected and green place, with a fair, sustainable and healthy local economy, that our residents are proud to call home.

#### Our places will:

- Be attractive and safe
- Have sustainable and well-designed housing options
- Have an accessible and connected network of active travel and public transport routes
- Have good digital connectivity through a modern technological infrastructure
- Provide opportunities to live, work, play and participate in community life

#### Our residents will:

- Have access to more affordable housing
- Have opportunities to develop new skills and learning
- Have flexible and accessible fair work opportunities

#### Our local economy will:

- Have a strong and diverse mix of local businesses
- Attract new investment
- Provide a wide range of work opportunities

#### Our environment will:

- Be reaching net zero carbon emissions
- Have protected natural spaces for biodiversity and wildlife
- Be well prepared for climate challenges

**Our ambition** is that everyone can live well at all stages of life and communities will be taking the lead in driving change for good health and wellbeing.

#### Our communities will:

- Be stronger, connected and leading the way in solutions to support each other to live well
- See health inequalities reduced
- Be actively involved in volunteering and community leadership
- Have varied and diverse groups and third sector organisations that are respected and valued partners

#### Our residents will:

- Be supported to age-well and live healthy, active lives
- Have routes out of poverty
- Be empowered to make healthy choices and have access to high quality sports and physical activity facilities
- Have access to creative and vibrant cultural experiences and opportunities to celebrate diverse heritages
- Have opportunities and support to participate in lifelong learning

We will achieve this by committing to our three capabilities



PREVENTION



EMPOWERING  
COMMUNITIES



DIGITAL CHANGE

and living our values in everything we do



Ambition



Kindness



Trust



## Management Commentary (cont'd)

### Strategic Planning and Performance Outcomes

The Council has well established strategic planning and performance management arrangements. These are embedded into the work of all employees linking our vision, strategic plans and outcomes through to services' improvement plans and employees' roles.

#### Our plans

- Community Plan 2018-2028 (incorporating Fairer East Ren, East Renfrewshire's Local Outcome Improvement Plan) sets out the strategic outcomes and priorities for the Community Planning Partnership. For the Partnership and the Council there are joint strategic outcomes spanning individuals' life stages, highlighted above.
- Fairer East Ren (FER) Delivery Plans 2024-2025** are the part of the Community Plan focusing on tackling inequalities and closing the gap between communities. These plans cover reducing child poverty, inclusive economic recovery, accessible transport, improved mental health and wellbeing, and safe and connected communities.
- Outcome Delivery Plan (ODP) 2024-2025** conveys what the Council is doing to contribute to the delivery of the Community Planning local outcomes, as well as a set of organisational outcomes focusing on our customers, employees and levels of efficiency.

One year updates of Fairer East Ren and the Outcome Delivery Plans were approved at Council in April 2024. [Council Item 09 - 24 April 2024.pdf \(eastrenfrewshire.gov.uk\)](#)

#### Our performance

The annual strategic end year performance report 2024-25 will be considered at Council in June 2025. The Council's strategic performance management arrangements also include a six-monthly cycle of performance review meetings involving the Chief Executive, each Director and service managers, as well as elected members' scrutiny of performance at Council.

#### Performance overview Outcome Delivery Plan 2024-25 (data, subject to Council approval, in June 2025)

		Target Status <sup>1</sup>			Monitoring Only	Total
Early years and vulnerable young people		0	2	2	0	4
Learning, life and work		7	9	2	0	18
Economy and environment		6	1	2	0	9
Safe, supportive		5	1	1	0	7
Older people and people with long term conditions		4	1	1	1	7
Customer, Efficiency and People		2	3	0	3	8
Total		24	17	8	4	53

On target Target still to be achieved Off Target



## **Management Commentary (cont'd)**

An analysis of the strategic indicators in the Council's Outcome Delivery Plan showed 24 targets were met, 17 indicators had an amber status (where although target was still to be achieved, this was not concerning). A further four indicators were for monitoring purposes only and no targets set. These included a national indicator on adults supported at home who agreed that they are supported to live as independently as possible and a measure on reducing the gender pay gap. Eight indicators were off target. Further information on these areas, and examples of the work undertaken, to achieve the outcomes for our residents, businesses and communities, is listed below.

Despite ongoing budget restrictions, impact of our demographic profile and the additional demands still being placed on services overall, we performed well across our strategic outcomes such as: educational attainment, including closing the gap between most and least deprived areas, supporting local businesses, providing new affordable housing, improving the energy efficiency of our street lighting, and achieving sector leading recycling rates.

### **Strategic Outcome 1 - All children in East Renfrewshire experience a stable and secure childhood and succeed.**

East Renfrewshire continues to be the sector leading in Children's Services, supporting parents to provide a safe, healthy and nurturing environment for their families. Despite high levels of referrals we continue to make decisions in a timely manner, ensuring any safeguarding decisions are shared and with robust multi-agency safety plans. Our Signs of Safety approach, rooted in strengths-based and solution-focused social work practice, aligns closely with The Promise. It promotes safe connections and seeks wider participation to promote safety, growth and well-being. Latest data shows that 87% of children with child protection plans were assessed as having an increase in their level of safety. During 2024/25, over 90 staff and carers underwent Signs of Safety training, including how to create and support positive networks. Breastfeeding rates have reduced in our most deprived (Scottish Index of Multiple Deprivation: SIMD 1) area and missed target, however this measure is based on very small numbers and small changes result in large fluctuations in performance. There has been an increase in mixed (breast and formula) feeding, from 5.8% in 2022/23 to 14.8% in 2023/24. This pattern of performance is also reflected in the results of East Dunbartonshire Council (our comparator Council for benchmarking).

All eligible children, including those choosing to defer entry to primary 1, are able to access their statutory entitlement of up to 1140 hours of funded early learning and childcare. In seeking to meet their individual circumstances, families have a range of different models and settings to choose from, across both local authority and funded independent provision, including opportunities to access full time hours or purchase additional sessions to meet different commitments, such as employment, training or caring responsibilities. The recently launched Early Years Outreach Service has placed a focus on providing early intervention to neuro-diverse children and accompanying high-quality professional learning to build staff capacity across the sector.

A key priority of the Council remains supporting children and young people with their attendance and engagement in learning with the Learn Well Service, with a new base at Braidbar House, offering targeted bespoke support in this area. Working in close partnership with young people, their families and schools, both online and in person, staff within the service look to ensure the educational needs of young people are met and that a range of opportunities remain open for them. In addition, the service offers extracurricular activities aimed at young people and their families to encourage positive engagement within the family unit and participation in wider social experiences.

We continue to support vulnerable young people as they move from support for children into adulthood. The HSCP Transitions Team are working alongside 91 young people going through transition to young adulthood. Partnership working is stronger between schools and key services, allowing early access to support and links to Community Pathways opportunities. Improved



## **Management Commentary (cont'd)**

appropriate and relevant information sharing across multi-agency teams is leading to better transition experience for young people and their families.

The Healthier Minds Service, continues to support the mental health and wellbeing of children and young people. 242 children and young people were referred to and discussed at the Healthier Minds Hub. This year we have seen more primary school boys accessing the service, bringing them in line with their female peers. 53 children and young people were directly supported by the Healthier Minds Service. 97% of children and young people supported by the Healthier Minds Team reported improved outcomes. All parents who completed the parental evaluation reported that they would recommend the service to others

### **Strategic Outcome 2 - East Renfrewshire residents are healthy and active and have the skills for learning, life and work.**

#### **Learning**

East Renfrewshire Council continues to perform at the highest level ranking (1<sup>st</sup>) across 9 of the 10 attainment indicators (2<sup>nd</sup> place in the other indicator), continuing to achieve the ambition to be Scotland's top performing education authority. In addition, the department continues to perform strongly across all other achievement measures.

The Council continues to have a strong focus on closing the attainment gap, with significant progress being achieved in this area and an improved position in national benchmarking, now ranked 2<sup>nd</sup> in numeracy and 13<sup>th</sup> in literacy at primary level (up from 26<sup>th</sup> and 25<sup>th</sup> the previous year). The improvement in this position results from an increase at all levels although, importantly, with those from a lower SIMD having seen a larger improvement, resulting in the narrowing of the gap. Through the effective use of Pupil Equity Funding and Strategic Equity Funding by schools, with support from the Education Department, the department is taking forward a range of interventions to achieve ambitious stretch aims.

For 2023/24, the participation rates of the education and employment activity of 16-19 year olds was the 2<sup>nd</sup> highest nationally, with 96.9% of 16-19 year olds participating. A total of 98.2% entered positive destinations (i.e. higher education, further education, employment, training, personal skills development and voluntary work). This remains well above the national average of 95.7%, demonstrating the strong partnership approaches in place between schools, the Developing the Young Workforce team and Skills Development Scotland.

#### **Work**

The Work East Ren Employability service worked with over 707 local residents, supporting 274 people into employment, 319 to complete training or qualifications and 83 supported into further education/higher education. The service works closely with local businesses to promote and advertise local job vacancies and match jobs to our active caseloads of clients. Our employment recruitment incentives and funded work placement programmes allow us to support parents, young people and long term unemployed people to return to the working environment in a supported and inclusive way.

Through our No One Left Behind approach, we are able to reach those most in need and our Parental Employability Support programme has provided a wide range of support for parents to achieve their employment goals such as mental health support, vocational training and paid placements. As a result of the focus approach of the local employability partnership parent sub-group, over 100 accredited courses have been completed by parents in the past year. Further opportunities have been provided in partnership with Recovery Across Mental Health (RAMH) and East Renfrewshire Culture & Leisure to provide health-based support, including counselling, anxiety management and physical training opportunities.





## **Management Commentary (cont'd)**

### **Strategic Outcome 3 - East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents**

East Renfrewshire Council continues to work with partners to ensure East Renfrewshire remains a thriving, attractive and sustainable place for businesses and residents. A focus has been to assist those furthest from the labour market into sustainable employment, training or education as well as helping increase footfall in our town centres by encouraging people to shop local via the Scotland Loves Local initiative and our Shop Local campaigns.

Although there has been an underspend in the City Deal budget, due to previously announced delay to the completion of the Aurs Road improvements, there has been progress in other regeneration projects.

The UK Shared Prosperity Fund Communities and Place programme invested over £1 million to support town centre and neighbourhood regeneration. Projects supported this year include; the Thornliebank Town Centre and Shopfront Improvement Scheme, Dunterlie Multi-Use Games Area (MUGA), the Netherlee to Stamperland Walkway and new planters at various roundabouts across the area.

The most up-to-date available Local Government Benchmarking Framework data shows that recycling rates increased in 2023/24 (56.0% to 58.2%), placing East Renfrewshire back as the top recycling council in Scotland. There has also been a significant improvement in our independently monitored street cleaning quality standard, Local Environmental Audit and Management System (LEAMS), with our levels of clean streets going up from 89.9% to 94.7%.

The latest Citizens' Panel results show a small decrease in respondents rating our parks and open spaces positively (88% to 83%). We completed a range of projects to improve the quality and ensure variety in the type of open space, play and sports facilities available to residents. This included 10 play park refurbishments, various improvements in Cowan Park, e.g. the construction of a new 1km circuit footpath.

Our Local Housing Strategy target of bringing a minimum of 45 new affordable homes into the housing supply was exceeded in 2024/25, with the Council taking ownership of 110 new affordable homes in the year. All homes were for social rent from the Council. Investment of £1m by the Council's General Fund also saw the purchase of 6 homes to boost the supply of homeless temporary accommodation in 2024/25. This is, in response to the extreme pressure from waiting lists and the declaration of a local housing emergency in September 2024. Challenges remain with the delivery of homes due to market conditions, the availability of land, labour and the costs of materials. However, discussions are ongoing to maximise projects to be taken forward in 2025/26 in order to utilise available grant funding for new homes. £3.2m has been invested in capital programme improvements for our tenants during 2024/25, including new windows, kitchens, and roofs.

Our Capital Improvement Programme (2024-2028) continues with the additional investment of £3.5m per year in our road network. 57 carriageway and 8 footway resurfacing schemes were completed in 2024/25 with assessment and prioritisation of schemes being based on agreed criteria. Our programme of replacing our street lighting lanterns with LEDs continues with 99.8% completed, helping to reduce our carbon footprint. The remaining lanterns are programmed for completion in summer 2025. Overall, the Council's operational emissions reduced by 0.56% in 2023/24, (latest data available on this indicator). This indicator is influenced by several external factors.

We continue to deliver infrastructure and invest in behavioural change initiatives supporting sustainable travel, with improvements for pedestrians in Clarkston and increasing the A77 Ayr Road, providing a continuous active travel route between Maidenhill and Newton Mearns town centre. The



## **Management Commentary (cont'd)**

Local Transport Strategy is in development and will go through the review and approval stage in 2025/26. This will set the context for a new transportation plan for the area.

### **Strategic Outcome 4 - East Renfrewshire residents are safe and live in supportive communities**

East Renfrewshire remains one of the safest places to live in mainland Scotland and we work with our partners to maintain communities' safety. Data on noise complaints dealt with by community wardens showed a reduction from 8.9 % to 7.9% on the proportion of repeat calls from customers who had reported anti-social issues. This is an improving trend down from 10.4% in 2021/22, as we work to meet our challenging target of 7.5%.

Targeted youth work programmes focussed on; risk-taking behaviour, and helping reduce anti-social behaviour remains a priority. A Safer Choices programme, run in all secondary schools, has supported young people to make informed choices about their risk taking behaviour, safety and respecting others in the community they live in. We have supported capacity building for 20 new and existing community groups across all localities of East Renfrewshire with over £20,000 funding secured. Support has also included training to develop skills, developing policies and planning and organising events to enhance community groups' capacity.

Within the Justice Social Work Service, the measure on impact of Community Payback on reoffending was off target (82%, target 100%). The results are based on voluntary completion of surveys and are a small percentage of the total orders concluded. Nine out of eleven survey respondents confirmed their belief that completion of the order effected a positive change in their behaviour.

HSCP continue to work to ensure people can access recovery- focused support in a timely manner. Our data shows that 97% of people accessed recovery-focused treatment within three weeks during 2024/25, up from 93% for the previous year and continuing our trend of meeting our target (90%) since 2021/22. This is achieved through close monitoring and rapid assessment and allocation of new referrals within the Alcohol and Drug Recovery Service.

We continue to protect our residents from harm and abuse. Data from Women's' Aid East Renfrewshire shows that 92% of the people they support reported improvements in safety and wellbeing outcomes. During the year a total of 1,116 women and children were supported across Women's Aid three core service areas – a 5% increase on the previous year. For the past seven years, 100% of individuals identified as being at risk of harm have had a protection plan put in place.

### **Strategic Outcome 5 - Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives**

Despite continuing demand pressures on HSCP services, we remain committed to supporting older people and people with long-term conditions to live independently and performance in this area is positive. Latest data shows that 97% of individuals aged 65+ live in housing rather than a care home or hospital. The complexity of the needs of service users has meant less people are suitable for reablement services, therefore we are missing the target in this area.

There has been a slight decrease in the percentage of people aged 65 or over with long term care needs receiving personal care at home (60%), and we have fallen below our target of 62%. This trend was to be expected following the implementation of the HSCP's Supporting People Framework. While our care home population has remained stable, the number of people receiving care at home reduced (as we focus on fewer people with higher levels of need) impacting this measure. Redressing the balance of care and allowing people to remain at home and be more independent for as long as possible remains a priority for the HSCP.





## **Management Commentary (cont'd)**

We aim to ensure that our unpaid carers are valued and their wellbeing needs are met. Survey findings show we continue to see a high proportion of unpaid carers reporting their needs are being met at 84% and above our target.

The HSCP are working closely with East Renfrewshire Carers' Centre to identify and support all unpaid carers including those who are part of the local workforce. The HSCP commission the Carers' Centre to be the main information and advice service for carers. The Carers' Centre have a key role, leading many of the activities that will deliver the strategic priorities of the East Renfrewshire Carers' Strategy. The strategy also promotes the use of the HSCP Talking Points network to provide support to carers, embracing the principles of prevention and early intervention.

### **Organisation Outcomes – Customer, Efficiency, People**

We have three organisational outcomes under the themes of Customer, Efficiency and People in the Outcome Delivery Plan (ODP). These focus on how we are delivering for our customers, supporting our staff and ensuring all our resources are managed efficiently.

Our latest Citizens' Panel results show an overall positive rating of 62% respondents satisfied with Council services, however this result missed the ambitious target of 67%. This rating compares favourably with the broadly comparable rating from the Scottish Household Survey findings (2023), where 42% of respondents agreed councils provide high quality services. The Council's Organisational Health Check Plan, which is the new tool for reporting the Council's annual performance in relation to our own customers, people and efficiency, was approved at Council in April 2025. It sets out a range of activities aimed at ensuring we have satisfied customers that have had their needs met.

In these challenging times, when budgets are strained, it is essential that all our assets are managed efficiently. We continue to maintain a robust approach to financial planning and have effective monitoring processes in place. Our processes and prudent financial management have enabled us to achieve an expenditure level of 97.14% of the agreed annual budget in 2023/24. Data for 24/25 will be available in September 2025.

Finally, our staff absence levels have improved, with a reduction in average days lost from 11 to 10.3 days. The introduction of a staff absence management dashboard has provided more accurate real time data for managers to support better monitoring.

## **Public Performance Reporting**

For more information on how the Council is performing, including trend data, planned activities, targets, benchmarking information and our annual performance video, visit:- [www.eastrenfrewshire.gov.uk/performance](http://www.eastrenfrewshire.gov.uk/performance)

## **Our People**

Our People vision is to have engaged employees who are motivated to deliver quality services for our customers. We aim to deliver this through:

- Engaged, empowered and resilient employees
- An ambitious skilled workforce who deliver customer satisfaction
- An organisation that promotes and values equality, diversity, inclusion and belonging
- Inspirational and effective leaders at all levels



## **Management Commentary (cont'd)**

Delivered by:



Our employees are our greatest asset and we recognise the need to invest in them, seek their feedback, and ensure they are able to work efficiently and effectively. By supporting and developing our employees, we will continue to live our values and develop progressive, people-orientated policies and practices.

Our aspiration is to be a learning organisation; one that continuously transforms through the learning and development of our people. Learning has a clear link to growth, innovation and motivation. Becoming a learning organisation means we can respond faster to change, through effective problem solving and the introduction of talent strategies to develop and keep and attract the best people. This will lead to improvements in performance and customer satisfaction.

We want inspirational and effective leaders, who ensure employees are supported and developed to build the necessary knowledge, skills and understanding required for their roles.

We will utilise the experience and skills of our employees and engage with them to inform improvements in the way we work and the services we provide. Through this we will deliver a customer focused, One Council approach.

We are focused on developing our workforce ensuring access to learning and skills development opportunities, making the best use of technology; and iterating the way we work to support our local residents. Alongside this, we support our employees' health and wellbeing and value the equality and the advancement of diversity.

Workforce planning is essential to ensure we have an ambitious, skilled workforce who deliver customer satisfaction. It is a core business process which aligns changing organisation needs with the People Strategy, and is undertaken annually. In workforce planning we review demand drivers for future change, and undertake gap analysis between our current workforce, workforce supply and future demands.

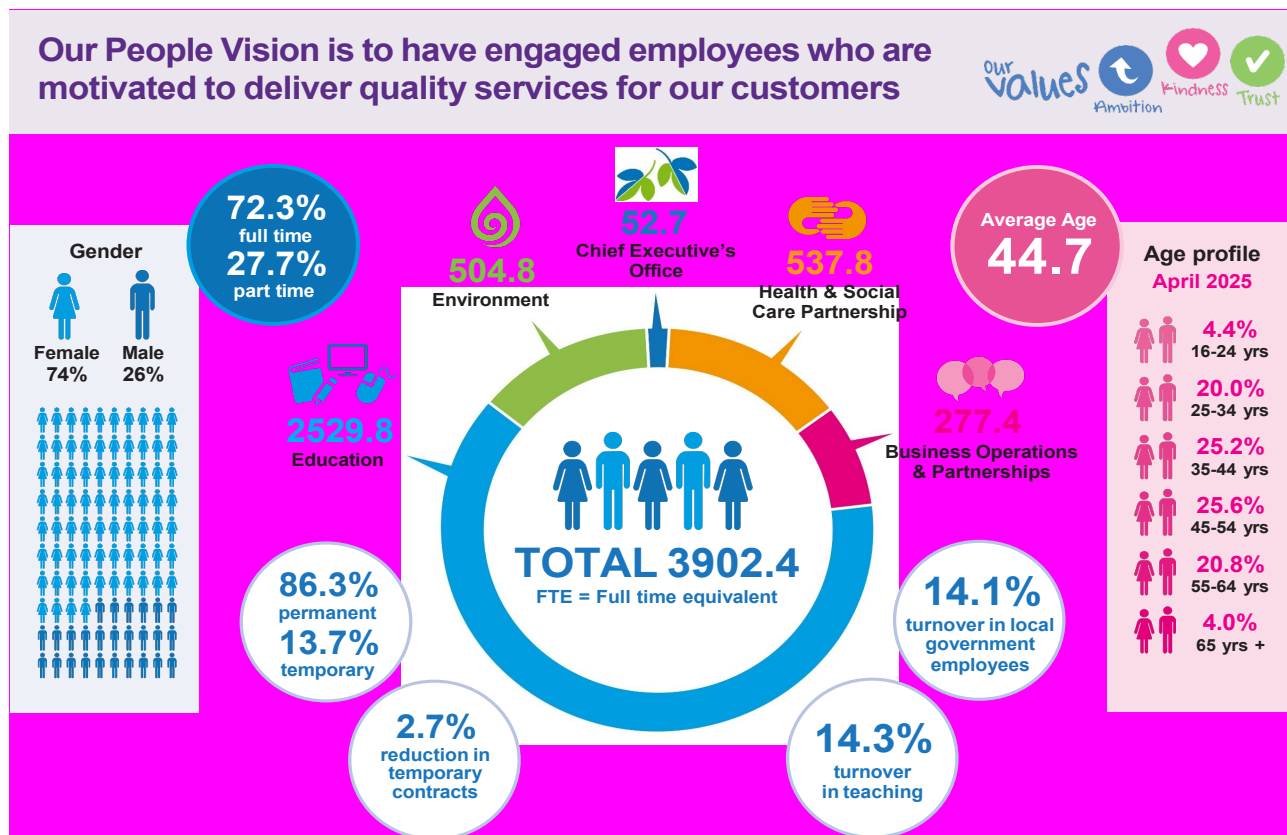
The Council's Workforce Plan is aligned with our budget planning. A single year budget has been set for 2025/26. Longer term financial planning allows for better prediction of potential changes to workforce shape and size, and gives time to plan appropriately. Nationally, it is hoped there will be a return to a multi-year budget process in future years, which would make it easier to align budget and workforce planning, however this will rely on the outcome of the UK Government multi-year



## Management Commentary (cont'd)

spending review, scheduled to conclude in June 2025, and the publication of the Scottish Government's Medium Term Financial Strategy and Scottish Spending review, which will follow on from this. Public sector budgets are, however, expected to remain a challenge and there will be continued pressures on workforce numbers.

The Council's workforce demographics are shown



To support our workforce ambitions, it is important that we have employees with the correct skills, are able to recruit in the correct areas within services and promote learning and skills development across our workforce. We continue to have the appropriate number of Local Government Employees and Teachers with the correct qualifications, registration and skills in the correct roles. We support our employees with many different learning and development opportunities appropriate for current and future roles. During these challenging financial times, we continue to review our structures and operating models to introduce and establish more cross-functional and collaborative working to improve resilience within teams.

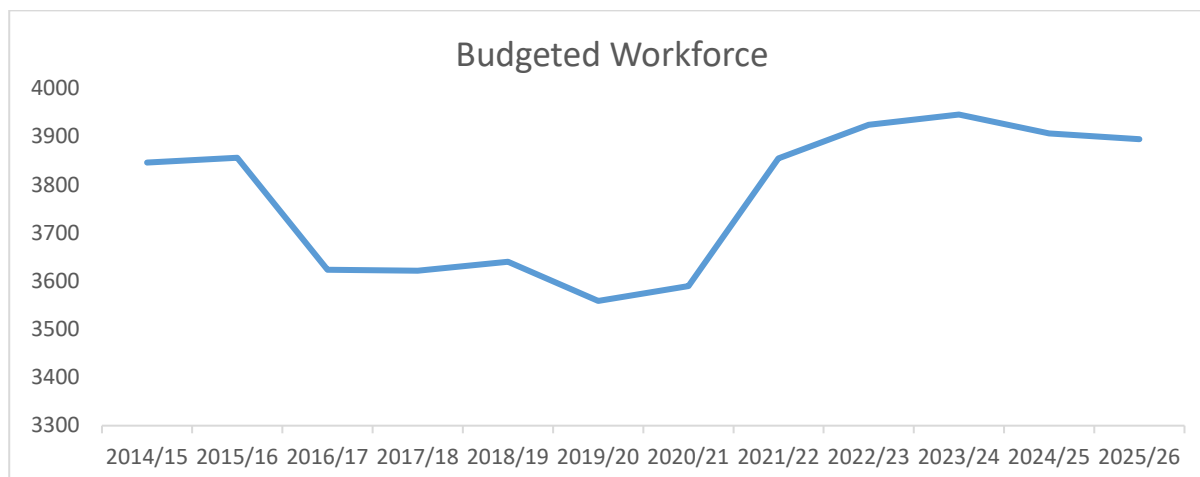
The Council has developed a Medium Term Financial Strategy for 2025-2030, however, as a result of the Scottish Government settlement, announced in December 2024 and detailing figures for only one year, a detailed revenue budget could be set for 2025/26 only. As part of settling this budget, a budget gap of £7.066m had to be addressed. This was achieved through increasing Council Tax, the use of reserves and the delivery of savings. While the savings approved were significantly lower than in previous years, the impact on the workforce of previous savings is still ongoing. In addition, it is estimated that there will be a reduction of up to 12 full time equivalent employees from the current Council structure as a result of the savings approved as part of the 2025/26 budget. We have continued to manage reductions through natural turnover, voluntary early retirement and redundancies and a commitment has been made that this approach will continue for 2025/26.



## **Management Commentary (cont'd)**

Due to the Council's programme of efficiency reviews, 25 employees took the option of voluntary redundancy or other packages in 2024/25. This resulted in an in-year cost of £0.86m, with an average payback period of just over 1.6 years.

The chart below shows how the Council's budgeted workforce has changed in recent years\*:-



\*The decrease in staff between 2015/16 and 2016/17 is due to the transfer of staff to East Renfrewshire Culture & Leisure Trust which commenced on 2 July 2015. The increase in 2021/22 reflects the rolling out of the Early Learning and Childcare 1140 hours initiative.

### **Consultation and Communication with Workforce**

East Renfrewshire Council has employee governance arrangements in place to ensure its employees are well informed, involved in decisions, appropriately trained, treated fairly and consistently, and provided with a safe environment. The Council engages with employees via surveys and focus groups to seek views, in addition to regular consultations with staff and trade unions.

Regular meetings are held with the Trade Unions and there are regular internal communications using various communication channels including newsletters from the Chief Executive and Directors.

### **Financial Planning, Monitoring and Performance in 2024/25**

#### **Budget Process**

The Council has operated in an environment of constrained financial resources for many years, and this has necessitated difficult decision making. Following our successful previous multi-year budget approach, the Council undertook extensive community engagement during autumn 2022, on setting its budget for future financial years. Reflecting on that engagement, together with the responses from our annual Citizens' Panel, alongside discussion and engagement at the Council's cross-party Budget Strategy Group, the budget for 2025/26 was set on 26 February 2025.

The Council recognises that the future financial position is likely to remain difficult in terms of spending pressures, demand for services and the level of government grant. Accordingly, while the 2025/26 Local Government settlement was better than anticipated, the Council has adopted a medium-term financial planning approach that assumes a real terms reduction in available budgets in future years.

Recognising these ongoing financial pressures, as noted above, the Council has developed a Medium Term Financial Strategy for 2025 - 2030, however, as a result of the Scottish Government

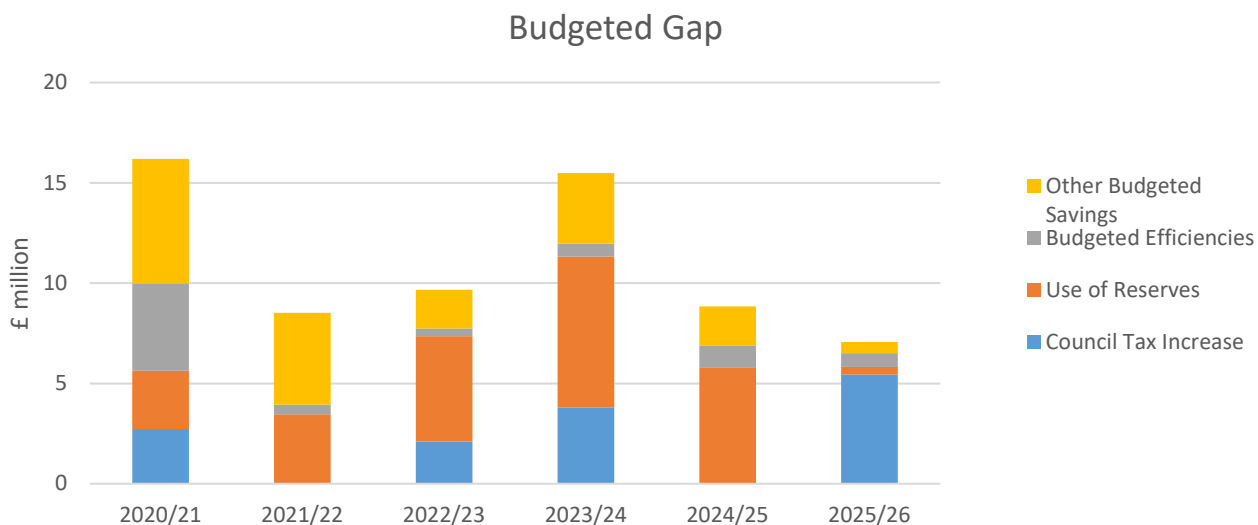


## Management Commentary (cont'd)

settlement, announced in December 2024 and detailing figures for only one year, a detailed revenue budget could be set for 2025/26 only. It is hoped that detailed multi-year budget setting can resume in the near future, but this will rely on the receipt of multi-year funding information. The outcome of the UK Government and Scottish Government multi-year spending reviews is expected to align with the Council's assumption of a real terms reduction across the medium term, and it is anticipated that this reduction will continue to impact on the level of service delivery moving forward.

The Council has had to make significant budget savings for a number of years in order to ensure that it complies with its statutory requirement to set a balanced budget whilst meeting the needs of residents. A total of £15.84m budget savings has been approved for the most recent 5 year period covering 2021/22 to 2025/26. In addition, both Council Tax increases and the use of reserves have been used to balance the budget gap over this period. For 2024/25 the approved savings totalled £3.067m and were all achieved. The total of savings achieved from 2021/22 to 2024/25 is therefore £14.33m. The budget gap for 2025/26 was £7.066m. Total savings agreed for 2025/26 were £1.235m and these are currently being monitored. The remainder of the 2025/26 budget gap was closed by increasing the Council Tax by 8% generating £5.446m and a draw of £0.385m from the Service Concession Flexibility Reserve.

Savings are classed as efficiencies when they do not relate to service reductions or increased income



Capital plans have also been agreed for the General Fund and Housing, covering the period 2025/26 to 2034/35.

### Budget Monitoring

The Council closely monitors expenditure and income against revenue and capital budget plans throughout the year. Standard reports showing revenue expenditure and income to date against budgets are provided to managers every four weeks, with individually tailored reports and online information also available as required. Elected members consider revenue monitoring reports and detailed variance information at Cabinet four times per year, with all reports providing year-end forecasts. Financial and physical progress on each capital project is also reported to Cabinet four times per year. Copies of these reports are available on the Council's website: [www.eastrenfrewshire.gov.uk](http://www.eastrenfrewshire.gov.uk)





## **Management Commentary (cont'd)**

### **Revenue Budget Performance**

#### **General Fund Revenue Balance**

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statement, which can be found on page 50 and has been prepared using International Financial Reporting Standards (IFRS). To show the net position of the Council, it is necessary to adjust the Comprehensive Income and Expenditure Statement for statutory items that require to be taken into account in determining the position on the General Fund and Housing Revenue Account for the year. These are summarised in the Movement in Reserves Statement on page 51.

An Expenditure and Funding Analysis reconciles adjustments between the Council's financial performance under the funding position and the balance on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis can be found in Note 2 and the Expenditure and Income Analysed by Service in Note 5.

The overall balances on the General Fund increased by £4.086m to £45.852m at the 31 March 2025. The aims and governance arrangements for the Council's reserves are set out in the [Medium Term Financial Strategy](#) which was most recently updated on 26/02/2025

[https://www.eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council\\_Item\\_08\\_-\\_26\\_February\\_2025.pdf?m=1739900318787](https://www.eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council_Item_08_-_26_February_2025.pdf?m=1739900318787)

The General Fund is split over a number of earmarked funds which are adjusted annually to take account of the following factors:-

**Non-earmarked Reserve:** To ensure that the General Reserve is adequate to provide against unforeseen expenditure, which may arise. The Council's aim where possible is for the unallocated general fund balance to be between 2% and 4% of annual budgeted net revenue expenditure. The actual balance for 2024/25 was 2.7% (2023/24 2.3%).

**Equalisation Reserve:** To earmark funding to equalise future PFI/PPP payments, as future grant levels will be below payment commitments in the later years of the schemes.

**Modernisation Fund:** To earmark funding to enable the upfront investment required to drive forward the Council's transformation programme.

To earmark funding from **Unspent Grants, Whitelee Windfarm, Commuted Sums and Devolved School Management.**

**Feasibility Fund:** To earmark funds for feasibility studies to be carried out on potential capital projects.

**Get to Zero:** To enable transformation work to commence on the Council's Get to Zero programme towards its carbon reduction targets.

**Service Concessions Flexibility:** To earmark funds from writing off the debt in service concession projects over the life of the asset instead of the life of the contract.

**Workforce Restructuring Fund:** To ensure that the Council can adjust its staffing structures to enable future budgets to balance.

**Employee Wellbeing & Development Fund:** To invest in employee wellbeing and development, to help address issues arising from staff wellbeing surveys; to develop skills and learning opportunities for existing staff.

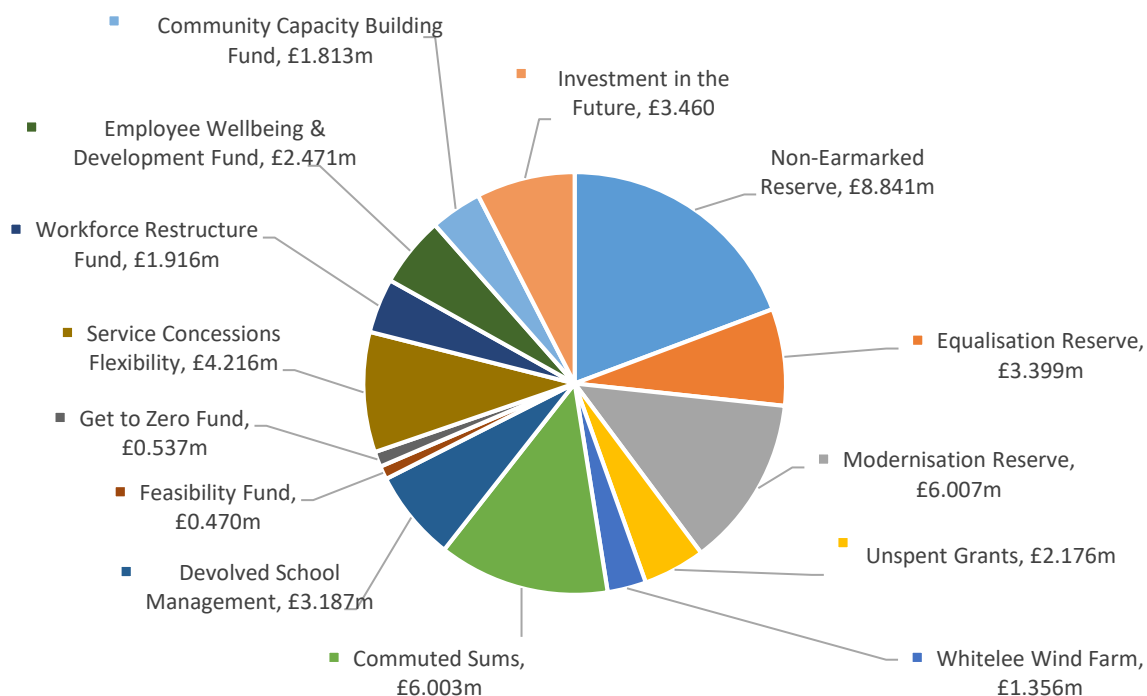
**Community Capacity Building Fund:** To ensure long term investment in our local communities, to build capacity; skills; support place-making and build on the positive assets of our local people.

**Investment in the Future:** The short term reduction in employers' pension contributions has enabled this reserve to be established. It will hold funds available to benefit the Council in the coming years.



## Management Commentary (cont'd)

The pie chart below shows the total amounts held within these funds, further information can be found in Note 11.



Budget Performance	Approved Budget £'000	Actual £'000	Over/(Under) Spend £'000
Net Cost of Services	307,726	306,239	(1,487)
Contribution (to) Earmarked Reserve (note 11)	-	(20,321)	(20,321)
Contribution from Earmarked Reserves (per note 11)	8,477	17,774	9,297
Capital Financing Costs	9,525	9,523	(2)
To be met by Govt. grants and local taxation	325,728	313,215	(12,513)
Aggregate External Finance	(253,976)	(253,973)	3
Council Tax	(63,275)	(63,328)	(53)
Total Funding	(317,251)	(317,301)	(50)
<b>(SURPLUS)/ DEFICIT FOR THE YEAR</b>	<b>8,477</b>	<b>(4,086)</b>	<b>(12,563)</b>

During 2024/25, the overall balances on the Council's General Fund increased by £4.086m (2023/24 £10.348m reduction). This is comparable with the budgeted position of a reduction of £8.477m in year as analysed above, and represents an improved position of £12.563m from the planned year end position on the overall General Fund.

Council services produced a £2.5m in-year under-spend which is in line with that reported to Cabinet in March 2025. The under-spend related mainly to staff turnover (£0.6m) and a reduction in utility costs (£1.0m) as well as a reduction in the anticipated departmental restructuring costs (£0.4m). In addition the Council received additional income (£0.9m) as well as increased interest earned on temporary investment balances (£0.9m). These were partially offset by increased costs relating to homelessness and temporary accommodation pressures (£1.7m).





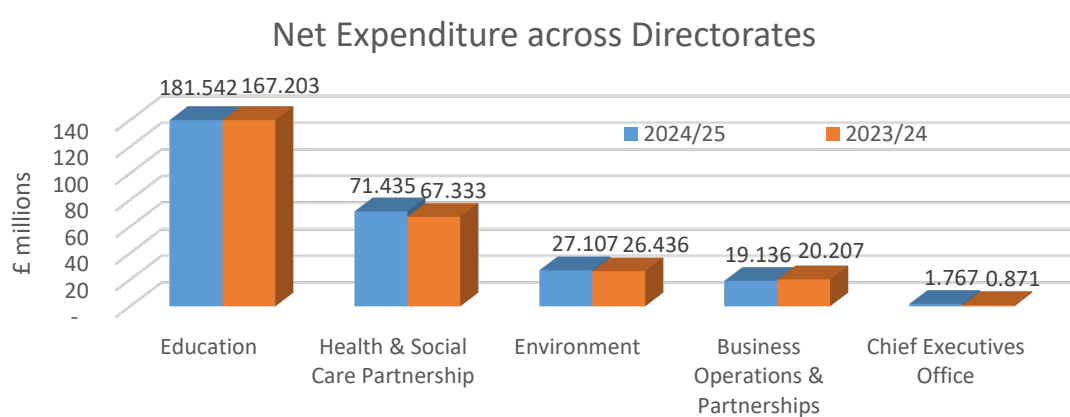
## Management Commentary (cont'd)

This permitted the transfer of £1m to the Capital Reserve and the balance of £1.5m was retained in the Council's unallocated General Fund reserve.

In addition there was a net improved position of £11m for the earmarked reserves mainly due to a transfer of the in-year pension gain of £6.34m to a new Investment in the Future reserve and a £4.6m contribution to the Services Concession reserve reflecting the approved extension of the write-off period of PPP/PFI debt over the life of the asset instead the life of the contract.

This net movement of £11m on the General Fund earmarked reserves in addition to the £1.5m increase in the unallocated General Fund reserve explains the £12.5m in the above table.

When the improved position of £4,086k, shown above, is considered with the Housing Revenue Account surplus of £831k (see Movement in Reserves Statement), it equates to the total surplus of £4,917k, as stated in the Expenditure and Funding Analysis (Note 2). The graph below shows the net expenditure across Directorates, also as shown in Note 2.

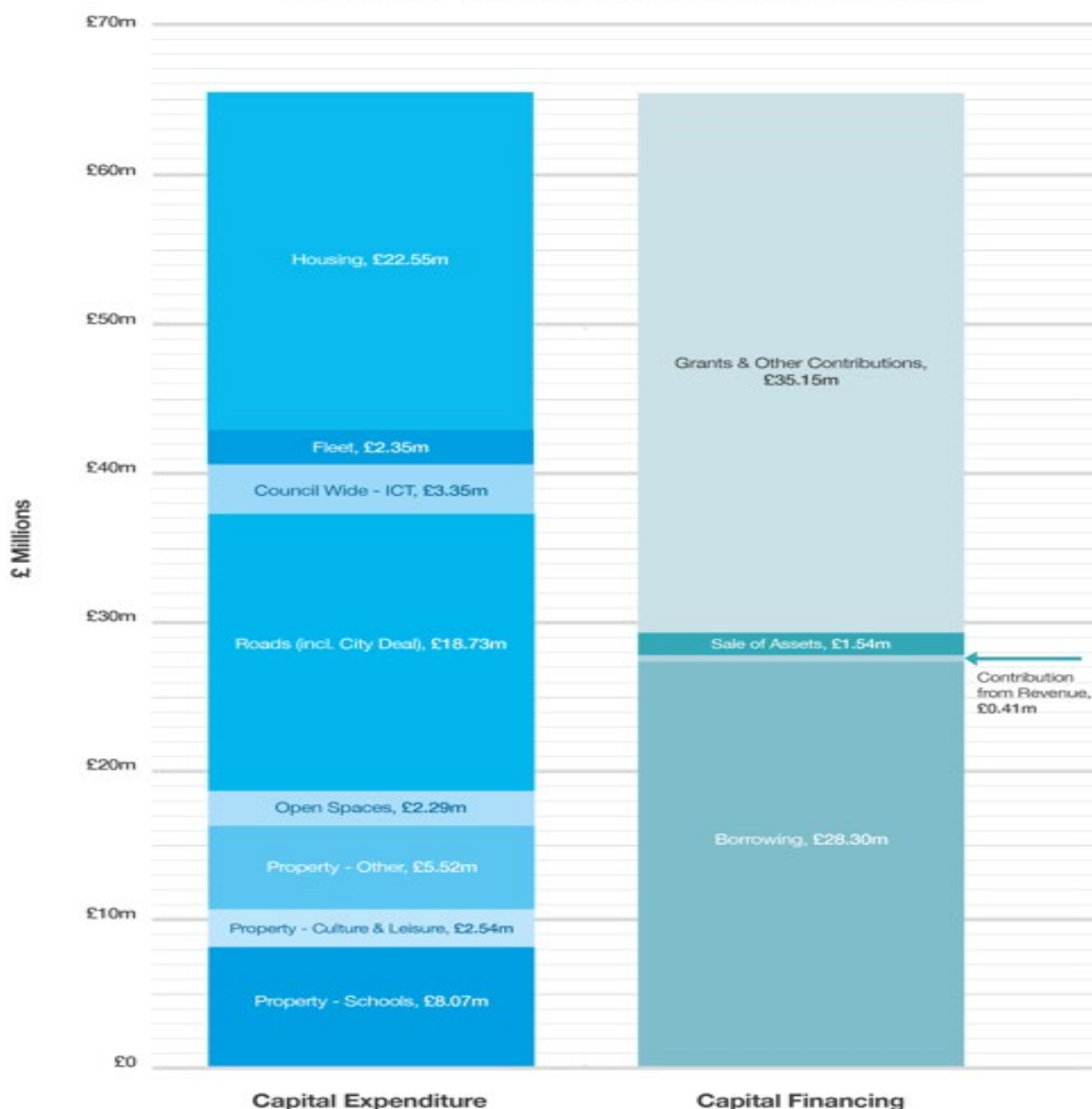


### Housing Revenue

The Housing Revenue Account Comprehensive Income and Expenditure Statement and the Statement of the Movement on the Housing Revenue Account balances are shown on page 116. These accounts deal with transactions in respect of managing the Council's housing stock, which cannot be subsidised by the Council. The opening balance of £1,652k has been increased by an operational surplus of £831k to give a year-end balance of £2,483k.

### Capital Budget Performance

The impact of the Middle East conflict and war in Ukraine interrupted progress on the Council's capital schemes in 2024/25, due to the increases in crude oil prices increasing the cost of construction and supply chain problems causing material shortages and driving up costs. However the Council is currently revising its Capital Strategy which should have a beneficial impact on slippage within the capital programme in coming years. The final Council budgets (as approved on 6 March 2025) for capital investment in both the General Fund and the Housing Revenue Account totalled £67.432m, with 97% of this being delivered. It should be noted that as these capital programmes are part of a longer term plan, it is expected that there will be movement in spend across the years and that projects not delivered in year will be completed in forthcoming financial years. The diagram below identifies the key areas of spend in 2024/25 and how these were funded. Further details are provided in Notes 15 to 19.

**Management Commentary (cont'd)****Capital Expenditure and Funding****Balance Sheet**

The Balance Sheet summarises the Council's assets and liabilities as at 31 March 2025 and explanatory notes are provided. The Council's net assets have increased by £9,416k from £743,538k as at 31 March 2024 to £752,954k as at 31 March 2025. The major movements are set out below:

	31 March 2025 £000	31 March 2024 £000	Movement £000	Main Reason
<b>Long Term Assets</b>	1,012,674	957,521	55,153	In-year valuations on the Council's assets impacted on the overall movement along with the adoption of IFRS 16, whereby all right-of-use assets are now included on the balance sheet

**Management Commentary (cont'd)**

<b>Current Assets</b>	67,299	60,937	6,362	The movement is mainly due to an increase in short term debtors.
<b>Current Liabilities</b>	(63,796)	(56,021)	(7,775)	Due mainly to the movement in short term creditors (see note 24) as well as the adoption of IFRS 16, resulting in increased short term lease repayments
<b>Long Term liabilities</b>	(263,223)	(218,899)	(44,324)	Due to the increase in borrowing during the year as well as the adoption of IFRS 16 resulting in increased long term lease repayments.
<b>Usable Reserves</b>	(72,526)	(68,789)	(3,737)	This mainly reflects an increase in contributions to the Service Concessions Flexibility reserve due to the write-off of debt within the PFI/PPP contracts, over the life of the asset instead of the life of the contract, as well as the setting up of the new Investment in the Future reserve with the pension windfall monies offset by budgeted in-year spend across the reserves.
<b>Unusable Reserves</b>	(680,428)	(674,749)	(5,679)	Reflecting an in-year revaluation of assets (See Note 26)

**Pension Liability**

The common position for employers participating in the Strathclyde Pension Fund is that the IAS19 calculation, based on a snapshot valuation as at 31 March 2025, discloses an asset, in line with that reported in the previous year. However reserve balances can fluctuate significantly year on year and the table below shows the Council's pension asset/ (liability) over the last three years:-

	2024/25 £000	2023/24 £000	2022/23 £000
<b>Pension Asset / (Liability)</b>	(14,514)	(16,886)	114,498

The net asset arising from the Council's involvement in the defined benefit scheme totals £263,694k at 31 March 2025 (£178,626k: 2023/24). The main movement this year can be attributed to the corporate bond yield (upon which the discount rate is derived), this has risen over the period, which has led to a 1% increase in this assumption. This served to reduce the Employer's obligations and led to a gain of around £89,060k. In addition, the actual Pension Increase Order for April 2025 was 1.7%, which is lower than the pension increase rate assumption built into the obligations at the start of the accounting period, resulting in a further reduction to the Employer's obligations and led to a gain of £4,947k. This was offset by a reduction on investment returns of 1.8% from that expected, leading to a loss of £13,191k.

However, this improved position has been limited to £nil in line with the accounting requirement of IFRIC 14: to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contribution. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in



## Management Commentary (cont'd)

contributions as compared to the forecast future service costs. The unfunded obligations of £14,514k are shown separately on the balance sheet, in line with IFRS requirements.

The appointed actuaries, who provide the above analysis, remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and future income to meet future pension liabilities.

Further detail on pension estimates is included in Note 40.

### Treasury Management

The Council's net borrowing increased by £50.384m during the year. This reflects the internal funding of the capital programme and the repayment of borrowing and lease finance as shown in the Balance Sheet as follows:-

	31 March 2025 £000	31 March 2024 £000	Movement £000
Long Term Investments	239	243	(4)
Short term Investments	-	-	-
Cash & Cash Equivalents & Bank Overdraft	36,199	35,640	559
Short Term Borrowing	(16)	(16)	-
Short Term Finance Lease	(9,734)	(5,567)	(4,167)
Long Term Borrowing	(152,607)	(127,623)	(24,984)
Long term Finance Lease	(84,353)	(62,565)	(21,788)

The Council's borrowing strategy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities. Further details are provided at Note 42. The Council regulates its capital spending limits within a prudential framework recommended by CIPFA and endorsed by the Scottish Government. Each year, the Council approves its capital financing requirement (CFR) for the forthcoming year, as part of the Treasury Management Strategy. During 2024/25 updates ([https://www.eastrenfrewshire.gov.uk/media/11300/Audit-and-Scrutiny-Committee-Item-04-27-March-2025/pdf/Audit\\_and\\_Scrutiny\\_Committee\\_Item\\_04\\_-\\_27\\_March\\_2025.pdf?m=1742308704067](https://www.eastrenfrewshire.gov.uk/media/11300/Audit-and-Scrutiny-Committee-Item-04-27-March-2025/pdf/Audit_and_Scrutiny_Committee_Item_04_-_27_March_2025.pdf?m=1742308704067))

to the [Prudential Indicators](#), approved as part of the Treasury Strategy were ratified, incorporating the requirements of the new IFRS 16 accounting standard. The CFR is a prudent assessment of the external borrowings for capital investment purposes that are affordable and sustainable over the longer-term. The Council's external debt (including Finance leases) at the year-end was £245.971m million (excluding effective interest), made available to the Council from various sources, the most significant of which was from the Public Works Loans Board. This compares with the CFR of £272.494 million (see Note 34) and demonstrates that external borrowing has only been undertaken for capital investment purposes, which is reflective of the Council's Treasury Management Strategy to make use of internal funds and to minimise the exposure to investment risk. The Council's [Treasury Management Strategy Report](#) for 2024/25 can be found: [https://www.eastrenfrewshire.gov.uk/media/10096/Council-Item-05-iv-28-February-2024/pdf/Council\\_Item\\_05iv\\_-\\_28\\_February\\_2024.pdf?m=1713447820697](https://www.eastrenfrewshire.gov.uk/media/10096/Council-Item-05-iv-28-February-2024/pdf/Council_Item_05iv_-_28_February_2024.pdf?m=1713447820697)



## **Management Commentary (cont'd)**

### **Provision and Write-offs**

The Council has provided £1.558 million in the Balance Sheet for eventualities which may have an impact on the financial position of the Council and the reasons for the provisions made are outlined in Note 25.

There was a write-off against bad debt provision during the year of irrecoverable debt due to the Council of £318.6k for Council Tax, £90.8k for Non-Domestic Rates and £207k of other debts which were approved by Cabinet.

### **Key Financial Ratios**

The following table provides information regarding the financial performance of the Council in 2024/25 and the affordability of its ongoing commitments:-

<b>Financial Indicator</b>	<b>Commentary</b>	<b>2024/25 Actual</b>	<b>2023/24 Actual</b>
<b>Reserves</b>			
Uncommitted General Fund Reserve as a proportion of Annual budgeted Net Expenditure	Reflects the level of funding available to manage financial risk/unplanned expenditure. The Council's Reserves Policy is to hold between 2% and 4% of the current year's budgeted net expenditure. More information is provided in the <i>General Fund Revenue Balances</i> section above	2.7%	2.3%
Movement in the Uncommitted General Fund Balance	Reflects the extent to which the Council is (using)/ increasing its Uncommitted General Fund Reserve	21.1%	9.7%
Total useable Reserves as a percentage of Council Annual Budgeted Net Expenditure	This indicator reflects all useable reserves, including those earmarked as a percentage of the Council's net budgeted expenditure. Details of the useable reserves can be found in note 11	21.8%	21.9%
<b>Council Tax</b>			
In-Year collection rate	Reflects the Council's effectiveness in collecting Council Tax debt and financial management. The Council continues to achieve high collection levels despite the current economic climate and its effect on the local economy.	97.7%	97.55%
Ratio of Council Tax income to Overall Level of Funding	Reflects the Council's capacity to vary expenditure by raising Council Tax income, the only principal source of finance within Local Authority control.	20.0%	22.0%
<b>Financial Management</b>			
Actual Outturn as a percentage of Budgeted Expenditure	How closely expenditure compares to the budget is a reflection of the effectiveness of financial management.	95.9%	97.14%
Actual contribution (to)/from Unallocated General Fund Balance as a percentage of Budget.		(0.46%)	(0.21%)

**Management Commentary (cont'd)**

Treasury Management				
Financing Charges on the Council Tax	The amount the Council has paid, including principal, interest and expenses, to meet the cost of capital investment and the interest rate applied. In 2023/24 the Scottish Government gave the Council £3.555m to help fund the Revenue budget. This was provided as a capital grant and was used, in line with the Code of Practice, to reduce the Financing Charges, which in turn released budget to fund the pay award. This explains the year-on-year increase in Financing Charges.	£9.523m	£4.897m	
Financing Charges on the Housing Rents		£5.590m	£5.132m	
Average Loans Fund Interest Rate		3.87%	3.89%	
Ratio of Financing Costs to Net Revenue Stream – General Fund	Demonstrates how much of the General Fund Revenue budget is committed to support borrowing. The Council's cost of borrowing is affordable and fits with the Council's medium to long term financial strategy. For ease of comparison this excludes the 2023/34 Scottish Government capital grant of £3.555m above.	8.0%	6.6%	
Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account	Demonstrates how much of the Housing Revenue budget is committed to support borrowing	34.5%	33.8%	
Debt/Long-term Borrowing		2024/25 Estimate	2024/25 Actual	2023/24 Actual
Capital Financing Requirement (CFR) for the current year	External debt levels are less than the CFR. This demonstrates that borrowing is for capital investment purposes only.	£318.63m	£272.49m	£256.27m
External Debt Levels for the current year		£271.31m	£245.97m	£195.02m

**Review**

The Council's affairs have again been managed within its overall operational budget (see budget performance section above) as reported to Cabinet in March 2025. The under-spend was due to increased returns on investments, additional income received and underspends on staffing, restructuring costs and utilities. These were offset by overspends relating to homelessness and temporary accommodation. The net favourable position gives the Council more flexibility to address the significant financial difficulties and uncertainties in coming years.

Additional Covid-19 cost pressures of £1.8m encountered or committed during the year were covered by the use of the Unspent Covid-19 Grants Reserve carried forward from 2020/21. These pressures impacted directly on Council funded services in terms of additional costs, including staff costs and other measures to address recovery from the pandemic. In addition, these funds also allowed for organisational recovery support to be provided to our Third Sector providers and wellbeing support for vulnerable individuals including direct financial support to residents.

During the year, major investment in Education continued with a new nursery class opening at St John's primary in August 2024 and work to build a four-classroom extension at Maidenhill Primary, due to be opened in time for the new term in August 2025. Plans are also well under way for a new out-of-school care service which will be provided for pupils at Isobel Mair School.





## **Management Commentary (cont'd)**

Work by the Health and Social Care Partnership is also ongoing as they adapt services to accommodate the increased demands for care from the rising older population and the increasing levels of support required for people with complex health conditions.

The Council continues to benefit from a programme of Glasgow City Region Deal projects intended to stimulate growth in East Renfrewshire and allow improved transport routes across the areas, aligned to the Get to Zero Plan. The Council's City Deal programme will result in total investment of £44m, comprising £38m from the Scottish and UK Governments and co-funded by the Council's £6m capital contribution. Sustrans have also provided an element of funding for the Aurs Road project.

Work continues to progress these projects, with many substantially complete. In Newton Mearns, this has produced opportunities for business start-ups and networking at the new facility at Greenlaw. At Barrhead North, the remediation of the former Nestle site has provided exciting opportunities for retail and business and has created employment opportunities. The City Deal investment includes significant transport infrastructure projects which aim to kick start regeneration and to create access to employment in the communities of Barrhead and Eastwood. Improvements on Balgraystone Road have enabled an accelerated affordable residential development in Barrhead and improved accessibility to the Dams to Darnley Country Park. A new bus interchange has already been created and will serve a new rail halt in south Barrhead on the existing Glasgow to Neilston branch line. Works are well underway on site at Aurs Road for the Aurs Road Realignment Project that will improve connections and road safety between Barrhead and Newton Mearns, replace a weak bridge, deliver a new active travel route and a new public promenade on Balgray Reservoir, and install a replacement culvert between Balgray Reservoir and the Brock Burn. Following this, there will be a project to provide new visitor facilities at the Dams to Darnley Country Park.

In Maidenhill ongoing work on building more council houses as a result of an agreement with a private developer has allowed more council houses to be handed over to tenants in the current year.

Improvement has also continued with the neighbourhoods across East Renfrewshire continuing to benefit from the £15m extra capital investment first announced in 2019 to fund a five-year programme of road improvements. This has now been extended by £17.5m to continue with roads improvements until 2028/29.

### **Key Risks and Financial Outcomes**

The Council maintains a Strategic Risk Register, regularly reviewed by the Corporate Management Team (CMT) and reported twice yearly to the Audit and Scrutiny Committee. The report presented on 27 March 2025 can be found here: [https://eastrenfrewshire.gov.uk/media/11301/Audit-and-Scrutiny-Committee-Item-05-27-March-2025/pdf/Audit\\_and\\_Scrutiny\\_Committee\\_Item\\_05\\_-\\_27\\_March\\_2025.pdf?m=1742308704663](https://eastrenfrewshire.gov.uk/media/11301/Audit-and-Scrutiny-Committee-Item-05-27-March-2025/pdf/Audit_and_Scrutiny_Committee_Item_05_-_27_March_2025.pdf?m=1742308704663)

The Council monitors risks closely using a RAG approach, seeking to mitigate them so as to deliver its strategic aims. Risks are given a score from 1 to 4 for both likelihood and impact, with the product for each risk therefore ranging from 1 to 16. Risks scored below 6 are regarded as green, those between 6 and 9 as amber and those scoring higher as red. Risk registers are also maintained within departments / services and for major projects. The Strategic Risk Register is home to the most significant risks the Council faces, with 13 high-level and high-scoring risks included. Any other appropriate risks are recorded through departmental or project level arrangements.

Across 2025, the Council will be updating our Risk Management Strategy and the layout of the Strategic Risk Register. This will be to align with A Place to Grow, with the intent of better demonstrating how we are building a risk culture.





## Management Commentary (cont'd)

In common with all other organisations, we are affected by a continued challenging climate. Key risks for the Council are listed in the table below, all of these representing risk information contained on the Strategic Risk Register. Our mitigating actions are also outlined.

KEY RISKS AND UNCERTAINTIES	
Risk	Mitigating Actions
<b>Demographic pressures (risk scores 9-16)</b> , particularly in relation to challenges in being able to accommodate the needs for growing and aging population – e.g. school placements, additional support needs, etc. within the Council's available financial and property resources.	The Council updates its demographic forecasts annually and these are used to inform both revenue and capital plans. Services are reviewed and redesigned with a view to increasing efficiency, and joint working across departments (e.g. Education, HSCP, Housing, Property and Planning) ensures focus on the most strategic issues. Eligibility and resource allocation are also reviewed.
<b>Financial constraints (risk score 8-12)</b> restrict the Council's ability to provide the required range and quality of services, due to settlements not providing full funding for inflation and new burdens, while ring-fencing of grants limits local flexibility. External economic factors continue to be challenging and volatile. The increased demand for health and social care services may also require additional funding requests through the Integration Joint Board.	Medium term financial strategy and planning, budget scenario modelling, utilisation of fiscal flexibilities and close revenue and capital budget monitoring all assist in mitigating this risk. <a href="https://eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council_Item_08_-_26_February_2025.pdf?m=1739900318787">https://eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council_Item_08_-_26_February_2025.pdf?m=1739900318787</a> A focus on efficiencies, service reviews, the Council's ambitious transformation programme and lobbying of Government are also used to reduce the threat.
<b>Interruptions to Services (risk score 12-16)</b> arising from building closures or systems (including ICT)/equipment/supplier failures may result in loss of services, income and reputation.	Long term capital planning is in place and the Capital Investment Strategy and Capital Plan are reviewed annually. IJB review commissioning and service planning. Business continuity plans are also maintained.
<b>Lack of affordable housing (risk score 16; previously 12)</b> may prevent the Council from meeting its statutory homelessness duties and providing sufficient units for wider local housing needs	A local housing emergency was declared in September 2024, to ensure customers and partners are aware of the pressures. Housing plans and homelessness policies reviewed. Partnership working to assist in addressing homelessness. Ongoing investment in both new build and purchased housing units. Exploring options to support purchase of more accommodation.
<b>Cyber Attacks (risk score 12)</b> continues to be a threat faced. The impact from this risk being realised would be a significant disruption to our services and potential for loss of data, money and reputation.	Council Information Security Officer ensures defences are up to date through liaison with national bodies and there is an annual provision of mandatory staff training, test and campaigns.

The Council's financial and outcome delivery plans are being updated to take account of the above risks. These are also reflected in annual budgets, savings proposals and service plans, and as part of the Council's longer term financial strategy. This is set out in the Medium Term Financial Strategy paper approved by the Council on 26 February 2025:

[https://eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council\\_Item\\_08\\_-\\_26\\_February\\_2025.pdf?m=1739900318787](https://eastrenfrewshire.gov.uk/media/11193/Council-Item-08-26-February-2025/pdf/Council_Item_08_-_26_February_2025.pdf?m=1739900318787)

This strategy strengthens the links to the Community Planning Partnership's shared vision set out in "A Place to Grow". The strategy recognises the current economic context in a UK, Scottish and local environment. It sets out our key assumptions and our strategy to close projected funding gaps. The

## Management Commentary (cont'd)

Council's approach to reserves and policies associated with this are collated within the updated strategy. The strategy sets out the Council's approach to budgeting, including making spending decisions based on an assessment of medium to long-term needs and consequences, and seeking to avoid taking a short-term outlook in policy making, service planning and budget setting decisions; applying savings early and as soon as measures are identified; and ensuring that the Council priorities and the budget process remain aligned. Whilst the Council's strategy sets out its approach to future budget planning that aligns with our medium to long term forecasts, it is hoped that the position can be strengthened in the years ahead by the introduction of fiscal framework agreements between the UK and Scottish Governments and Councils, and by the publication by governments of multi-year settlement figures.

In completing the Annual Accounts the Council has made certain judgements about complex transactions and those involving uncertainty about future events. The Balance Sheet also contains estimates that are based on assumptions made about the Council regarding the future or that are otherwise uncertain. Where these judgements or estimates could potentially impact materially on the Annual Accounts, they are listed in notes 6 and 7, however professional findings have been taken into account in order to maximise the accuracy of these estimates.

### Risk Appetite

The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.

Our approach is to minimise exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that appetite for risk varies according to the activity undertaken, that acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

The following diagram illustrates the Council's risk tolerance levels across different areas of activity:

	Unacceptable to take risk						Higher willingness to take risks			
	1	2	3	4	5	6	7	8	9	10
Reputation										
Compliance										
Financial										
People and Culture										
Operational Services										
Major Change Activities										
Environmental and Social Responsibility										

The key risks set out in the previous section fall within the operational services area of the above table, i.e. the Council has a low to medium appetite for such risks and has identified appropriate mitigations to reduce the risk to a tolerable level. For areas with the very lowest appetite for risk, such as compliance with legal or financial requirements (e.g. setting a balanced budget), the Council's structures, policies and processes have generally already been designed so that the risk is minimal and therefore it will not appear on the Strategic Risk Register.

As part of the review of the Council's Risk Strategy, our risk appetite will be considered; determining if the above diagram remains reflective of good practice.



## **Management Commentary (cont'd)**

The Annual Governance Statement, included in this Annual Report document, details the arrangements the Council has put in place for the proper governance of the Council's affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvement actions to the governance framework identified from the Council's ongoing review of these arrangements.

### **Supplementary Information**

#### **Private Finance Initiative/Public Private Partnership & Similar Contracts**

The Council has two Private Finance Initiative contracts. The first, signed on 20 April 2000, is for the provision of school facilities for 25 years ending July 2026 and the second, signed on 30 April 2003, is for the construction and maintenance of the Glasgow Southern Orbital Road and the M77 extension for the 30 years ending April 2035. On 10 December 2004 the Council also signed a Public Private Partnership contract for the provision of further new and extended school facilities for the 25 years ending July 2031. On 21 March 2016 the Council signed a 25 year contract, ending August 2042, for the construction and maintenance of a replacement Barrhead High School delivered under the Scotland's Schools for the Future programme non-profit distributing (NPD) model. More recently, in January 2020, the Council entered into a 25 year contract for waste recycling which utilises residual waste to obtain thermal gain. Details of all 5 projects are provided in Note 36 to the core financial statements. As we approach the end of the first PFI schools contract period, we are making preparations for the transition of these services back to Council operations.

#### **Group Accounts**

The Council is represented on the Boards of the following companies that are limited by guarantee, have no share capital and have prepared their accounts on a going concern basis. It participates in these companies by means of Board membership and the provision of funding. The Council has not paid any consideration for its interests and thus there is no goodwill involved.

The inclusion of these entities in the Council's Group Accounts is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. Due to the inclusion of the Common Good, trust fund balances and the liabilities and assets carried by the entities, listed below, the Group Balance Sheet increases the Council's net worth by £52.678m. Details of these interests are listed within the notes to the Group Accounts.

Strathclyde Partnership for Transport  
Strathclyde Concessionary Travel Scheme  
Renfrewshire Valuation Joint Board  
East Renfrewshire Culture & Leisure Trust  
East Renfrewshire Integration Joint Board

#### **Get to Zero**

In November 2022, the Council set a target to achieve net zero carbon emissions by 2045. This target applies to the Council's own operational emissions, excluding emissions from the supply-chain (e.g. the goods and services the Council buys). There is no target set for area-wide emissions (i.e. those from homes and businesses). The Council reports its emissions to Sustainable Scotland Network each year and a report on the latest trends and future forecast is made to Cabinet, typically in January each year. The [latest report](https://eastrenfrewshire.gov.uk/article/5071/Carbon-emissions-report) is available here <https://eastrenfrewshire.gov.uk/article/5071/Carbon-emissions-report>. The Cabinet reports are published for the wider community to see progress.

Cabinet approved the Council's [Get to Zero Action Plan](https://www.eastrenfrewshire.gov.uk/media/10024/Cabinet-Item-05-22-February-2024/pdf/Cabinet_Item_05_-_22_February_2024.pdf?m=1707409902403) (GTZAP) on 22 February 2024 [https://www.eastrenfrewshire.gov.uk/media/10024/Cabinet-Item-05-22-February-2024/pdf/Cabinet\\_Item\\_05\\_-\\_22\\_February\\_2024.pdf?m=1707409902403](https://www.eastrenfrewshire.gov.uk/media/10024/Cabinet-Item-05-22-February-2024/pdf/Cabinet_Item_05_-_22_February_2024.pdf?m=1707409902403) which sets actions required to be taken over the next 20 years to progress towards the national net zero statutory target



## Management Commentary (cont'd)

in 2045. It also covers what may be required to adapt Council and Community infrastructure, land and assets to the changing climate. The Get to Zero Action Plan, makes some high-level assessment of the financial impact of taking climate action. This will be considered in future revenue and capital budget setting processes. In support of the publication of the Get to Zero Action Plan, a Strategic Environmental Assessment has been carried out.

The Council introduced a new methodology for carbon reporting in 2019/20, which has been set as the baseline year against which progress will be tracked. The table below shows progress in each year since establishing the baseline.

East Renfrewshire Council emissions 2023/24

East Renfrewshire Council emissions 2023/24								
Scope	Sub-category	Source	Baseline (2019/20) emissions (tCO2e)	Previous year (2022/23) emissions (tCO2e)	Current year (2023/24) emissions (tCO2e)	% change in emissions baseline to current year	% change in emissions previous year to current year	
Scope 1	Natural gas	Council buildings	6,110	5,193	4,934	▼ -19.3%	▼ -5.0%	
		Buildings operated by ERCLT	1,584	1,801	2,012	▲ 27.0%	▲ 11.7%	
		Sheltered housing	506	454	450	▼ -11.1%	▼ -0.9%	
		Domestic properties (offices)	4	5	4	▼ -12.7%	▼ -30.8%	
	Sub-total		8,204	7,453	7,399	▼ -9.8%	▼ -0.7%	
	Other	Fleet Vehicles - Diesel	630	717	698	▲ 10.8%	▼ -2.6%	
		Fleet Vehicles - Red Diesel	191	0	0	▼ -100.0%	n/a	
Sub-total		821	717	698	▼ -14.9%	▼ -2.6%		
Scope 2	Electricity	Council buildings	2,964	2,382	2,555	▼ -13.8%	▲ 7.3%	
		Un-metered supplies	1,243	837	753	▼ -39.4%	▼ -10.0%	
		Buildings operated by ERCLT	573	451	481	▼ -16.2%	▲ 6.6%	
		Sheltered housing	105	55	54	▼ -49.1%	▼ -2.0%	
		EVCPs	36	123	104	▲ 187.9%	▼ -15.8%	
		Domestic properties (close lighting & offices)	28	24	28	▲ 0.5%	▲ 14.5%	
		Sub-total		4,949	3,872	3,974	▼ -19.7%	▲ 2.6%
Scope 3	Waste	Landfill	6,119	210	54	▼ -99.1%	▼ -74.2%	
		Aggregate to Landfill	1	3	4	▲ 396.4%	▲ 3.9%	
		Recycling	353	256	236	▼ -33.2%	▼ -7.7%	
		Composting	129	89	91	▼ -29.2%	▲ 1.8%	
						▲		
		Incineration/combustion	16	308	259	1525.6%	▼ -15.8%	
		Other	155	291	426	▲ 174.6%	▲ 46.7%	
		Sub-total		6,773	1,157	1,070	▼ -84.2%	▼ -7.5%
	Water	Council buildings	123	39	42	▼ -65.8%	▲ 8.2%	
		Buildings operated by ERCLT	29	7	10	▼ -66.1%	▲ 35.9%	
		Domestic properties (offices)	0	0	0	▼ -61.4%	▼ -2.7%	
		Sub-total		152	46	52	▼ -65.8%	▲ 12.5%
	Other	Business travel (car)	154	166	145	▼ -6.0%	▼ -12.8%	
		Business Travel (Rail)	2	1	1	▼ -20.4%	▲ 14.9%	
		Business Travel (Domestic Flight)	9	4	2	▼ -79.1%	▼ -52.4%	
		Business Travel (international Flight)	1	6	6	▲ 339.0%	▼ -9.2%	
		Sub-total		166	178	154	▼ -7.5%	▼ -13.4%
		Procurement	Supply chain emissions	40,278	40,278	40,278	▲ 0.0%	▲ 0.0%
Sub-total			40,278	40,278	40,278	▲ 0.0%	▲ 0.0%	
Total (tCO2e)			61,343	53,701	53,625	▼ -12.6%	▼ -0.1%	
Total w/o supply chain emissions (tCO2e)			21,065	13,423	13,347	▼ -36.6%	▼ -0.6%	

This shows that total estimated emissions, excluding supply-chain emissions for 2023/24 were 13,347 tCO<sub>2</sub>e. This is a 0.6% reduction from last year (2022/23), and a 36.6% reduction from the baseline (2019/20). Most of the reduction in emissions can be attributed to the Clyde Valley Waste Partnership contract, which sends waste for energy recovery instead of landfill.



## **Management Commentary (cont'd)**

The Council has set a target of achieving net zero emissions by 2045. This means that emissions are reduced as far as practicable, and then any 'residual emissions' are managed by offsetting schemes, which most commonly involve tree planting. From 2019/20, emissions need to reduce by an estimated 850 tCO<sub>2</sub>e every year until 2045. Excluding waste management emissions, which are likely to remain quite stable as a result of the long-term nature of the Clyde Valley Waste Partnership contract, emissions have reduced by c. 503 tCO<sub>2</sub>e per year since 2019/20. This indicates East Renfrewshire Council will not reach its target without taking more action. Although emissions from electricity and water are expected to continue a downward trend in the coming years as the national grid and water infrastructure supplying the Council becomes less carbon-intensive, there are not enough measures currently in place that will reduce emissions to net zero by 2045.

East Renfrewshire Council is not alone in this respect, with most local authorities acknowledging this challenge via representation through COSLA to the Scottish Government. To achieve this goal, the Council will require to progress significant action and investment as soon as possible. The GTZAP sets out the major steps needed to achieve net zero by 2045. These include transitioning away from diesel vehicles and gas boilers in Council properties, as well as improving the energy efficiency in buildings through new investment.

In June 2022, the Council introduced a climate change impact assessment (CCIA) process. This requires all Council/Cabinet reports where a decision is required to complete an assessment of any positive or negative impact on emissions or nature. This process has been adapted for consideration in Procurement Strategies, Capital Project Applications and grant-funding project appraisal.

### **Events During 2024/25**

#### **Digital Transformation**

Savings plans for future years are developed by the Corporate Management Team on the basis of the Scottish and UK budgets, and are reviewed to take account of any multi-year settlement information subsequently published. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, the Council continues to seek efficiencies through reviews and transformation initiatives wherever possible.

The Council's Digital Transformation Strategy focuses on 3 areas: Customer Experience; Business Systems & Processes; and Workforce Productivity. A new Digital Transformation Strategy is in development and will be published later in summer 2025.

Overall governance of the Digital Transformation Programme is through the Corporate Management Team (CMT), responsible for ensuring that savings and benefits are achieved and that programme and project priorities, dependencies and resources are well managed. CMT meet to discuss Digital Transformation on a 6-monthly basis, with update reports to Cabinet due at least annually.

In recent years, the Council has placed high reliance on its digital transformation programme to drive change and savings across all services. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, the Council will continue to seek efficiencies through reviews and transformation initiatives wherever possible.

There has been significant progress in recent years in delivery of the Council's digital transformation strategy.

Given that the Transformation programme is taking place against a backdrop of prolonged, real-term reductions in budgets, and that statutory and national policy obligations remain at least constant, key elements of the programme have focussed on supporting and enhancing workforce productivity,





## **Management Commentary (cont'd)**

future cost avoidance, maintaining or meeting statutory or policy compliance, and risk reduction - as well as cost reduction.

Cabinet considered an update on our [Digital Transformation Programme](https://www.eastrenfrewshire.gov.uk/media/10660/Cabinet-Item-06-5-September-2024/pdf/Cabinet_Item_06_-_5_September_2024.pdf?m=1724327405573) in September 2024 ([https://www.eastrenfrewshire.gov.uk/media/10660/Cabinet-Item-06-5-September-2024/pdf/Cabinet\\_Item\\_06\\_-\\_5\\_September\\_2024.pdf?m=1724327405573](https://www.eastrenfrewshire.gov.uk/media/10660/Cabinet-Item-06-5-September-2024/pdf/Cabinet_Item_06_-_5_September_2024.pdf?m=1724327405573)). It was noted that the key principles behind the programme that will lead to budget savings are:

- continuing to implement our Digital Transformation Strategy, with a focus on customer experience, streamlined end to end systems and processes and greater use of automation. Microsoft365 and, where appropriate, artificial intelligence tools for productivity;
- an increased focus on user engagement in service design and more community empowerment to provide services which put customers at the heart of provision, improving services and potentially lowering costs; and
- improving the sharing and management of data across the organisation.

It has continued to be necessary for us to regularly prioritise this work throughout the year to ensure a focus on benefit realisation, and to rigorously manage the limited resources available to support projects. New projects go through an intake process to determine how best they are delivered – this will include project prioritisation, with the budget and skills dictating how much can be achieved in a given year. Programme Boards are involved in this prioritisation to ensure best use of ‘shared resource’ e.g. ICT, HR and project staff.

Projects are funded through a Digital Transformation budget, which will need reviewed year on year as part of the budget process. A modernisation reserve was created in 2014 to fund change projects across the Council and, whenever possible, the fund is replenished from year-end general fund surpluses to enable projects in future years to be considered.

### **The Adoption of International Financial Reporting Standard 16 (IFRS 16)**

In 2024/2025, the Council applied IFRS 16 Leases as adopted by the Accounting Code of Practice. The main impact of this new requirement is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability has been brought onto the balance sheet at 1 April 2024. Leases for items of low value and leases that expired on or before 31 March 2024 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 without adjusting prior year figures.

### **Significant Trading Operations**

The Local Government Scotland Act 2003 sets out the requirements for statutory trading accounts to be maintained for “significant” trading operations only. The Council, after adopting the CIPFA/LASAAC criteria, concluded that there are no services that can be classified as a significant trading operation.

### **Events after the Balance Sheet Date**

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration. With reference to Note 9, work is ongoing as to the impacts of the recent judgement relating to the Virgin Media Ltd. v NTL Pension Trustees II Ltd. case and no allowance for any potential impact is included in the financial statements.



## **Management Commentary (cont'd)**

### **Where to Find More Information**

**In this Document** - Requirements governing the format and content of Local Authorities' annual accounts are contained in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). An explanation of the financial statements which follow and their purpose is shown at the top of each relevant page. A glossary of terms at the end of this document provides an explanation of the main terms used.

**On Our Website** - Further information on the Accounts can be obtained on the Council's website <https://www.eastrenfrewshire.gov.uk/how-we-spend-money> or from Accountancy Services, Council HQ, Eastwood Park, Rouken Glen Rd, Giffnock G46 6UG. All links referred to in the accounts are not subject to External Audit Scrutiny.

Kirsty Stanners LLB CPFA  
Head of Finance  
(Chief Financial Officer)

Councillor Owen O'Donnell  
Leader of the Council

Steven Quinn  
Chief Executive





## **Statement of Responsibilities**

**PURPOSE:** This statement sets out the Council's responsibilities and those of the Chief Financial Officer

### **The Council's Responsibilities:**

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Council has responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this Council, that officer is the Head of Finance (Chief Financial Officer)
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure 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)
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts will be approved for signature by the Council on 25 September 2025

Signed on behalf of East Renfrewshire Council  
Councillor Owen O'Donnell  
Leader of the Council

### **The Head of Finance (Chief Financial Officer) Responsibilities**

The Head of Finance (Chief Financial Officer) is responsible for the preparation of the Council'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 Annual Accounts, the Head of Finance (Chief Financial Officer) has:**

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates on a reasonable basis;
- complied with legislation;
- complied with the Accounting Code (in so far as it is compatible with legislation)

#### **The Head of Finance (Chief Financial Officer) has also:**

- kept proper accounting records which were up to date;
- 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 East Renfrewshire Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2025.

Kirsty Stanners LLB CPFA,  
Head of Finance (Chief Financial Officer)



## **Annual Governance Statement**

East Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. We ensure that public money is safeguarded and properly accounted for and that our resources are used economically, efficiently and effectively.

In discharging this accountability, our elected members and senior officers are responsible for putting in place proper arrangements for the governance of our business and the stewardship of our resources and assets. As part of this responsibility, we review and adopt a Code of Corporate Governance annually.

The Code is built around these seven principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

An update on progressing the actions from the previous version of the Code of Corporate Governance has been undertaken and was considered at the Audit & Scrutiny Committee at the meeting of the 20 June 2024. An update on the actions and related documentation is available on the Council website or via these links [https://www.eastrenfrewshire.gov.uk/media/10322/CoCG-actions-23-24/pdf/CoCG\\_Updates\\_3.pdf?m=1718295494470](https://www.eastrenfrewshire.gov.uk/media/10322/CoCG-actions-23-24/pdf/CoCG_Updates_3.pdf?m=1718295494470) and [https://www.eastrenfrewshire.gov.uk/media/10476/Code-of-Corporate-Governance-2024-to-2025/pdf/Code\\_of\\_Corporate\\_Governance\\_24-25\\_for\\_website.pdf?m=1718972832703](https://www.eastrenfrewshire.gov.uk/media/10476/Code-of-Corporate-Governance-2024-to-2025/pdf/Code_of_Corporate_Governance_24-25_for_website.pdf?m=1718972832703)

The Council has also established various subsidiaries and associates to deliver services more effectively. While these organisations are required to implement their own organisational governance and management arrangements and structures, they also form part of the overall governance environment of the Council 'family'.

### **Compliance**

This statement outlines East Renfrewshire Council's level of compliance with the Code of Practice on Local Authority Accounting in the UK, based on International Financial Reporting Standards which detail the requirements for an Annual Governance Statement.

In line with CIPFA's Financial Management Code, which assists Councils in validating their financial sustainability by following a series of principles, the Head of Finance has completed an assessment demonstrating the Council's compliance with the code and noting that the position is unchanged from that reported in the Annual Governance Statement last year. The assessment validates that the Council has strong foundations to:

- Financially manage the short, medium and long-term finances of the Council;
- Manage financial resilience to meet unforeseen demands on services; and
- Manage unexpected shocks in the organisation's financial circumstances.

Further reviews of compliance with the code will be carried out yearly and any outstanding matters or areas of improvement will be included in the action plan within this statement.



## **Annual Governance Statement (cont'd)**

The Council's committee structure in terms of the number of committees, their composition and their terms of reference is set out in the Scheme of Administration. The Council made full use of remote meetings technology during the year and committees met in accordance with the meetings calendar.

### **The purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values by which we control our processes and engage with our residents and communities. It enables us to monitor the progress we have made towards achieving our strategic outcomes and to consider whether those outcomes have led to the delivery of appropriate, cost-effective services.

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness. Our system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving our outcomes, 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.

Our system of internal financial control is based on a well-established framework of regular management and performance information, financial regulations, administrative procedures, management supervision, and a system of delegation and accountability. Regular reviews of information and systems within this framework are undertaken by our managers.

The system includes –

- A clear strategic direction set out in the 3 pillars of 'A Place to Grow', supported by a set of 3 values and 3 organisational capabilities (amended by Council from 5 capabilities in June 2023).
- Sound financial management arrangements which comply with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- Clear roles and responsibilities for the Corporate Management Team (CMT) and elected members, with well-defined delegation arrangements.
- A statutory section 95 officer and a Chief Financial Officer for East Renfrewshire Health and Social Care Partnership (HSCP) Integration Joint Board.
- An Audit and Scrutiny Committee which provides a robust and effective level of scrutiny and challenge.
- High standards of budgeting, monitoring and reporting.
- Regular reviews of periodic and annual financial reports, which indicate both financial performance and actual expenditure against forecasts
- Clearly defined capital expenditure guidelines.
- Matching of asset base to Council objectives in terms of suitability and sustainability, and supported by appropriate asset management plans overseen by the Corporate Asset Management Group.
- Well embedded and systematic approach to risk management.
- Well-developed corporate performance management arrangements, with regular reports to the Corporate Management Team, Committees and Council. Performance management reports are also published on the Council's website.
- Procedures in place to help members and employees comply with relevant codes of conduct and policies.
- The provision of extensive training and development opportunities for all elected members and employees.

A governance framework has been in place at East Renfrewshire Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

### **Review of effectiveness**

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of the effectiveness of the



## **Annual Governance Statement (cont'd)**

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 Internal Auditor's annual report, and comments made by external auditors and other scrutiny agencies, regulators and inspectorates.

Internal Audit is our independent appraisal function established for the review of the internal control system as a service to the organisation. The service objectively examines, evaluates and reports on the adequacy of our internal control as a contribution to the proper, economic, efficient and effective use of the Council's resources.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and have adopted the new Global Internal Audit Standards (GIAS) from the effective date of their introduction on 1 April 2025. The service undertakes an annual programme of work approved by the Audit and Scrutiny Committee based on a five-year strategic plan. The strategic plan is based on a formal risk-based audit needs assessment which is revised on an ongoing basis to reflect evolving risks and changes within the Council. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

All our elected members and officers are committed to the concept of sound governance and the effective delivery of services. The Audit and Scrutiny Committee perform an effective scrutiny and challenge role in relation to the application of the Code of Corporate Governance and regularly monitor the performance of the Council's Internal Audit service and strategic risk management arrangements.

The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption (2014) by supporting its Anti-Fraud, Bribery and Theft Strategy 2022-2027, approved by the Corporate Management Team. This strategy outlines the measures taken by the Council to protect itself against malpractice through either fraud or corrupt practices. The strategy is supported by Council policies & procedures including the Whistleblowing Policy, Anti-Money Laundering Policy, Guidance on Gifts and Hospitality and Register (Probity Register), information on a declaration of interest, Code of Conduct for Elected Members, Code of Conduct for Employees and the Information and Cyber Security Policy. The identification of risk is carried out in line with the Council's Risk Management Framework 2023-2025.

Using tools made available by the Chartered Institute of Public Finance and Accountancy (CIPFA) for a review on what is accepted as best practice for local authority audit committees, the Committee progressed a self-assessment of its effectiveness at the end of 2021 and start of 2022. In June 2022, the Committee endorsed the self-evaluation recommendations made by the Audit and Scrutiny Committee prior to the Local Government Elections that year.

Self-evaluations continue to be considered useful by the Committee, such as for analysing performance and enhancing its practices. It was intended to pursue a mid-Administration self-evaluation towards the end of 2024 and start of 2025. Due to staff turnover, commencement of the review was delayed slightly to the start of 2025, when updated CIPFA Best Practice guidance was distributed to Audit & Scrutiny Committee Members, together with a self-evaluation questionnaire for their completion. A related review meeting was organised to consider the feedback and development of an Action / Improvement Plan. Work on the review is ongoing, and it is anticipated that the review will be completed and related recommendations will be approved by the Committee prior to the 2025 summer recess.



## **Annual Governance Statement (cont'd)**

### **Progress against actions from last year's plan**

The improvement activities noted in the previous Annual Governance Statement were progressed as follows:

<b>ACTIVITY</b>	<b>PROGRESS</b>	<b>RESPONSIBLE OFFICER</b>
Review elected member training and development, including provision of Equality and Fairness Risk assessment training and ensuring coverage of mandatory cyber essentials training	Ongoing - Elected Members received additional bespoke training. This training focussed on best practice guidance and the role of Elected Members in relation to mainstreaming, equality outcomes, policy development and scrutiny. Elected Members have recently been reminded to complete the newly updated mandatory 'Information & Cyber Security' online course.	Democratic Services Manager
A review of the Community Council Scheme of Establishment will be undertaken to incorporate new national guidance	Complete - The Community Council Scheme of Establishment has been reviewed in light of the new national guidance, and no changes are necessary at this time. The Scheme will continue to be kept under review, and any modifications will be reported to Council as required.	Head of Human Resources and Corporate Resources
Complete the review of the Council's Standing orders	Ongoing - An initial review of the Standing Orders has been conducted by the Democratic Services Team. A Member/Officer Working Group is being formed to undertake a more formal review of the Standing Orders and provide recommendations to the full Council. Any proposed amendments will be submitted to the Council by autumn.	Democratic Services Manager
Conduct a review of the Council's Schemes of Administration and Delegated Functions	Ongoing - An initial review of the Schemes of Administration and Delegation has been conducted by the Democratic Services Team. A Member/Officer Working Group is being formed to undertake a more formal review of these governance documents and provide recommendations to the full Council. Any proposed amendments will be submitted to the Council by autumn.	Democratic Services Manager
Review the Council's strategic and community planning frameworks to align with Vision for the Future	Complete – 'A Place to Grow' delivery plan, including new Council 'Organisational Health-check' section (to replace former Customer, Efficiency, People section of the Outcome Delivery Plan) was approved by Council in April 2025. There will be ongoing alignment of all other council plans and strategies to 'A Place to Grow' over time in line with natural refresh periods.	Head of Human Resources and Corporate Resources



## Annual Governance Statement (cont'd)

Review community planning governance structures	Ongoing – as part of the 'A Place to Grow' vision planning and delivery plan, we have completed a mapping of all current partnership groups and how these align to the three vision pillars. With the vision and delivery plan approved the next stage will be to strengthen the community planning governance structures to oversee the delivery of the vision.	Head of Human Resources and Corporate Resources
Accelerate development of an interface between Housing's Servitor system and the Council's Integra financial system	Ongoing	Director of Environment
Continue with manual checks by Procurement of all Housing invoices or certificated payments over £50k until the new Servitor/Integra interface is in place	Process changed - certificates are now checked within Integra so no offline work is required	Chief Procurement Officer
Implement a proportionate response to the new <u>Consumer Duty</u>	Ongoing – National guidance on the new Consumer Duty arrived later than expected, in February 2025. Councils have not been given additional resource to implement this duty so a proportionate response, implemented over time, will be appropriate. We are assessing the merits of embedding this new duty into the Equality & Fairness & Rights Assessment process (EFRIA) as part of a broader review process.	Director of Business Operations and Partnerships
Engage in further scoping and development with community partners and local residents, with a view to a broader review of outcomes and the 'golden thread' of strategic planning for 2024/25	Complete - 'A Place to Grow', the Community Planning Partnership's long-term vision for 2040 as approved by Council in September 2024 and publicly launched in December, with the Delivery Plans approved by Council in April 2025. A 'Place to Grow' community conference was held on 26 April 2025 and attended by over 100 local groups and organisations and staff.	Director of Business Operations and Partnerships

### Other key developments during 2024/25

Responses made to Second Review of Scottish Parliament Boundaries, e.g. Council, April 2024.
Declaration of a local Housing Emergency at Council, September 2024.
Annual Procurement Report 2023/24 and Annual update to the Procurement Strategy 2023-26 considered by Cabinet, October 2024.
Agreement to form a Board to oversee delivery of The Promise in East Renfrewshire, Council, October 2024.





## Annual Governance Statement (cont'd)

Accounts Commission published East Renfrewshire Council's Controller of Audit Report for Best Value in February 2025.
New Medium Term Financial Strategy 2025-30 approved by Council, February 2025.
Updated Civic Event Protocol (Incorporating Flag Flying Protocol) approved by Council, February 2025.
Trading Under Best Value report considered by Cabinet, March 2025.
Equality & Human Rights Mainstreaming Report, including new Equality Outcomes for 2025-29 considered by Council, April 2025.

### Key actions planned relating to governance for 2025/26

ACTIVITY	RESPONSIBLE OFFICER	TARGET DATE
Submission of the Council's amended Records Management Plan for the approval of the Keeper of the Records of Scotland.	Head of Legal	May 2025
Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'A Place to Grow' – accompanied with risk management training for Elected Members.	Chief Executive	November 2025
Review strategic performance management framework and reports to align with 'A Place to Grow'.	Head of Communities & Transformation	June 2026
Finalise Community Planning Governance Structures aligned to 'A Place to Grow'.	Head of Communities and Transformation	November 2025

### Certificates of Assurance for Internal Financial Control

The Chief Executive, Directors of each Department and the Chief Executive of the Culture and Leisure Trust have all signed Certificates of Assurance for Internal Control and have confirmed that to the best of their knowledge, corporate governance arrangements and financial controls in their Department have been, and are, working well and there are no new significant matters arising which would require to be raised specifically.

### Statement on the role of the Chief Financial Officer in Local Government

Under the Code we are required to state whether we comply with the CIPFA statement on the role of the Chief Financial Officer in Local Government and, if not, to explain how our governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Council's financial strategy; and
- Must lead the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.



## **Annual Governance Statement (cont'd)**

The Council considers that it is fully compliant with the above statement.

### **Assurance**

We consider that the governance and internal control environment operating during 2024/25 provided reasonable and objective assurance that any risks impacting on the achievement of our strategic outcomes were identified, and appropriate actions were taken.

Looking ahead well-established systems remain in place to review our governance and internal control environment. We will continue to review our corporate governance arrangements and closely monitor progress on the key improvement actions to support our ultimate aim: making people's lives better in East Renfrewshire.

Cllr Owen O'Donnell  
Leader of the Council  
On behalf of East Renfrewshire Council

Steven Quinn  
Chief Executive



# **Remuneration Report**

## **Remuneration Report**

This statement provides information on the remuneration and pension benefits for the senior officers and members of East Renfrewshire Council.

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 require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

All information disclosed in sections 3 to 7 in this Remuneration Report have been audited. The other sections of the Remuneration Report are reviewed to ensure that they are consistent with the financial statements.

### **1. Remuneration Policy for the Leader of the Council, Provost and Senior Councillors.**

The remuneration of councillors is regulated by the Local Governance (Scotland) 2004 (Remuneration) Regulations 2007 (SSI No 2007/183). In 2024/25 their average salary increased by 6.2%. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of remuneration for councillors the Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC is an advisory Non-Departmental Public Body set up in 2005 to advise Scottish Ministers on the remuneration, allowances and expenses incurred by the Council's councillors.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. From 1 April 2024 the maximum annual salary for the Leader of East Renfrewshire Council was £35,580. The Regulations permit the council to remunerate one Provost and set out the salary that should be paid.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is 75 per cent of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £216,135. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits.

In 2024/25 East Renfrewshire Council had 7 Senior Councillors, which is two less than the maximum number permitted within the regulations, and the annual remuneration paid to these councillors totalled £186,802. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme.

The scheme which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was approved by the Scottish Government on 29 January 2024.



## **Remuneration Report (cont'd)**

### **2. Remuneration Policy for Senior Employees**

The annual pay awards are determined at a national level within the framework of the Scottish Joint Council (SJC) for Local Government Employees and within the framework of the Scottish Negotiating Committee for Teachers (SNCT) for teachers and associated professionals. The SJC has representatives from Local Authorities (COSLA representing Employers side) and Trade Unions (Employee side represented by GMB, Unison and Unite). The SNCT is a tripartite body comprising members from Local Authorities (COSLA representing Employers side), Trade Unions (Employee side represented by EIS, NASUWT, SSTA and VOICE) and Scottish Government.

Any changes proposed to local terms and conditions that would affect remuneration require to be taken to East Renfrewshire Cabinet for approval. The Cabinet membership comprises only of Elected Members on the administration.

### **3. Remuneration of Senior Employees**

The Local Authority Accounts (Scotland) Regulations 2014 provides definitions of a “senior employee” as those who have responsibility for management of the local authority, the Council has interpreted this guidance to include the Chief Executive and those staff reporting directly to the Chief Executive. In addition, the guidance states that the Chief Executive of any subsidiary body should also be included, and in this regard the Chief Executive of East Renfrewshire Culture & Leisure Trust, whose salary is set by the Trust’s Board, has been included. The regulations also state that those who hold posts that are politically restricted should be included and to this effect the Council’s Chief Social Work officer has been included. The remuneration paid to senior employees, including additional payments for election work, is set out in the following table. Generally senior employees are reimbursed for election work within the relevant financial year, however, payments made to the Chief Executive are phased as indicated below:-

2023/24	UK Parliamentary General Election 12 December 2019 (25%) : Lorraine McMillan
2024/25	UK Parliamentary General Election, 4 July 2024 (75%) : Steven Quinn

**Remuneration Report (cont'd)****East Renfrewshire Council**

		<b>Salary, Fees and Allowances</b>	<b>Election work</b>	<b>Taxable Expenses and Allowances</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Steven Quinn (Chief Executive commenced on 14/08/23. Full year equivalent salary for 2023/24 was £138,508)	2024/25 2023/24	143,109 87,663	2,672 -	- -	145,781 87,663
Lorraine McMillan (Chief Executive retired 30/07/23. Full Year equivalent salary for 2023/24 was £138,508)	2024/25 2023/24	- 45,160	- 843	- -	- 46,003
Mark Ratter (Director of Education)	2024/25 2023/24	130,795 126,250	- -	- -	130,795 126,250
Julie Murray * (Chief Officer of East Renfrewshire Integration Joint Board)	2024/25 2023/24	132,757 128,143	- -	- -	132,757 128,143
Raymond Prior* (Chief Social Worker)	2024/25 2023/24	106,656 102,950	- -	- -	106,656 102,950
Margaret McCrossan (Head of Accountancy/ Chief Financial Officer retired 30/09/2024. Full year equivalent salary was £116,864)	2024/25 2023/24	58,892 112,803	- -	- -	58,892 112,803
Kirsty Stanners (Head of Finance. Commenced on 08/07/2024. Full year equivalent salary was £116,864)	2024/25 2023/24	85,328 -	- -	- -	85,328 -
Louise Pringle (Director of Business Operations & Partnerships.)	2024/25 2023/24	130,795 126,250	1,200 -	- -	131,995 126,250
Caitriona McAuley (Director of Environment)	2024/25 2023/24	130,795 126,250	- -	- -	130,795 126,250
Gerry Mahon (Chief Officer – Legal and Procurement)	2024/25 2023/24	92,633 89,409	- -	- -	92,633 89,409
Michelle Blair (Chief Auditor)	2024/25 2023/24	66,284 63,973	230 -	- -	66,514 63,973

\* This salary is funded jointly with NHS Greater Glasgow and Clyde

**East Renfrewshire Culture & Leisure Trust**

Anthony McReavy (Chief Executive Culture & Leisure Trust)	2024/25 2023/24	101,621 98,089	- -	- -	101,621 98,089
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## Remuneration Report (cont'd)

### 4. Remuneration of Senior Councillors

Name  (A)	Position Held  (B)	Salary - Payments made by Council			Re-imbursement of Members Expenses					Total Salary Expenses Total Salary Expenses 2024/25 (E + J)	Total Salary Expenses 2023/24
		Gross Allowance	Less Recharge to External Bodies	Net Allowances Paid	Car & Van Expenses - Reimbursed	Other Travel Expenses - Reimbursed	Subsistence, Training & Conference Expenses	Telephone & ICT Expenses Paid Directly	Total Expenses (F to I)		
		(C) £	(D) £	(E) £	(F) £	(G) £	(H) £	(I) £	(J) £	(K) £	(L) £
O'Donnell	Leader of the Council	35,580	-	35,580	-	642	891	67	1,600	37,180	34,767
Montague	Provost	26,686	-	26,686	-	51	520	94	665	27,351	25,854
		62,266	-	66,266	-	693	1,411	161	2,265	64,531	60,621
Anderson	Convenor of Education, Culture and Leisure	26,686	-	26,686	-	-	-	64	64	26,750	25,239
Campbell	Depute Provost	26,686	-	26,686	-	69	-	64	133	26,819	25,239
Cunningham	Chair of Planning Applications Committee/Local Review Body	26,686	-	26,686	-	-	-	225	225	26,911	25,350
Devlin	Convenor for Environment and Housing	26,686	-	26,686	-	-	-	315	315	27,001	25,783
Edlin	Chair of Licensing Committee	26,686	-	26,686	-	-	-	33	33	26,719	25,219
McLean	Vice Chair of Planning Applications Committee/Local Review Body	26,686	-	26,686	-	-	-	13	13	26,699	25,157
Morrison	Chair of Audit & Scrutiny Committee	26,686	-	26,686	-	-	-	64	64	26,750	25,239
	Senior Councillors	186,802	-	186,802	-	69	-	778	847	187,649	177,226
	All Other Councillors(note 1)	192,105	-	192,105	781	-	1,583	812	3,176	195,281	183,994
	Total	441,173	-	441,173	781	762	2,994	1,751	6,288	447,461	421,841

Notes: The undernoted receive remuneration as representatives of the Council on outside bodies.

- Councillor Pragnell, included in All Other Councillors, receives payment directly from the NHS Greater Glasgow and Clyde as a member of the Board





## **Remuneration Report (cont'd)**

### **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.

For local government employees a final salary pension scheme operated until 31 March 2015. This means that pension benefits were based on the final year's pay and the number of years that person has been a member of the scheme. However, from April 2015 the pension salary will be calculated on a career average salary and the accrued rate will be based on 1/49th of this calculation and years of pensionable service.

There is no automatic entitlement to a lump sum. Scheme members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. Prior to 1 April 2015, the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

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 full 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 scheme's normal retirement age for both councillors and employees is their state retirement age.

From 1 April 2009 a six 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 scheme members' contribution rates for 2024/25 and 2023/24 are as follows:-

Actual Pensionable pay	Contribution rate	Actual Pensionable pay	Contribution rate
	2024/25		2023/24
On pensionable pay up to and including £34,286	7.35%	On pensionable pay up to and including £32,133	7.2%
On pensionable pay £34,287 to £46,155	8.88%	On pensionable pay £32,134 to £43,257	8.7%
On pensionable pay £46,156 to £54,728	9.90%	On pensionable pay £43,258 to £51,291	9.7%
On pensionable pay £54,729 to £67,975	10.61%	On pensionable pay £51,292 to £67,975	10.4%
On pensionable pay £67,976 to £92,693	11.73%	On pensionable pay £67,976 to £92,693	11.5%
On pensionable pay above £92,694	12.14%	On pensionable pay above £92,694	11.9%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.



## **Remuneration Report (cont'd)**

The pension entitlements of Senior Employees for the year to 31 March 2025 are shown in the table below, together with the contribution made by the Council to each Senior Employee's pension during the year.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment, including any service with a Council subsidiary body.

### **East Renfrewshire Council**

Name and Post Title	In Year Pension contribution		2024/25 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2024	
	2024/25 £	2023/24 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Steven Quinn (Chief Executive)	9,300	16,721	32	-	30	-
Mark Ratter (Director of Education)	8,499	24,356	58	-	5	-
Julie Murray (Chief Officer of East Renfrewshire Integration Joint Board)	8,627	24,721	65	70	6	2
Raymond Prior (Chief Social Worker )	6,931	19,861	40	41	4	2
Margaret McCrossan (Head of Accountancy / Chief Financial Officer. Retired 30/9/2024)	3,882	21,762	74	118	(1)	(7)
Kirsty Stanners (Head of Finance. Commenced on 08/07/2024)	5,495	-	2	-	2	-
Louise Pringle (Director of Business Operations and partnerships)	8,499	24,356	52	45	5	1
Caitriona McAuley (Director of Environment)	8,499	24,356	64	83	28	44
Gerry Mahon (Chief Officer – Legal and Procurement)	6,020	17,249	47	53	3	-
Michelle Blair (Chief Auditor)	4,307	12,342	33	38	2	1

### **East Renfrewshire Culture and Leisure Trust**

Anthony McReavy (Chief Executive of East Renfrewshire Culture & Leisure Trust)	6,604	18,923	20	-	3	-
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## **Remuneration Report (cont'd)**

### **Senior Councillors**

The pension entitlements for Senior Councillors for the year to 31 March 2025 are shown in the table below, together with the contributions made by the Council to each Senior Councillor's pension during the year.

Name and Post Title	In Year Pension contribution		2024/25 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2024	
	2024/25 £	2023/24 £	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
Cllr Anderson - Convener for Education, Culture and Leisure.	1,735	4,850	2	-	1	-
Cllr Campbell - Depute Provost	1,735	4,850	2	-	1	-
Cllr Cunningham –Chair of Planning Applications Committee/Local Review Body	-	-	-	-	-	-
Cllr Devlin – Convenor for Environment and Housing	1,590	4,850	4	-	-	-
Cllr Edlin - Chair of Licensing Committee from 25 May 2022	-	-	-	-	-	-
Cllr McLean - Vice Chair of Planning Applications Committee/Local Review Body	1,735	4,850	4	-	1	-
Cllr Montague – Provost	-	-	-	-	-	-
Cllr Morrison – Chair of the Audit and Scrutiny Committee	1,735	4,850	2	-	1	-
Cllr O'Donnell – Leader of the Council	2,313	6,466	2	-	1	-

All senior members shown in the above table, with the exception of Cllr Cunningham, Cllr Edlin and Cllr Montague, are members of the Local Government Pension Scheme.



## Remuneration Report (cont'd)

### 6. Remuneration of Employees

The Council's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions and including redundancy payments) were paid the following amounts:

Remuneration band	2024/25			2023/24		
	Number of employees		Total	Number of employees		Total
	Teachers	Employees		Teachers	Employees	
£50,000 - £54,999	159	65	224	440	66	506
£55,000 - £59,999	100	57	157	91	51	142
£60,000 - £64,999	87	26	113	95	31	126
£65,000 - £69,999	57	16	73	61	10	71
£70,000 - £74,999	39	7	46	41	10	51
£75,000 - £79,999	24	7	31	22	1	23
£80,000 - £84,999	11	3	14	13	1	14
£85,000 - £89,999	3	-	3	8	4	12
£90,000 - £94,999	4	4	8	2	-	2
£95,000 - £99,999	2	1	3	3	10	13
£100,000 - £104,999	1	7	8	2	1	3
£105,000 - £109,999	2	1	3	-	-	-
£110,000 - £114,999	-	-	-	1	1	2
£115,000 - £119,999	-	-	-	1	-	1
£120,000 - £124,999	-	-	-	-	-	-
£125,000 - £129,999	-	-	-	-	4	4
£130,000 - £134,999	-	4	4	-	-	-
£135,000 - £139,999	-	-	-	-	-	-
£140,000 - £144,999	-	1	1	-	-	-

### 7. Exit Packages

The Code requires disclosure of all exit packages agreed, in rising bands. The table below shows all exit packages that were accrued in the year, of which all were voluntary. Exit package values include redundancy, compensatory lump sum, pension strain and notional capitalised compensatory added years costs (CAY). The notional capitalised compensatory added years costs are based on an assessment of the present value of all future payments to the retiree until death. Notional capitalised compensatory added years and pension strain costs relating to teachers are based on Scottish Public Pensions Agency calculations.

(a) Exit packages Bands	(b) Number of Leavers		(c) Cash Value		(d) Notional CAY Value		(e) Total cost of exit packages in each band	
	2024/25	2023/24	£	£	£	£	2024/25	2023/24
£0-£20,000	15	8	108,257	115,833	-	-	108,257	115,833
£20,001-£40,000	3	10	83,644	281,803	-	-	83,644	281,803
£40,001-£60,000	3	7	144,722	342,390	-	-	144,722	342,390
£60,001-£80,000	-	1	-	64,904	-	-	-	64,904
£80,001-£100,000	-	5	-	420,186	-	24,910	-	445,096
£100,001-£150,000	4	11	520,839	1,268,519	3,006	33,820	523,845	1,302,339
>£150,001	-	2	-	334,776	-	-	-	334,776
<b>Total Cost included in CIES</b>	<b>25</b>	<b>44</b>	<b>857,462</b>	<b>2,828,411</b>	<b>3,006</b>	<b>58,730</b>	<b>860,468</b>	<b>2,887,141</b>

**Remuneration Report (cont'd)****8. Trade Union**

Below is a list of the information that local councils are required to publish on facility time usage and spend by trade union representatives.

<b>Relevant Union Officials – Non Teaching</b>	
Number of employees who were relevant union officials from 1 April 2024 to 31 March 2025	Full-time equivalent employee number
	1
<b>Percentage of time spent on facility time</b>	
Percentage of time	Number of Employees
0%	
1-50%	
51%-99%	
100%	1
<b>Percentage of pay-bill spent on facility time</b>	
Total Cost of Facility Time	£67,776
Total Wage Bill	£99,643,387
Percentage of Wage Bill spent on facility time	0.07%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100%

<b>Relevant Union Officials - Teaching</b>	
Number of employees who were relevant union officials from 1 April 2024 to 31 March 2025	Full-time equivalent employee number
	1.1
<b>Percentage of time spent on facility time</b>	
Percentage of time	Number of Employees
0%	
1-50%	1
51%-99%	
100%	1
<b>Percentage of pay-bill spent on facility time</b>	
Total Cost of Facility Time	£100,809
Total Wage Bill	£102,428,693
Percentage of Wage Bill spent on facility time	0.10%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100%

Councillor Owen O'Donnell  
Leader of the Council

Steven Quinn  
Chief Executive



# Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation (or rents). The individual segments reflect the reporting structure of the Council. Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Year Ended 31 March 2024				Year Ended 31 March 2025			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	
203,711	(18,509)	185,202	Education	200,210	(9,868)	190,342	
158,865	(91,036)	67,829	HSCP – Provision of Services	169,612	(95,419)	74,193	
41,540	(11,664)	29,876	Environment	43,156	(11,589)	31,567	
24,241	(13,809)	10,432	Business Operations & Partnerships	21,353	(13,205)	8,148	
626	(284)	342	Chief Executive's Office	608	(317)	291	
11,309	(3,113)	8,196	Other Expenditure & Income	3,198	(993)	2,205	
2,875	(221)	2,654	Support Services – Chief Executive's Office	3,118	(236)	2,882	
13,283	(288)	12,995	Support Services – Business Operations & P'ships.	15,042	(33)	15,009	
1,610	(147)	1,463	Support Services – Environment	1,611	(138)	1,473	
<b>458,060</b>	<b>(139,071)</b>	<b>318,989</b>	<b>Cost of general fund services</b>	<b>457,908</b>	<b>(131,798)</b>	<b>326,110</b>	
16,541	(15,170)	1,371	HRA	26,619	(16,210)	10,409	
<b>474,601</b>	<b>(154,241)</b>	<b>320,360</b>	<b>Cost of Services</b>	<b>484,527</b>	<b>(148,008)</b>	<b>336,519</b>	
		(6,661)	Other operating expenditure/ (income) (Note 12)			(2,327)	
		1,671	Financing and investment income and expenditure (Note 13)			11,466	
		(303,870)	Taxation and non-specific grant income (Note 14)			(348,559)	
		<b>11,500</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>(2,901)</b>	
		(70,692)	(Surplus) or deficit on revaluation of Non-Current assets (Note 26)			(41,437)	
		47,625	Impairment losses on non-current assets charged to the Revaluation Reserve (Note 26)			24,547	
		-	Adjustments relating to lease agreements per IFRS 16 (Note 26)			23,684	
		135,934	Actuarial (gains)/losses on pension assets/liabilities (Note 26)			(13,309)	
		<b>112,867</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(6,515)</b>	
		<b>124,367</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(9,416)</b>	





## Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'.

The statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year.

The Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

	Unallocated General Fund Balance £000	Earmarked General Fund Balance £000	Housing Revenue Account £000	Capital Grants & Receipts Unapplied £000	Repairs & Renewals Fund £000	Insurance Fund £000	Capital Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2024 carried forward</b>	<b>(7,302)</b>	<b>(34,464)</b>	<b>(1,652)</b>	<b>-</b>	<b>(4,450)</b>	<b>(2,044)</b>	<b>(18,877)</b>	<b>(68,789)</b>	<b>(674,749)</b>	<b>(743,538)</b>
<b>Movement in reserves during 2024/25</b>										
Total Comprehensive (Income) and Expenditure	(4,312)	-	1,411	-	-	-	-	(2,901)	(6,515)	(9,416)
Adjustments between accounting basis & funding basis under regulations (Note 10)	(4,025)	-	(2,242)	-	-	-	5,431	(836)	836	-
<b>(Increase)/Decrease in 2024/25</b>	<b>(8,337)</b>	<b>-</b>	<b>(831)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,431</b>	<b>(3,737)</b>	<b>(5,679)</b>	<b>(9,416)</b>
<b>Net transfer (to) or from reserves</b>	<b>6,798</b>	<b>(2,547)</b>	<b>-</b>	<b>-</b>	<b>(675)</b>	<b>(102)</b>	<b>(3,474)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>(8,841)</b>	<b>(37,011)</b>	<b>(2,483)</b>	<b>-</b>	<b>(5,125)</b>	<b>(2,146)</b>	<b>(16,920)</b>	<b>(72,526)</b>	<b>(680,428)</b>	<b>(752,954)</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>(6,658)</b>	<b>(45,456)</b>	<b>(1,798)</b>	<b>-</b>	<b>(3,211)</b>	<b>(1,946)</b>	<b>(5,402)</b>	<b>(64,471)</b>	<b>(803,434)</b>	<b>(867,905)</b>
<b>Movement in reserves during 2023/24</b>										
Total Comprehensive (Income) and Expenditure	5,171	-	6,329	-	-	-	-	11,500	112,867	124,367
Adjustments between accounting basis & funding basis under regulations (Note 10)	(9,782)	-	(6,183)	-	-	-	147	(15,818)	15,818	-
<b>(Increase)/Decrease in 2023/24</b>	<b>(4,611)</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(4,318)</b>	<b>128,685</b>	<b>124,367</b>
<b>Net transfer (to) or from reserves</b>	<b>3,967</b>	<b>10,992</b>	<b>-</b>	<b>-</b>	<b>(1,239)</b>	<b>(98)</b>	<b>(13,622)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>(7,302)</b>	<b>(34,464)</b>	<b>(1,652)</b>	<b>-</b>	<b>(4,450)</b>	<b>(2,044)</b>	<b>(18,877)</b>	<b>(68,789)</b>	<b>(674,749)</b>	<b>(743,538)</b>



## **Balance Sheet**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those 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 Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000		Notes	31 March 2025 £000
956,812	Property, Plant & Equipment	15	1,011,998
318	Heritage Assets	16	318
148	Intangible Assets	18	119
243	Investments	20	239
-	Defined Benefit Asset	40	-
<b>957,521</b>	<b>Long Term Assets</b>		<b>1,012,674</b>
60	Assets Held for Sale	19	-
-	Short Term Intangible Assets		-
681	Inventories		805
24,556	Short Term Debtors	21	30,295
-	Short Term Investments	20	-
35,640	Cash and Cash Equivalents	23	36,199
<b>60,937</b>	<b>Current Assets</b>		<b>67,299</b>
(16)	Short Term Borrowing	20	(16)
(5,567)	Finance Leases including PFI/PPP	20	(9,734)
(49,846)	Short Term Creditors	24	(53,757)
(592)	Provisions – short term	25	(289)
<b>(56,021)</b>	<b>Current Liabilities</b>		<b>(63,796)</b>
(1,295)	Provisions – long term	25	(1,269)
(127,623)	Long Term Borrowing	20	(152,607)
(5)	Long Term Creditors	24	(6)
(62,565)	PFI/PPP Finance Lease	20	(84,353)
(16,886)	Defined Benefit Pension Liability	40	(14,514)
(10,525)	Capital Grant Receipts in Advance	32	(10,474)
<b>(218,899)</b>	<b>Long Term Liabilities</b>		<b>(263,223)</b>
<b>743,538</b>	<b>Net Assets</b>		<b>752,954</b>
(68,789)	Usable Reserves	11	(72,526)
(674,749)	Unusable Reserves	26	(680,428)
<b>(743,538)</b>	<b>Total Reserves</b>		<b>(752,954)</b>

Kirsty Stanners LLB CPFA  
Head of Accountancy (Chief Financial Officer)  
The unaudited financial statements were issued on 5 June 2025



## **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement 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 which 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 (i.e. borrowing) to the council.

<b>2023/24</b>		<b>2024/25</b>
<b>£000</b>		<b>£000</b>
11,500	Net (surplus) or deficit on the provision of services	(2,901)
(15,656)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 27)	(21,937)
-	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(4,156)	Net cash flows from Operating Activities	(24,838)
30,055	Investing Activities (Note 28)	40,334
742	Financing Activities (Note 29)	(16,055)
26,641	Net (increase) or decrease in cash and cash equivalents	(559)
(62,281)	Cash and cash equivalents at the beginning of the reporting period	(35,640)
<b>(35,640)</b>	<b>Cash and cash equivalents at the end of the reporting period (Including Bank Overdraft) - (Note 23)</b>	<b>(36,199)</b>



# **Notes to the Accounts**

## **1. ACCOUNTING POLICIES**

### **General Principles**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985 and the Local Government in Scotland Act 2003, section 12 of which requires the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of non-current assets and financial instruments.

### **Going Concern**

The accounts have been prepared on the basis that the Council is a going concern and covers the period for at least the next 12 months following the approval of the financial statements to 31 March 2027. The concept of a going concern assumes that the Council's functions and services will continue to operate for the foreseeable future. The provisions in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate and confirm that, as local authorities cannot be created or dissolved without statutory prescription, they must prepare their accounts on a going concern basis of accounting. In accordance with the CIPFA Code of Practice on Local Authority Accounting (2024/25), the Council is required to prepare its annual accounts on a going concern basis unless informed by the relevant national body of an intention of dissolution without transfer of services or function to another entity. There has been no such notification.

On 26 February 2025 East Renfrewshire Council approved a Medium Term Financial Strategy covering the period 2025 to 2030. At the same meeting a balanced budget was agreed for 2025/26, through the adoption of savings measures, the utilisation of fiscal flexibilities and an increase in Council Tax.

The Council's uncommitted general fund balance at 31 March 2025 is £8.841m (2.7% of annual revenue budget). Our policy is to hold a balance of between 2% and 4% of the annual budgeted net revenue expenditure. Should additional cost pressures in 2025/26 exceed the remaining uncommitted general fund balance, the Council would consider a range of options as set out below, however it is anticipated that the general fund balance will remain within policy.

The Council has a high level of balances of cash short term deposits, totalling £35.6m as at 31 March 2025. The Council's cashflow is monitored daily by management and the Council does not forecast any cashflow shortage through to 30 September 2026.

The Council continues to regularly monitor its financial position, providing regular updates to elected members through Cabinet reports. Any new spending pressures that cannot be accommodated within the agreed budget would be referred to full Council. Options for addressing any such budget gap would include consideration of restrictions on expenditure, revisions to service delivery or service standards, additional savings measures or reprioritisation of earmarked reserves and balances. Officers and members continue to liaise with COSLA and the Scottish Government, including the fiscal framework, in order to secure sustainable funding for local government in future.



## **Notes to the Accounts (cont'd)**

### **Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- When revenue 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts.

### **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to loans fund principal charges. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (loans fund principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.



## **Notes to the Accounts (cont'd)**

### **Employee Benefits**

#### **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries and paid annual leave, and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

#### **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 and are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. In this respect East Renfrewshire have treated Strain on the Pension Fund payments as termination benefits.

#### **Post- Employment Benefits**

Employees of the Council are members of two separate pension schemes:

- The Scottish Teachers' Superannuation Scheme, administered by the Scottish Government.
- The Local Government Pension Scheme, administered by Glasgow City Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

#### **The Local Government Pension Scheme**

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.80% (based on the indicative rate of return on high quality corporate bonds).
- The assets of Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
  - quoted securities - current bid price
  - unquoted securities - professional estimate
  - unitised securities - current bid price
  - property - market value

The change in the net pension liability is analysed into the following components:

- Service cost comprising:





## **Notes to the Accounts (cont'd)**

**Current service cost** - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

**Past service cost** - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributable Costs

**Gains/losses on settlements** - the decrease in liabilities as a result of the Council entering into a transaction that eliminates all further legal or constructive obligation relating to the event, notwithstanding the financial guarantee (see Note 40) - credited to the Surplus on the Provision of Services in the Comprehensive Income & Expenditure Statement as part of Non Distributable Costs.

**Net interest on the net defined benefit liability**, i.e. net interest expenses for the council. The change during the period is the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

**The return on plan assets** - excluding amounts included in net interest on the net defined benefit liability – charged to the Pension Reserve as Other Comprehensive Income and Expenditure

**Actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- Contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and 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. A negative balance that may arise on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Pension Net-Asset Recognition**

Where the Council's share of the Local Government Pension Scheme is an overall asset position, reflecting that its share of the Funds' assets exceeds the present value of its liabilities to members, this is accounted for in line with the requirements of IAS 19 and IFRIC 14. Specifically, the asset recognised by the Council is limited to the extent to which the Council can recover the benefit of the asset through refunds or reduced contributions. This is referred to as an "asset ceiling". More information is provided in note 40 to the accounts.

### **Unfunded Pension Liabilities**

In addition to normal scheme pension arrangements, certain employees also accrue benefits under unfunded pension arrangements. These unfunded pension liabilities are provided for in the Balance Sheet and disclosed separately when there is an overall net pension asset held by the Council.



## **Notes to the Accounts (cont'd)**

Reflecting the fact that there are no assets held to fund these and future payments are met through costs to the Council annually.

### **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **Common Good & Trusts**

The Council administers a Common Good Fund. As part of the management agreements where land and buildings are confirmed as belonging to the Common Good, and where the Council is incurring costs or receiving income relating to those assets as the managing agent, then the Common Good pays a nominal annual £1 fee to the Council (if asked) in return for the management of the assets. The Council remains responsible for all costs and any income relating to the assets and is entitled to the use of the assets. The fund's assets do not represent assets available to the Council and as such are not included on the Council's balance sheet and the associated capital accounting entries are reflected in the Common Good Fund. The Common Good Fund shares the same accounting policies for valuation and depreciation with the Council. For assets held within the council's balance sheet that are subsequently identified as common good, the following principles will be followed :

1. With respect to properties determined to be wholly common good (both land and buildings thereon) then these will be transferred to the common good fund.
2. For assets where common good land only forms part of the site, i.e. where the common good land is effectively inseparable from the larger council subjects, then the common good land element will be shown at nil value.
3. For those council buildings occupying wholly common good land that is included within the common good fund. The building element, unless itself common good, will be retained as part of the council's assets

In addition, the Council also administers a number of trusts, details of which are listed within the Group accounts section of this document.

### **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.

### **Financial Instruments**

#### **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 are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are



## **Notes to the Accounts (cont'd)**

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 and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are all therefore classified as amortised cost. In previous years these assets, although still recorded as amortised costs, were classed as loans and receivables.

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 Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the financial assets held by the council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### **Expected Credit Loss Model**

The Council recognises expected credit losses on its financial assets held at amortised cost with the exception of deposits with Central Government and other Local Authorities. Only lifetime losses are recognised for trade receivables (debtors) held by the council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **Fair Value Measurement**

Where the Council values its financial assets or liabilities at fair value it 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 and liabilities for which fair value is measured are categorised within the fair value hierarchy, as follows:-

**Level 1** - quoted prices (unadjusted) in active markets for identified assets or liabilities that the Council 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. For example, PWLB loans, fixed or variable rate deposits (less than one year).

**Level 3** - unobservable inputs for the asset or liability, e.g. PFI leases.



## **Notes to the Accounts (cont'd)**

### **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, 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 Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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 (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants which fund capital expenditure of the Council) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, 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 & Receipts Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants & Receipts Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure or the General Fund, where the grant or contribution funds third party capital projects.

### **Business Improvement Districts**

The Council is the billing authority for the Clarkston Business Improvement District, Giffnock Business Improvement District and Barrhead Business Improvement District. These are managed by an umbrella group led by the East Renfrewshire Chamber of Commerce and local businesses, who aim to promote and improve the respective areas for businesses and residents alike through publicised projects and events.

### **Heritage Assets**

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 as detailed below.

### **Statues**

Six statues created by 19th century Eaglesham sculptor William Gemmel are housed in the former weaver's workshop. The workshop and contents were bequeathed to the Council and are reported in the Balance Sheet at insurance valuation which is based on market value, as at April 2024.

### **Civic Regalia**

The chains of office used by the Provost and their partner, where relevant, are collectively known as Civic Regalia and are symbols of the Council of the Civic Office which the Provost holds.



## **Notes to the Accounts (cont'd)**

There are 5 chains held in total at the Council's Headquarters. They are reported in the Balance Sheet at insurance valuation which is based on market value as at April 2024.

### **Number Plate**

The Council owns a private registration plate (HS 0) which is on the car which the Council uses for civic duties. The number plate is reported on the Balance Sheet at market value, as at April 2024, provided by CarReg, one of the leading suppliers of number plates in Britain.

There are no depreciation charges on the heritage assets as it is considered that they will have indeterminate lives and high residual value.

### **Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

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 any intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement.

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.

### **Interests in Companies and Other Entities**

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures requiring it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

### **Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned under either the First in First out (FIFO) or weighted average costing formulas.



## **Notes to the Accounts (cont'd)**

### **Long Term Contracts**

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

### **Leases**

#### **The Council as a Lessee**

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code of Practice expands the scope of the newly adopted International Financial Reporting Standard 16 (IFRS 16) *Leases* to include arrangements with nil consideration, peppercorn or nominal payments.

#### **Initial measurement**

Leases are recognised as rights-of-use assets with a corresponding liability at the date from which the leased asset is available for use. The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounted by applying the Council's weighted average incremental borrowing rate (5.12%), wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under the residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an option renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

#### **Subsequent measurement**

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for assets held under non-commercial leases. For these leases, the asset is carried at a revalued amount.

Where appropriate the right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.





## **Notes to the Accounts (cont'd)**

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

### **Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for lease of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **The Council as a Lessor**

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, plant or equipment 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.

### **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, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to the asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.



## **Notes to the Accounts (cont'd)**

### **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 in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Land & Building and Plant & Equipment costing less than £10k are not treated as fixed assets. These de-minimis levels do not apply where certain categories of these assets are grouped together and form part of the approved capital programme.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction - depreciated historical cost
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued on a rolling basis, in accordance with the guidelines provided within the Royal Institute of Chartered Surveyors Valuation Standards Manual. In addition, any material changes in the value of individual assets that arise between periodic valuations are immediately reflected in the Balance Sheet.

### **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, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

### **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation is charged on a straight-line basis over the useful life of the assets (as advised by a suitably qualified officer). No depreciation is charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.



## **Notes to the Accounts (cont'd)**

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

### **Disposals and Non-Current Assets Held for Sale**

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 Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### **Private Finance Initiative (PFI) and Similar Contracts**

East Renfrewshire Council operates 5 PFI/PPP and similar projects. Please see Note 36 for details.

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to these contractors. As the Council is deemed to control the services that are provided under these schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of the 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.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

Following the introduction of International Financial Reporting Standard 16 (IFRS16) with effect from 1 April 2024, the amounts payable to the PFI and PPP operators each year are analysed into four elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost - an average interest charge of 6.87.% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator (see section below in relation to IFRS16 restatement of liability)



## **Notes to the Accounts (cont'd)**

- lifecycle replacement costs - is debited to the relevant service in the Comprehensive Income and Expenditure Statement

With effect from 1 April 2024, IFRS 16 also applies to service concession arrangements i.e. Private-Finance Initiatives (PFI) and similar schemes. Under IFRS16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments. The effect of this has been to increase finance lease liabilities as at 1 April 2024 by £32.589m, with compensating movements in assets values (£14.090m) and the revaluation reserve (£18.499m).

### **Provisions, Contingent Liabilities and Contingent Assets 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. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured as the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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 - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### **Reserves**

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council.

### **VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.



## Notes to the Accounts (cont'd)

### 2. EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax (and Rent) payers how the funding available to the Council (i.e. Government Grants, Rents, Council Tax and Business Rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund and HRA Balances	2023/24 Adjustments Between Funding & Accounting Basis (See Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	2024/25 Adjustments Between Funding & Accounting Basis (See Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
167,203	17,999	185,202	Education	181,542	8,800	190,342
67,333	496	67,829	HSCP - Provision of Services	71,435	2,758	74,193
24,955	4,921	29,876	Environment	25,528	6,039	31,567
10,500	(68)	10,432	Business Operations & Partnerships	7,699	449	8,148
(1,863)	2,205	342	Chief Executive's Office	(830)	1,121	291
5,291	2,905	8,196	Other Expenditure & Income	768	1,437	2,205
2,734	(80)	2,654	Support Services – Chief Executive's Office	2,597	285	2,882
9,707	3,288	12,995	Support Services – Business Ops & P'ships	11,437	3,572	15,009
1,481	(18)	1,463	Support Services – Environment	1,579	(106)	1,473
<b>287,341</b>	<b>31,648</b>	<b>318,989</b>	<b>Net Cost of General Fund Services</b>	<b>301,755</b>	<b>24,355</b>	<b>326,110</b>
300	1,071	1,371	HRA	(676)	11,085	10,409
<b>287,641</b>	<b>32,719</b>	<b>320,360</b>	<b>Cost of Services</b>	<b>301,079</b>	<b>35,440</b>	<b>336,519</b>
(890)	(5,771)	(6,661)	Other operating expenditure	(906)	(1,421)	(2,327)
9,200	(7,529)	1,671	Financing and investment income and expenditure	12,211	(745)	11,466
(285,457)	(18,413)	(303,870)	Taxation and non-specific grant income	(317,301)	(31,258)	(348,559)
<b>10,494</b>	<b>1,006</b>	<b>11,500</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(4,917)</b>	<b>2,016</b>	<b>(2,901)</b>
(53,912)			Opening General Fund and HRA Balance	(43,418)		
10,494			(Surplus) / Deficit on General Fund and HRA Balance in Year	(4,917)		
<b>(43,418)</b>			<b>Closing General Fund and HRA Balance*</b>	<b>(48,335)</b>		

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



## Notes to the Accounts (cont'd)

### 3. NOTE TO THE EXPENDITURE & FUNDING ANALYSIS

This note provides an analysis between the General Fund (surplus)/deficit and the Comprehensive Income and Expenditure Statement (surplus)/deficit on the Provision of Services. Explanations of the adjustments shown are provided after the table below.

2024/25	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	12,228	3,265	(6,693)	8,800
HSCP – Provision of Services	446	2,230	82	2,758
Environment	6,572	1,520	(2,053)	6,039
Business Operations & Partnerships	16	587	(154)	449
Chief Executive's Office	-	-	1,121	1,121
Other Expenditure & Income	-	750	687	1,437
Support Services – Chief Executive's Office	-	293	(8)	285
Support Services – Business Ops & P'ships	2,961	633	(22)	3,572
Support Services – Environment	-	160	(266)	(106)
<b>Net Cost of General Fund Services</b>	<b>22,223</b>	<b>9,438</b>	<b>(7,306)</b>	<b>24,355</b>
HRA	16,130	448	(5,493)	11,085
<b>Cost of Services</b>	<b>38,353</b>	<b>9,886</b>	<b>(12,799)</b>	<b>35,440</b>
Other Operating Expenditure	(1,421)	-	-	(1,421)
Financing & Investment Income & Expenditure	-	1,051	(1,796)	(745)
Taxation & Non-Specific Grant Income	(31,258)	-	-	(31,258)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>5,674</b>	<b>10,937</b>	<b>(14,595)</b>	<b>2,016</b>

2023/24	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	23,660	(311)	(5,350)	17,999
HSCP – Provision of Services	793	(232)	(65)	496
Environment	6,727	(154)	(1,652)	4,921
Business Operations & Partnerships	(11)	(57)	-	(68)
Chief Executive's Office	-	1	2,204	2,205
Other Expenditure & Income	-	1,780	1,125	2,905
Support Services – Chief Executive's Office	-	(28)	(52)	(80)
Support Services – Business Ops & P'ships	3,312	(67)	43	3,288
Support Services – Environment	-	(18)	-	(18)
<b>Net Cost of General Fund Services</b>	<b>34,481</b>	<b>914</b>	<b>(3,747)</b>	<b>31,648</b>
HRA	6,190	(45)	(5,074)	1,071
<b>Cost of Services</b>	<b>40,671</b>	<b>869</b>	<b>(8,821)</b>	<b>32,719</b>
Other Operating Expenditure	(5,771)	-	-	(5,771)
Financing & Investment Income & Expenditure	-	(5,419)	(2,110)	(7,529)
Taxation & Non-Specific Grant Income	(18,413)	-	-	(18,413)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>16,487</b>	<b>(4,550)</b>	<b>(10,931)</b>	<b>1,006</b>





## **Notes to the Accounts (cont'd)**

### **Adjustments for Capital Purposes**

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### **Net charge for the Pensions Adjustments**

Net charge for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- **For services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the Consolidated Income and Expenditure Statement.

### **Other Differences**

This column records other adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute in the service lines, and for:-

- **Financing and investment income and expenditure** - the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts along with other loans fund adjustments.

## **4. ACCOUNTANCY STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The code requires the disclosure of information relating to the impact of an accounting change that is required by a new standard that has been issued but not yet adopted. This applies to the following new or amended standards within the 2025/26 code:-

- IFRS 17 Insurance Contracts
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates ( Lack of Exchangeability)

Overall, these amended standards are not expected to materially impact the Council's Annual Accounts.



## Notes to the Accounts (cont'd)

### 5. EXPENDITURE AND INCOME ANALYSED BY SERVICE

The Council's expenditure and income, segmented in line with the Council's Directorate and reporting structure, is analysed as follows:

#### 2024/25

Expenditure/Income	Education	HSCP	Environment	Business Operations & P'ships	Chief Executive's Office	Other Expenditure & Income	Support Services	Housing Revenue Account	Costs not included in a service	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>										
Employee expenses	142,127	30,487	18,350	7,104	23	750	12,239	5,153	1,051	217,284
Other services expenses	45,855	65,394	18,234	14,233	585	2,448	4,571	5,336	-	156,656
Depreciation, amortisation, impairment	12,228	446	6,572	16	-	-	2,961	16,130	-	38,353
Interest payments	-	-	-	-	-	-	-	-	12,474	12,474
Gain on the disposal of assets	-	-	-	-	-	-	-	-	(1,421)	(1,421)
<b>Total expenditure</b>	<b>200,210</b>	<b>96,327</b>	<b>43,156</b>	<b>21,353</b>	<b>608</b>	<b>3,198</b>	<b>19,771</b>	<b>26,619</b>	<b>12,104</b>	<b>423,346</b>
<b>Income</b>										
Fees, charges and other service income	(4,717)	(20,795)	(8,187)	(855)	(317)	(993)	(357)	(16,210)	(906)	(53,337)
Interest and investment income	-	-	-	-	-	-	-	-	(2,059)	(2,059)
Income from council tax	-	-	-	-	-	-	-	-	(63,328)	(63,328)
Government grants and contributions (Note 32)	(5,151)	(1,339)	(3,402)	(12,350)	-	-	(50)	-	(285,231)	(307,523)
<b>Total income</b>	<b>(9,868)</b>	<b>(22,134)</b>	<b>(11,589)</b>	<b>(13,205)</b>	<b>(317)</b>	<b>(993)</b>	<b>(407)</b>	<b>(16,210)</b>	<b>(351,524)</b>	<b>(426,247)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>190,342</b>	<b>74,193</b>	<b>31,567</b>	<b>8,148</b>	<b>291</b>	<b>2,205</b>	<b>19,364</b>	<b>10,409</b>	<b>(339,420)</b>	<b>(2,901)</b>

#### 2023/24

Expenditure/Income	Education	HSCP	Environment	Business Operations & P'ships	Chief Executive's Office	Other Expenditure & Income	Support Services	Housing Revenue Account	Costs not included in a service	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>										
Employee expenses	132,836	31,430	18,153	7,329	29	1,780	11,430	5,375	(5,419)	202,943
Other services expenses	47,215	62,030	16,660	16,923	597	9,529	3,026	4,976	-	160,956
Depreciation, amortisation, impairment	23,660	793	6,727	(11)	-	-	3,312	6,190	-	40,671
Interest payments	-	-	-	-	-	-	-	-	9,490	9,490
Gain on the disposal of assets	-	-	-	-	-	-	-	-	(5,771)	(5,771)
<b>Total expenditure</b>	<b>203,711</b>	<b>94,253</b>	<b>41,540</b>	<b>24,241</b>	<b>626</b>	<b>11,309</b>	<b>17,768</b>	<b>16,541</b>	<b>(1,700)</b>	<b>408,289</b>
<b>Income</b>										
Fees, charges and other service income	(4,878)	(25,167)	(7,842)	(1,636)	(284)	(3,113)	(593)	(15,170)	(890)	(59,573)
Interest and investment income	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Income from council tax	-	-	-	-	-	-	-	-	(62,824)	(62,824)
Government grants and contributions (Note 32)	(13,631)	(1,257)	(3,822)	(12,173)	-	-	(63)	-	(241,046)	(271,992)
<b>Total income</b>	<b>(18,509)</b>	<b>(26,424)</b>	<b>(11,664)</b>	<b>(13,809)</b>	<b>(284)</b>	<b>(3,113)</b>	<b>(656)</b>	<b>(15,170)</b>	<b>(307,160)</b>	<b>(396,789)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>185,202</b>	<b>67,829</b>	<b>29,876</b>	<b>10,432</b>	<b>342</b>	<b>8,196</b>	<b>17,112</b>	<b>1,371</b>	<b>(308,860)</b>	<b>11,500</b>

### 6. CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has entered into 5 Private Financial Initiatives/Public Private Partnership and similar contracts for the provision of educational buildings, the construction of a new road and



## Notes to the Accounts (cont'd)

waste recycling plant. The Council has considered the tests under IFRIC 12 and concluded that these are service concession arrangements. With the exception of the waste recycling plant, where the Council has an 11% share of the contract, the Council is deemed to control the services provided under these contracts, applies the accounting policies as stated in note 1 and recognises their net book value in note 15. This arrangement includes the Roads PFI contract where East Renfrewshire Council acts as a lead authority despite only recognising 26.67% of the contract value in the accounts. Further information, including a breakdown of the individual contracts, can be obtained from note 36.

### 7. **ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Statement of 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 at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results differ Assumptions
Valuation of Property	<p>The valuation of the council's property, plant and equipment which are subject to revaluation are subject to significant estimation due to a number of factors, such as ongoing changes to estimates around the costs of replacing existing assets, the market value fluctuation of comparable assets used for valuation, the current condition and future maintenance costs of assets, changes to regulatory standards, the remaining useful economic lives of the assets. For IFRS 16 right-of-use assets that are leased out by the Council, the valuation is based on the condition when let and excludes subsequent improvements by the tenant. Given the material nature of the council's assets, there is a high likelihood that changes in these estimates will result in material changes in the valuation of assets on the balance sheet. The total value of the council's assets at 31 March 2025 is outlined and broken down by asset category at note 15.</p> <p>In particular, additional consideration continues to be given to the effects of the current economic climate on the council's property assets and their associated values. In order to take an informed view and to gauge the position of the wider valuation profession on this matter, consultation has taken place with colleagues from a wide range of Scottish local authorities, private practice surveyors, the District Valuers Office, the Association of Chief Estate Surveyors (ACES) and the Royal Institute of Chartered Surveyors (RICS).</p>	<p>The value of all council property, plant and equipment is £871.287m. The impact of a 5% change in valuation would be a total of £43.564m. This would either result in an increase or decrease in the council's revaluation reserve or an additional impairment charge. There would be no impact on the council's general fund. Given the wide ranging nature of the assets under revaluation, as well as the differing and overlapping estimates involved in the valuations, it is not possible for management to provide an expected range of estimate outcomes going forward. However, given the experience in past years and materiality of the asset values, it is expected that these balances will continue to be subject to change as estimates are updated annually.</p>



## Notes to the Accounts (cont'd)

	<p><b>2024/25 revaluations:</b></p> <p>In 2024/25, valuations were undertaken on the basis of a rolling programme, ensuring that all high value council assets were valued in-year. The asset valuations were based on a depreciated replacement cost (DRC) basis and resulted in a net upwards revaluation of assets of £35.476m (4% from previous revaluation). A valuation movement of £5.961 was debited to the Comprehensive Income and Expenditure Account. The changes in valuation in assets in 2024/25, compared to 2023/24, represent updated information around the assets since the most recent full valuation.</p> <p>The council has also continued to assess the valuation of its asset base subsequent to the financial year end to ensure new information does not indicate a change in valuation at the balance sheet date.</p>	
Net Pension Asset	<p>There are three sources of estimation that could materially impact the valuation of the Council's net pension asset recognition:</p> <ol style="list-style-type: none"> <li><b>Pension Liability estimation.</b> This is dependent on complex judgements, relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates.</li> <li><b>Pension Asset.</b> This is dependent on the expected returns on pension fund assets, and the estimated value at the balance sheet date, which for some level 2 and 3 assets, in particular, requires significant judgement in determining.</li> <li><b>Pension Asset Ceiling.</b> Within the Pension Asset Ceiling is an estimation of future contributions, future service costs and the period over which the asset ceiling is calculated.</li> </ol>	<ol style="list-style-type: none"> <li><b>Pension Liability.</b> The sensitivities relating to the Pension Liability estimate are set out in Note 40.</li> <li><b>Pension Asset.</b> The Gross Value of Assets held on behalf of the Council is £761.111m, a 1% increase would result in an increase in Pension Assets of £7.61m.</li> <li><b>Pension Asset Ceiling.</b> The net asset arising from the Council's involvement in the defined benefit scheme totals £263.694 at 31 March 2025. This has been limited to £nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions.</li> </ol> <p>As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs.</p> <p>As a scheduled body of Strathclyde Pension Fund, this calculation has been performed on a perpetuity basis,</p>

**Notes to the Accounts (cont'd)**

		<p>recognising that the Council is expected to remain in the scheme indefinitely. The unfunded obligations of £14,514k are shown on the balance sheet.</p> <p>The period over which the asset ceiling is calculated is 45 years for primary contributions and 11.3 years for secondary contributions which are negative. A key factor in this approach is the assessment over the extent to which contributions relate to past or future service costs. In particular, should the period over which negative secondary contributions are calculated change to align with primary contributions, then this would materially increase the level of the asset ceiling for the period.</p>
Arrears	At 31 March 2025, the Council had a sundry debtor balance of £3.52m, Council Tax Debtors of £16.59m and Non Domestic Rate Debtors of £4.18m. A review of significant balances suggested that an impairment of doubtful debts of 44.66% / £1.6m was appropriate for sundry debtors and provisions of 91.24% / £15.1m and 89.34% / £3.7m were made for Council Tax and Non Domestic Rates respectively. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, an increase in bad debt of 10% would require an additional £0.16m to be set aside for sundry debt as an allowance and £1.51m and £0.37m for Council Tax and Non Domestic Rate debtors respectively

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

## 8. **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – ITEMS OF INCOME AND EXPENSE**

The following items of income and expenditure are shown net in the Comprehensive Income and Expenditure Account.

<b>Disposal of property, plant and equipment</b>	<b>£000</b>
Net Book Value of Assets	85
Sale Proceeds	(1,506)
	<b>(1,421)</b>

## 9. **EVENTS AFTER THE BALANCE SHEET DATE**

The Statement of Accounts was authorised for audit by the Head of Accountancy (Chief Financial Officer) on 5 June 2025. Events taking place after this date are not reflected in the Financial Statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



## **Notes to the Accounts (cont'd)**

As reported in the Council's 2023/24 Annual Accounts, this event remains ongoing:

### **Virgin Media Limited v NTL Pension Trustees II Limited**

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.





## Notes to the Accounts (cont'd)

### 10. MOVEMENT IN RESERVES STATEMENT – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement 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. Movements can be traced through Note 26.

2024/25	General Fund Balance £000	Housing Revenue Account £000	Capital Reserve £000	Capital Grants & Receipts Unapplied £000	Repairs and Renewals Fund £000	Insurance Fund £000	Movement in Unusable Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account</b>							
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>							
Charges for depreciation and impairment of non-current assets	(18,254)	(11,177)					29,431
Amortisation of intangible assets (Note 18)	(66)						66
Difference between fair value and historic cost depreciation	(3,903)	(4,953)					8,856
Capital grants and contributions applied (Note 34)	20,346	10,912					(31,258)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement (Note 8)	(85)		1,506				(1,421)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>							
Statutory provision for the financing of capital investment	13,262	3,490					(16,752)
Adjustment to the statutory repayment of debt for service concession arrangements – permitted flexibility	(4,628)						4,628
Capital expenditure charged against the General Fund and HRA balances	406						(406)
Voluntary provision for repayment of debt (Note 26)							
<b>Adjustments primarily involving the Capital Reserve:</b>							
Use of the Capital Reserve to finance new capital expenditure			3,925				(3,925)
<b>Adjustments primarily involving the Capital Grants &amp; Receipts Unapplied Account:</b>							
Use of Capital receipts initially transferred to grants & receipts unapplied to fund Covid-19 pressures							
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements (Note 26)	12						(12)
<b>Adjustments primarily involving the Pensions Reserve:</b>							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 26)	(10,437)	(500)					10,937
<b>Adjustment primarily involving the Statutory Accumulating Compensated Absences Account:</b>							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 26)	(678)	(14)					692
<b>Total Adjustments (see MIRS)</b>	<b>(4,025)</b>	<b>(2,242)</b>	<b>5,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836</b>

**Notes to the Accounts (cont'd)****2023/24**

General Fund Balance £000	Housing Revenue Account £000	Capital Reserve £000	Capital Grants & Receipts Unapplied £000	Repairs and Renewals Fund £000	Insurance Fund £000	Movement in Unusable Reserves £000
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<b>Adjustments primarily involving the Capital Adjustment Account</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of non-current assets	(27,986)	(2,492)				30,478
Amortisation of intangible assets (Note 18)	(58)					58
Difference between fair value and historic cost depreciation	(6,437)	(3,698)				10,135
Capital grants and contributions applied (Note 34)	13,646	1,212	3,555			(18,413)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement (Note 8)	(1,780)	(4,800)	147			6,433
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	9,509	3,290	(3,555)			(9,244)
Adjustment to the statutory repayment of debt for service concession arrangements – permitted flexibility	(2,704)					2,704
Capital expenditure charged against the General Fund and HRA balances	799					(799)
Voluntary provision for repayment of debt (Note 26)	108					(108)
<b>Adjustments primarily involving the Capital Reserve:</b>						
Use of the Capital Reserve to finance new capital expenditure						
<b>Adjustments primarily involving the Capital Grants &amp; Receipts Unapplied Account:</b>						
Use of Capital receipts initially transferred to grants & receipts unapplied to fund Covid-19 pressures						
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements (Note 26)	12					(12)
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (Note 26)	4,239	311				(4,550)
<b>Adjustment primarily involving the Statutory Accumulating Compensated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 26)	870	(6)				(864)
<b>Total Adjustments (see MIRS)</b>	<b>(9,782)</b>	<b>(6,183)</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>15,818</b>



## Notes to the Accounts (cont'd)

### 11. MOVEMENT IN RESERVES STATEMENT – TRANSFER TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

	Balance at 31 March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance at 31 March 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance at 31 March 2025 £000
<b>Non-earmarked Reserve</b>	<b>(6,658)</b>	<b>3,967</b>	<b>(4,611)</b>	<b>(7,302)</b>	<b>6,798</b>	<b>(8,337)</b>	<b>(8,841)</b>
Equalisation Reserve	(3,001)	-	(188)	(3,189)	-	(210)	(3,399)
Modernisation Fund	(5,560)	1,076	(2,278)	(6,762)	1,094	(339)	(6,007)
Unspent Grants	(13,748)	11,980	(2,284)	(4,052)	3,348	(1,472)	(2,176)
Whitelee Wind Farm	(1,059)	-	(90)	(1,149)	234	(441)	(1,356)
Commuted Sums	(62)	62	(3,784)	(3,784)	1,075	(3,294)	(6,003)
Devolved School Management	(4,298)	1,872	(1,347)	(3,773)	1,360	(774)	(3,187)
Feasibility Fund	(236)	-	(212)	(448)	-	(22)	(470)
Get to Zero Fund	(380)	45	(219)	(554)	45	(28)	(537)
Service Concessions Flexibility	(14,812)	10,228	(2,704)	(7,288)	7,700	(4,628)	(4,216)
Workforce Restructuring Fund	(1,500)	750	(1,075)	(1,825)	-	(91)	(1,916)
Employee Wellbeing & Development Fund	(400)	-	(620)	(1,020)	-	(1,451)	(2,471)
Community Capacity Building Fund	(400)	-	(220)	(620)	38	(1,231)	(1,813)
Investment in the Future	-	-	-	-	2,880	(6,340)	(3,460)
<b>General Fund Total</b>	<b>(52,114)</b>	<b>29,980</b>	<b>(19,632)</b>	<b>(41,766)</b>	<b>24,572</b>	<b>(28,658)</b>	<b>(45,852)</b>
HRA	(1,798)	146	-	(1,652)	-	(831)	(2,483)
Capital Reserve	(5,402)	3,555	(17,030)	(18,877)	3,925	(1,968)	(16,920)
Repairs and Renewal Fund	(3,211)	803	(2,042)	(4,450)	162	(837)	(5,125)
Insurance Fund	(1,946)	-	(98)	(2,044)	-	(102)	(2,146)
<b>Total</b>	<b>(64,471)</b>	<b>34,484</b>	<b>(38,802)</b>	<b>(68,789)</b>	<b>28,659</b>	<b>(32,396)</b>	<b>(72,526)</b>

**Notes to the Accounts (cont'd)****12. COMPREHENSIVE INCOME & EXPENDITURE STATEMENT – OTHER OPERATING EXPENDITURE**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
(Gain)/Loss on disposal of Fixed Asset (See Note 8)	(1,421)	(5,771)
Rental Income – operating lease over property, plant and equipment	(906)	(890)
	<b>(2,327)</b>	<b>(6,661)</b>

**13. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Interest payable and similar charges	12,474	9,490
Pension interest costs and expected return on pension assets	1,051	(5,419)
Interest receivable and similar income	(2,059)	(2,400)
Expected credit loss	-	-
<b>Total</b>	<b>11,466</b>	<b>1,671</b>

**14. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – TAXATION AND NON SPECIFIC GRANT INCOMES**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Council Tax income	(63,328)	(62,824)
Non domestic rates	(15,941)	(15,695)
Non ring-fenced government grants	(238,032)	(206,938)
Capital grants and contributions	(31,258)	(18,413)
<b>Total</b>	<b>(348,559)</b>	<b>(303,870)</b>

**Notes to the Accounts (cont'd)****15. PROPERTY, PLANT AND EQUIPMENT****Movements on Balances****Movements in 2024/25**

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	PFI Assets Included in Property, Plant and Equipment £000	Total Property, Plant and Equipment £000
<b>Cost or Valuation 31 March 2024</b>	<b>268,256</b>	<b>438,006</b>	<b>32,624</b>	<b>*</b>	<b>3,861</b>	<b>1,348</b>	<b>11,881</b>	<b>144,229</b>	<b>*</b>
Opening adjustments relating to Lease agreements per IFRS16	-	(2,263)	786	13,274	(1,281)	-	-	816	11,332
<b>Cost or Valuation 1 April 2024</b>	<b>268,256</b>	<b>435,743</b>	<b>33,410</b>	<b>*</b>	<b>2,580</b>	<b>1,348</b>	<b>11,881</b>	<b>145,045</b>	<b>*</b>
In-year adjustments relating to Lease agreements per IFRS 16	-	14	160	177	-	-	-	(432)	(81)
Additions (per Capital Expenditure)	22,453	13,371	7,257	5,856	100	-	16,216	104	65,357
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,540)	(3,660)	-	-	-	-	-	5,654	454
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,000)	(1,003)	-	-	(73)	-	-	-	(8,076)
Derecognition – disposals	-	(22)	(1,287)	-	-	-	-	-	(1,309)
Derecognition – other	(4)	-	(3,963)	-	-	-	-	-	(3,967)
Assets transferred to/from assets under construction	-	-	-	-	-	-	-	-	-
Assets transferred to/from Surplus Assets	-	-	-	-	-	-	-	-	-
Asset transfers within PPE	-	(219)	91	128	-	-	-	-	-
<b>At 31 March 2025</b>	<b>282,165</b>	<b>444,224</b>	<b>35,668</b>	<b>*</b>	<b>2,607</b>	<b>1,348</b>	<b>28,097</b>	<b>150,371</b>	<b>*</b>
<b>Accumulated Depreciation and Impairment</b>									
<b>At 1 April 2024</b>	<b>(2,348)</b>	<b>(41)</b>	<b>(21,542)</b>	<b>*</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(499)</b>	<b>*</b>
Depreciation charge	(9,516)	(9,318)	(6,377)	(3,439)	-	-	-	(3,676)	(32,326)
Depreciation written out on disposal	-	-	1,284	-	-	-	-	-	1,284
Depreciation written out on revaluation reserve	8,557	5,111	-	-	-	-	-	2,768	16,436
Depreciation written out on surplus or deficit on the provision of service	425	1,690	-	-	-	-	-	-	2,115
Asset transfers within PPE	-	21	(12)	(9)	-	-	-	-	-
Derecognition - other	4	-	3,963	-	-	-	-	-	3,967
<b>At 31 March 2025</b>	<b>(2,878)</b>	<b>(2,537)</b>	<b>(22,684)</b>	<b>*</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(1,407)</b>	<b>*</b>
<b>Net Book Value At 31 March 2025</b>	<b>279,287</b>	<b>441,687</b>	<b>12,984</b>	<b>97,023</b>	<b>2,607</b>	<b>1,349</b>	<b>28,097</b>	<b>148,964</b>	<b>1,011,998</b>
<b>At 31 March 2024</b>	<b>265,908</b>	<b>437,965</b>	<b>11,082</b>	<b>81,036</b>	<b>3,861</b>	<b>1,349</b>	<b>11,881</b>	<b>143,730</b>	<b>956,812</b>

**Notes to the Accounts (cont'd)****Movements in 2023/24**

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	PFI Assets Included in Property, Plant and Equipment £000	Total Property, Plant and Equipment £000
<b>Cost or Valuation At 1 April 2023</b>	<b>238,499</b>	<b>429,281</b>	<b>41,992</b>	<b>*</b>	<b>3,742</b>	<b>2,433</b>	<b>17,487</b>	<b>171,325</b>	<b>*</b>
Additions	4,836	8,359	6,651	8,102	119	-	18,312	40	46,419
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	34,384	(2,118)	-	-	-	(733)	-	(27,136)	4,397
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	1,398	(14,179)	-	-	-	(147)	-	-	(12,928)
Derecognition – disposals	(11,259)	(6,652)	(16,019)	-	-	-	-	-	(33,930)
Derecognition – other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	(60)	-	-	-	-	-	-	(60)
Assets transferred to/from assets under construction	193	23,375	-	350	-	-	(23,918)	-	-
Assets transferred to/from Surplus Assets	205	-	-	-	-	(205)	-	-	-
<b>At 31 March 2024</b>	<b>268,256</b>	<b>438,006</b>	<b>32,624</b>	<b>*</b>	<b>3,861</b>	<b>1,348</b>	<b>11,881</b>	<b>144,229</b>	<b>*</b>
<b>Accumulated Depreciation and Impairment At 1 April 2023</b>	<b>(12,975)</b>	<b>(483)</b>	<b>(31,637)</b>	<b>*</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(381)</b>	<b>*</b>
Depreciation charge	(8,024)	(9,002)	(5,922)	(2,744)	-	-	-	(4,328)	(30,020)
Depreciation written out on disposal	11,259	74	16,017	-	-	-	-	-	27,350
Depreciation written out on revaluation reserve	6,997	7,430	-	-	-	-	-	4,210	18,637
Depreciation written out on surplus or deficit on the provision of service	395	1,940	-	-	-	-	-	-	2,335
<b>At 31 March 2024</b>	<b>(2,348)</b>	<b>(41)</b>	<b>(21,542)</b>	<b>*</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(499)</b>	<b>*</b>
<b>Net Book Value At 31 March 2024</b>	<b>265,908</b>	<b>437,965</b>	<b>11,082</b>	<b>81,036</b>	<b>3,861</b>	<b>1,349</b>	<b>11,881</b>	<b>143,730</b>	<b>956,812</b>
<b>At 31 March 2023</b>	<b>225,524</b>	<b>428,798</b>	<b>10,355</b>	<b>75,328</b>	<b>3,742</b>	<b>2,434</b>	<b>17,487</b>	<b>170,944</b>	<b>934,612</b>





## **Notes to the Accounts (cont'd)**

### **Depreciation**

Depreciation is provided for on all Property, Plant & 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 e.g. land and assets that are not yet available for use (i.e. assets under construction).

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings – 30-40 years
- Other Land and Buildings - 10-50 years
- Vehicles, Plant, Furniture & Equipment - 4-20 years.
- Infrastructure – 40 – 60 years
- Community Assets – 1-20 years

### **Capital Commitments**

At 31 March 2025, the Council was progressing a number of projects for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years. As approved on 26 February 2025 the 2025/26 Capital Plans for the General Fund totals £66,371k and Housing totals £7,322k. The major commitments include the following projects which have been stated at full project cost:-

	<b>£000</b>
Neilston Learning Campus	29,164
Eastwood Park Leisure – Refurbishment	55,600
Roads Capital Works (Carriageways and Other Infrastructure Assets)	16,789
House Building Programme (Phase 2)	15,637

### **Revaluations**

The Council carries out a rolling revaluation programme, ensuring that all Property, Plant and Equipment required to be measured at fair value is revalued on a regular basis. In the current year, in addition to at least 20% of each asset category being revalued as at 31 March 2025, all high value assets were also revalued. Also assets that were not formally revalued underwent a desk top appraisal. If the appraisal value indicated an increase in value greater than 10% from that previously stated in the Balance Sheet, then the asset was revalued in-year, in addition to the rolling programme. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the fair values are:-

- the amount which an asset could be exchanged for, between knowledgeable, willing parties, in an arm's length transaction
- the amount that would be paid for the asset in its existing use.
- the amount as determined at an assumed valuation date.

In addition to the valuations confirmed by the Council's internal valuers, right-of-use assets have also been brought onto the Balance Sheet and therefore form part of this note. This is due to the application of IFRS 16 Leases as adopted by the Code of Practice. These assets were measured at the present value of the remaining lease payments, discounted by applying the Council's weighted average incremental borrowing rate as at 1 April 2024. Further information on the right-of-use assets can be found in note 35.



## **Notes to the Accounts (cont'd)**

### **\*Infrastructure Assets**

The CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom requires infrastructure assets to be measured using the historical cost measurement basis and carried at depreciated historical cost. Due to information deficits it is unclear as to whether when an assets component is replaced that the old component has been derecognised to avoid double counting. However, as parts of these assets are rarely replaced before the part has been fully consumed and should therefore be fully depreciated at the date of replacement, the carrying amount to be derecognised in respect of a replaced part of an infrastructure assets is a nil amount.

The Scottish Government in recognising the challenge facing Council's has agreed to permit temporary statutory overrides whilst a permanent solution is developed within the Code. As outlined in the Local Government Finance Circular 09/2022 the Council has adopted statutory overrides for the period 1 April 2021 to 31 March 2025 which permits the council not to report gross cost and accumulated depreciation for Infrastructure assets.

### **16. HERITAGE ASSETS**

#### **Reconciliation of the carrying value of Heritage Assets held by the Council**

	Statues £000	Civic Regalia £000	Total Tangible Assets £000	Number Plates £000	Total Intangible Assets £000	Total Heritage Assets £000
<b>Cost or valuation At 1 April 2024</b>	99	69	168	150	150	318
<b>Revaluations</b>	-	-	-	-	-	-
<b>At 31 March 2025</b>	99	69	168	150	150	318

	Statues £000	Civic Regalia £000	Total Tangible Assets £000	Number Plates £000	Total Intangible Assets £000	Total Heritage Assets £000
<b>Cost or valuation At 1 April 2023</b>	94	65	159	126	126	285
<b>Revaluations</b>	5	4	9	24	24	33
<b>At 31 March 2024</b>	99	69	168	150	150	318

### **17. HERITAGE ASSETS: FIVE YEAR SUMMARY OF TRANSACTIONS**

There has been no acquisition, donation, disposal or impairment of Heritage Assets in the five year period covering the financial years 2020/21 to 2024/25.



## Notes to the Accounts (cont'd)

### 18. INTANGIBLE ASSETS

The Council accounts for its software licences as intangible assets, to the extent that they are not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All licences are given a finite useful life of less than 5 years, based on assessments of the period that they are expected to be of use to the Council.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £66k charged to revenue in 2024/25 was charged to the IT Administration cost centre within Support Services – Business Operations and Partnerships.

The movement on Intangible Asset balances during the year is as follows:

	2024/25 Software Licences £000	2023/24 Software Licences £000
<b>Balance at start of year:</b>		
• Gross carrying amounts	284	1,824
• Accumulated amortisation	(136)	(1,684)
<b>Net carrying amount at start of year</b>	<b>148</b>	<b>140</b>
Additions:		
• Internal development	-	-
• Purchases	37	66
• Acquired through business combinations	-	-
Derecognition - Disposal	(37)	(1,606)
Amortisation for the period	(66)	(58)
Depreciation written out on disposal	37	1,606
Derecognition		
• Gross Book Value	-	-
• Accumulated amortisation	-	-
<b>Net carrying amount at end of year</b>	<b>119</b>	<b>148</b>
Comprising:		
• Gross carrying amounts	284	284
• Accumulated amortisation	(165)	(136)
<b>Balance at end of year:</b>	<b>119</b>	<b>148</b>

### 19. ASSETS HELD FOR SALE

	Current Assets 2024/25 £000	Current Assets 2023/24 £000
<b>Balance outstanding at start of year</b>	-	-
Assets newly classified as held for sale:		
• Property, Plant and Equipment	60	60
• Other assets/liabilities in disposal groups	-	-
Additions	-	-
1Revaluation losses	-	-
Revaluation gains	-	-
Impairment Gains	-	-
Impairment losses	-	-
Assets declassified as held for sale:		
• Property, Plant and Equipment	-	-
• Other assets/liabilities in disposal groups	-	-
Assets sold	(60)	-
Derecognition	-	-
Transfers from non-current to current	-	-
<b>Balance outstanding at year-end:</b>	<b>-</b>	<b>60</b>

**Notes to the Accounts (cont'd)****20. FINANCIAL INSTRUMENTS**

## Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet and reflect the impact of IFRS 9 as well as the transition to IFRS 16 during 2024/25.

	<b>Long-term</b>		<b>Current</b>	
	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
<b>Investments</b>				
Loans and receivables	239	243	36,183	35,623
<b>Total investments</b>	<b>239</b>	<b>243</b>	<b>36,183</b>	<b>35,623</b>
<b>Borrowings</b>				
Financial liabilities at amortised cost (including Bank overdraft and long term creditors)	(152,613)	(127,628)	(16)	(16)
<b>Total Borrowings</b>	<b>(152,613)</b>	<b>(127,628)</b>	<b>(16)</b>	<b>(16)</b>
<b>Other Long Term Liabilities</b>				
PFI and finance lease liabilities	(84,353)	(62,565)	(9,734)	(5,567)
<b>Total other long term liabilities</b>	<b>(84,353)</b>	<b>(62,565)</b>	<b>(9,734)</b>	<b>(5,567)</b>

The income and expenses recognised in the Comprehensive Income and Expenditure statement in relation to financial instruments are as follows:-

	<b>2024/25 Surplus or Deficit on the Provision of Services £000</b>	<b>2023/24 Surplus or Deficit on the Provision of Services £000</b>
Net gains/losses on:		
• Financial assets or financial liabilities measured at amortised cost	-	-
Interest revenue:		
• Financial assets or financial liabilities measured at amortised cost	7,055	5,813
Fee income:		
• Financial assets or financial liabilities that are not at fair value through profit or loss	-	-
Fee expense:		
• Financial assets or financial liabilities that are not at fair value through profit or loss	227	220
<b>Total net(gain) / losses</b>	<b>7,282</b>	<b>6,033</b>



## Notes to the Accounts (cont'd)

### Fair Values of Assets and Liabilities

Financial liabilities and financial assets including long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2\*), using the following assumptions:

- For loans from the PWLB payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, the cost of taking a new loan at PWLB new loan rates applicable to existing loans on the Balance Sheet date (which could be viewed as a proxy for transfer value) has been assessed;
- For non-PWLB loans payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount

**Market to Model Valuation for Financial Instruments** – As at 31 March the Council held £36,422k financial assets and £152,629k financial liabilities for which Level 2 valuations will apply. All the financial assets are held with Money Market Funds and other Council's. The financial liabilities are held with PWLB and Market lenders. All of these investments and borrowings were not quoted on an active market and a Level 1\* valuation is not available. To provide a fair value which provides a comparison to the carrying amount, a financial model valuation provided by MUFG Corporate Markets; the Council's treasury management advisors, has been used. This valuation applies the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses New Borrowing Rates to discount the future cash flows.

The fair values calculated are as follows:

	31 March 2025		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	152,629	108,878	127,644	93,043

The fair value of the liabilities can sometimes be greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders above current market rates. However at 31 March 2025 they are lower due to the higher interest rate environment this year which impacts the prevailing market rates in calculating fair value.

MUFG Corporate Markets have also provided fair value calculations based on premature repayment. This shows the following comparable figures:-

	31 March 2025		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	152,629	124,981	127,644	109,421



## Notes to the Accounts (cont'd)

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates. As a result of its PWLB commitments for fixed rate loans a comparison of the terms of these loans with the new borrowing rates available from the PWLB has been used to calculate the fair value. As part of the Financial Liabilities shown in the two tables above is a PWLB carrying amount of £137.48m, the fair value using New Borrowing Rates would be £97.38m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge. The exit price for the PWLB loans including the additional charges would be £108.86m.

The redemption charge is a supplementary measure of the fair value of the Public Works Loan Board (PWLB) loans of £137.48m. It measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB redemption interest rates. The difference between the carrying amount and the fair value measures the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

	31 March 2025		31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Deposits: short-term	36,183	35,183	35,623	35,623
Investments: short-term	-	-	-	-
Investments: long-term	239	239	243	243
	<b>36,422</b>	<b>35,422</b>	<b>35,866</b>	<b>35,866</b>

The fair value of the assets is similar to the carrying amount because the Council's portfolio of loans includes all variable rate loans where the interest rates receivable are similar to the rates available for similar loans at the Balance Sheet date.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

\* Definitions of Levels 1 - 3 can be found within the Accountancy Policies - Note 1.

### 21. DEBTORS

	31 March 2025	31 March 2024
	£000	£000
Trade receivables	3,519	2,636
Receivables from other Public sector bodies	14,945	12,963
Prepayments	4,280	4,426
Other accounts	7,551	4,531
<b>Total</b>	<b>30,295</b>	<b>24,556</b>



**Notes to the Accounts (cont'd)****22. DEBTORS FOR LOCAL TAXATION**

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
Less than one year	3,627	4,114
Between one to two years	2,627	2,267
Between two and five years	5,496	5,402
More than five years	9,017	8,287
<b>Total</b>	<b>20,767</b>	<b>20,070</b>

The Impairment of receivables for amounts levied in year is 2% and 100% for prior year debt.

**23. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS**

The balance of Cash and Cash Equivalents is made up of the following elements:

	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
Cash held by the Council	16	17
Bank current accounts	637	10,123
Short-term deposits	35,546	25,500
<b>Total</b>	<b>36,199</b>	<b>35,640</b>

**24. CREDITORS**

	<b>31 March 2025 £000</b>		<b>31 March 2024 £000</b>	
	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>
Trade payables	(9,343)	-	(5,421)	-
Payables to other public sector bodies	(13,838)	-	(11,411)	-
Other accounts	(30,576)	(6)	(33,014)	(5)
<b>TOTAL</b>	<b>(53,757)</b>	<b>(6)</b>	<b>(49,846)</b>	<b>(5)</b>

**Notes to the Accounts (cont'd)****25. PROVISIONS**

	Teachers Maternity Pay £000	Housing Rent £000	Short- term provisions £000	SRC Operations £000	Insurance Excess £000	Long-term provisions £000
<b>Balance at 31 March 2024</b>	(388)	(204)	<b>(592)</b>	(1,155)	(140)	<b>(1,295)</b>
Additional provisions made in 2024/25	(289)	-	<b>(289)</b>	-	-	-
Amounts used in 2024/25	388	204	<b>592</b>	26	-	<b>26</b>
Unused amounts reversed in 2024/25	-	-	-	-	-	-
<b>Balance at 31 March 2025</b>	(289)	-	<b>(289)</b>	(1,129)	(140)	<b>(1,269)</b>

The Council now has one short term provisions totalling £289k to cover holidays accrued whilst teachers are on maternity.

Two long term provisions have been made in the accounts totalling £1,269k. These are made up firstly of £1,129k, a provision in respect of the former Strathclyde Regional Council's operations. Cost sharing arrangements are in place with the other eleven authorities which made up the former Strathclyde Region. East Renfrewshire Council's share of liabilities which will materialise in the future is 4.83%. Secondly, there is a provision of £140k to cover insurance excess for outstanding claims made against the Council.

**26. BALANCE SHEET – UNUSABLE RESERVES**

	31 March 2025 £000	31 March 2024 £000
Revaluation Reserve	(332,958)	(345,829)
Capital Adjustment Account	(372,094)	(355,236)
Financial Instruments Adjustment Account	739	751
Pensions Reserve	14,514	16,886
Statutory Accumulating Compensated Absences Account	9,371	8,679
<b>Total Unusable Reserves</b>	<b>(680,428)</b>	<b>(674,749)</b>

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost

**Notes to the Accounts (cont'd)**

- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	31 March 2025 £000	31 March 2024 £000
<b>Balance at 31 March</b>	<b>(345,829)</b>	<b>(332,897)</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>20,905</b>	<b>-</b>
<b>Balance at 1 April</b>	<b>(324,924)</b>	<b>(332,897)</b>
<b>Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services:</b>		
Upward revaluation of assets	(41,437)	(70,692)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	24,547	47,625
Difference between fair value depreciation and historical cost depreciation	8,856	10,135
Accumulated gains on assets sold or scrapped	-	-
<b>Balance at 31 March</b>	<b>(332,958)</b>	<b>(345,829)</b>

**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 under statutory provisions.

The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2023/24 £000
<b>Balance at 31 March</b>	<b>(355,236)</b>	<b>(366,453)</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>2,779</b>	<b>-</b>
<b>Balance at 1 April</b>	<b>(352,457)</b>	<b>(366,453)</b>

Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Account

• Charges for depreciation and impairment of non-current assets	29,431	30,478
• Revaluation losses on Property, Plant and Equipment	-	-
• PPP/PFI lifecycle costs	-	-
• Amortisation of intangible assets	66	58
• Revenue expenditure funded from capital under statute	-	-
• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	85	6,580
	<b>(322,875)</b>	<b>(329,337)</b>

Capital financing applied in the year:

**Notes to the Accounts (cont'd)**

• Capital Receipts	(1,506)	(12,351)
• Capital Receipts transferred to Capital Reserve	-	12,204
• Grants applied to Capital Investment	(31,258)	(14,858)
• PPP/PFI Finance lease repayments	(8,933)	(5,368)
• Loan repayments for the financing of capital investment charged against the General Fund and HRA balances	(7,819)	(7,431)
• Capital Funded from Current Revenue/Capital Reserve	(4,331)	(799)
• Adjustment to the statutory repayment of debt for service concession arrangements – permitted flexibility	4,628	2,704

<b>Balance at 31 March</b>	<b>(372,094)</b>	<b>(355,236)</b>
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**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 per statutory provisions. East Renfrewshire Council in the past used this Account, in the main, to manage premiums paid on the early redemption of loans. Over time, the expense was posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period was restricted originally to 20 years. As a result, the balance was fully charged to the General Fund as at the 31 March 2024. It is now solely a balancing account to allow for differences in statutory requirements and proper accounting practices for borrowing and investments.

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Balance at 1 April</b>	<b>751</b>	<b>871</b>
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with Statutory requirements	-	(108)
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(12)	(12)
<b>Balance at 31 March</b>	<b>739</b>	<b>751</b>

**Pensions Reserve**

The Pensions 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. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement 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 or eventually pays any pensions for which it is directly responsible.

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Balance at 1 April</b>	<b>16,886</b>	<b>(114,498)</b>
Actuarial (gains) or losses on pension assets and liabilities	(13,309)	135,934

**Notes to the Accounts (cont'd)**

Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement

16,751 11,912

Employer's pension contributions and direct payments to pensioners payable in the year

(5,814) (16,462)

**Balance at 31 March**

**14,514 16,886**

**Short term Accumulating Compensated Absences Adjustment Account**

The Accumulating Compensated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Balance at 1 April</b>	<b>8,679</b>	<b>9,543</b>
Settlement or cancellation of accrual made at the end of the preceding year	(8,679)	(9,543)
Amounts accrued at the end of the current year	9,371	8,679
<b>Balance at 31 March</b>	<b>9,371</b>	<b>8,679</b>

**27. CASH FLOW STATEMENT – OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Interest received	(1,997)	(3,029)
Interest paid	5,154	4,639
Interest element of finance lease rental and PPP/PFI payment	7,017	4,888

The (surplus) or deficit on the provision of services has been adjusted for the following non-cash movements:

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Depreciation and impairment	(29,431)	(30,478)
Difference between Fair Value and Historical Cost Depreciation	(8,856)	(10,135)
Amortisation of intangible assets	(66)	(58)
(Increase)/decrease in creditors	(6,049)	15,102

**Notes to the Accounts (cont'd)**

Increase/(decrease) in debtors	540	(3,275)
Increase/(decrease) in inventories	124	93
Movement in pension liability	(10,937)	4,550
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	1,421	(6,433)
Other non-cash items charged to the net surplus or deficit on the provision of services	31,317	14,978
	<b>(21,937)</b>	<b>(15,656)</b>

**28. CASH FLOW STATEMENT – INVESTING ACTIVITIES**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Purchase of property, plant and equipment and intangible assets	67,676	43,295
Purchase of short-term and long-term investments	521,072	534,185
Proceeds from the sale of property, plant and equipment and intangible assets	(1,506)	(147)
Proceeds from short-term and long-term investments	(521,072)	(534,185)
Other receipts from investing activities	(25,836)	(13,093)
<b>Net cash flows from investing activities</b>	<b>40,334</b>	<b>30,055</b>

**29. CASH FLOW STATEMENT – FINANCING ACTIVITIES**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Financing activities as at 1 April</b>	<b>(195,528)</b>	<b>(196,270)</b>
Cash payments for the reduction of the outstanding Liability relative to a finance lease and on Balance Sheet PFI Contract	8,933	5,368
Repayments of short and long-term borrowing	(24,988)	(4,626)
Other payments for financing activities		-
<b>Financing activities as at 31 March</b>	<b>(211,583)</b>	<b>(195,528)</b>

**30. AGENCY SERVICES**

The Council bills and collects domestic water and sewerage charges on behalf of Scottish Water with its Council Tax.

During 2024/25 the Council collected and paid over £23m (2023/24 £20.9m) and received £0.297m (2023/24 £0.287m) for providing the service.



**Notes to the Accounts (cont'd)****31. EXTERNAL AUDIT COSTS**

The Accounts Commission for Scotland appointed Ernst & Young LLP as the Council's External Auditor for the financial years 2022/23 to 2026/27.

The Council has incurred the following costs in relation to the audit of the Annual Accounts and certification of grant claims provided by the Council's external auditors:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice	293	332

**32. GRANT INCOME**

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant	238,032	206,938
Non Domestic Rates	15,941	15,695
Capital Grants and Contributions	31,258	18,413
<b>Total</b>	<b>285,231</b>	<b>241,046</b>
<b>Credited to Services</b>		
Housing Benefit Subsidy	12,315	12,010
Housing Benefit Administration Grant	164	157
Pupil Equity Fund	1,397	1,579
Unitary Charge – Barrhead High School	1,832	1,832
Education 1140 expansion	-	8,524
Education Maintenance Allowance	238	245
Developing the Young Workforce	160	159
Active Schools	248	244
Milk & Healthy snack scheme	216	221
Shared Prosperity Fund	1,428	720
Criminal Justice Grant	931	903
Private Sector Housing Grant	410	410
Paths for all/ Bikeability	35	37
Strathclyde Passenger Transport	28	582
Refugee Funding	356	475
Capital Grants for 3 <sup>rd</sup> party funding	404	661
No One Left Behind	408	-
Parental Employment Support	342	-
Miscellaneous Revenue Grants	1,380	2,164
<b>Covid-19 Grants: where the Council acted as Principal</b>		
Self-Isolation - admin	-	3
Business Support - admin	-	20
<b>Total</b>	<b>307,523</b>	<b>271,992</b>



## Notes to the Accounts (cont'd)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver if they are not used as specified. The balances at the year-end are as follows:

<b>Capital Grants Receipts in Advance</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Developer's Contributions/ Commuted Sums	9,078	8,901
Environmental Improvement Grant	988	1,127
Town Centre Grant	-	-
Energy Grant	408	399
Education Grant	-	33
Miscellaneous	-	65
	<b>10,474</b>	<b>10,525</b>

### 33. RELATED PARTIES

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions 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.

#### **Scottish Government**

The Scottish Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax payers). Grants received from government departments are set out in note 32.

#### **Strathclyde Pension Fund**

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of the Council. Information about transactions during the year and outstanding assets and liabilities in relation to the Council's share of the Strathclyde Pension Fund can be found in Note 40.

#### **Members**

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown on page 44. The Councillors' code of conduct requires Members to complete a Register of Interest. While the Code requires Elected Members to update their register within 1 month of a change taking place, officers issue members with a reminder twice a year. Member's Registers of Interests are published on the Council website and also held in a central register retained by the Department of Business Operations & Partnerships at Council Headquarters. A Member is required to declare an interest where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard the Members' connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision. When this situation arises, and where appropriate, the relevant Members leave the meeting and do not take part in any discussion or decision in relation to that interest.

#### **Officers**

Senior Officers influence the Council's financial and operating policies. The Council's interpretation of the definition of Senior Officers along with the total remuneration paid to them is shown in the Remuneration report (on pages 42 & 43). All officers adhere to the Council's code of conduct which



## Notes to the Accounts (cont'd)

requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. Again, a register is held by the Department of Business Operations and Partnerships which records all notified declarations of interest, preventing the relevant officer, when appropriate, from taking part in any discussion or decision relating to that interest.

### Entities controlled by the Council, Entities that have Joint Ventures with the Council and those entities that are Significantly Influenced by the Council

The Council has an interest in a number of entities. Where this interest is considered to be, at least, significant and material then they are consolidated with the accounts of the Council to form the Group Financial Statements and more information on these entities can be found within the notes to the Group Accounts. The following bodies have been included:

#### Subsidiaries – entities where the Council have more than a 50% influence over

East Renfrewshire Culture & Leisure Trust was incorporated into on 2 July 2015 as a company limited by guarantee to enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities. The Council's contribution to the Trust is mainly made up of a management fee, however it also pays charges for additional services provided to the Council. It is represented on the Board of Directors by 4 (plus 1 union representative) board members. In the current year the following East Renfrewshire Council transactions were made with East Renfrewshire Culture & Leisure Trust:

	2024/25 £m	2023/24 £m
<b>Contributions made to East Renfrewshire CLT</b>	6,904	7.030
<b>Service Income received from East Renfrewshire CLT</b>	(0.627)	(0.496)
<b>East Renfrewshire CLT balance due (to)/from the Council</b>	0.381	0.534

#### Joint Ventures – where the Council has a joint arrangement whereby the parties have joint control

The East Renfrewshire Integration Joint Board was formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Joint Venture between East Renfrewshire Council and the Greater Glasgow & Clyde Health Board.

The Integration Joint Board receives contributions from its funding partners namely East Renfrewshire Council and Greater Glasgow & Clyde Health Board to fund its services. Expenditure is incurred in the form of charges for services provided to the Joint Board by its partners. They are responsible for planning, commissioning and delivery of services for children, adults and older people, including homelessness and criminal justice services from both partners and also have the planning responsibility for our population's use of large hospital based services along with housing aids & adaptations.

In the current year the following East Renfrewshire Council financial transactions were made with the Integration Joint Board:

	2024/25 £m	2023/24 £m
<b>Contributions made to East Renfrewshire IJB</b>	95.877	92.436
<b>Commissioning Income received from East Renfrewshire IJB</b>	(94.545)	(96.618)
<b>East Renfrewshire IJB balance due (to)/from the Council</b>	4.209	2.145



## Notes to the Accounts (cont'd)

### Associates – where the Council has a significant influence over the entity

East Renfrewshire Council has significant influence over the following bodies, however they do not meet the criteria of Subsidiaries or Joint Ventures. Additional information on these entities, including contributions made to them, can be found within the notes to the Group Accounts:

- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme Joint Committee
- The Renfrewshire Valuation Joint Board

### Other Organisations

The Council has interest in the following bodies in collaboration with other Local Authorities, but are not Associates as the Council either has no significant influence in them or the transactions between them are considered to be immaterial to the understanding of the Accounts, again further information including contributions made to them, can be found in the notes to the Group Accounts:

- Scotland Excel
- Glasgow & the Clyde Valley Strategic Development Planning Authority
- Continuing Education Gateway
- West of Scotland Archaeology Service
- Glasgow City region cabinet
- The SEEMIS Group LLP

## 34. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. 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.

2024/25	Housing £000	General Fund £000	Total £000
<b>Opening Capital Financing Requirement as at 31 March 2024</b>	<b>46,586</b>	<b>209,686</b>	<b>256,272</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>-</b>	<b>47</b>	<b>47</b>
<b>Opening Capital Financing Requirement as at 1 April 2024</b>	<b>46,586</b>	<b>209,733</b>	<b>256,319</b>
<b>Capital investment</b>			
Property, Plant and Equipment	22,550	42,807	65,357
Intangible Assets	-	37	37
<b>Sources of finance</b>			
Capital Reserve	(3,100)	(825)	(3,925)
Capital receipts	-	(1,506)	(1,506)
Government grants and other contributions	(10,912)	(20,346)	(31,258)
Service Concessions	-	4,628	4,628
<b>Sums set aside from revenue</b>			
Direct revenue contributions	-	(406)	(406)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(8,933)	(8,933)
Loans Fund Principal	(3,490)	(4,329)	(7,819)
<b>Closing Capital Financing Requirement as at 31 March 2025</b>	<b>51,634</b>	<b>220,860</b>	<b>272,494</b>
<b>Explanation of Movements in Year</b>			
Increase in underlying need to borrow	5,048	11,174	16,222
Assets acquired under lease and lease type arrangements	-	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>5,048</b>	<b>11,174</b>	<b>16,222</b>

**Notes to the Accounts (cont'd)**

2023/24	Housing £000	General Fund £000	Total £000
<b>Opening Capital Financing Requirement as at 31 March 2023</b>	<b>46,035</b>	<b>174,839</b>	<b>220,874</b>
<b>Capital investment</b>			
Property, Plant and Equipment	5,053	41,366	46,419
Intangible Assets	-	66	66
Revenue Expenditure Funded from Capital under Statute	-	-	-
<b>Sources of finance</b>			
Capital Reserve	-	-	-
Capital receipts	-	(147)	(147)
Government grants and other contributions	(1,212)	(13,646)	(14,858)
Service Concessions	-	17,516	17,516
<b>Sums set aside from revenue</b>			
Direct revenue contributions	-	(799)	(799)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(5,368)	(5,368)
Loans Fund Principal	(3,290)	(4,141)	(7,431)
<b>Closing Capital Financing Requirement as at 31 March 2024</b>	<b>46,586</b>	<b>209,686</b>	<b>256,272</b>
<b>Explanation of Movements in Year</b>			
Increase in underlying need to borrow	551	34,847	35,398
Assets acquired under lease and lease type arrangements	-	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>551</b>	<b>34,847</b>	<b>35,398</b>

**35. LEASES****Council as a Lessee**

The Council previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under the newly adopted International Financial Reporting Standard 16 (IFRS 16), the Council recognises right-of-use assets and lease liabilities for most leases by including them on-balance sheet.

The Council has adopted recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases with an asset value of £10k or less. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Council's lease contracts comprise leases of land, property, vehicles and equipment, incorporating a mix of lease lives.

The impact of IFRS 16 on Private Finance Initiatives and Similar Contracts is disclosed separately in note 36.

**Notes to the Accounts (cont'd)****Rights-of use assets**

This table shows the change in the value of right-of-use assets held under leases by the Council:

	<b>Land and Buildings £000</b>	<b>Community Assets £000</b>	<b>Vehicles, plant and equipment £000</b>	<b>Total £000</b>
<b>Balance at 1 April 2024</b>	<b>2,192</b>	<b>1,130</b>	<b>786</b>	<b>4,108</b>
Additions	14	75	160	249
Revaluations	18	(75)	-	(57)
Depreciations and amortisation	(402)	-	(382)	(784)
Disposals	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>1,822</b>	<b>1,130</b>	<b>564</b>	<b>3,516</b>

The newly recognised lease liabilities recorded on the Balance Sheet as at 1 April 2024 amounted to £2.379m. This compares with the operating lease commitments of £2.209m at 31 March 2024 disclosed in note 35 of the Council's 2023/24 Annual Accounts. When discounted to their present value (using the weighted average incremental borrowing rate of 5.12% at 1 April 2024), the lease liabilities of low value items and leases that will expire before 31 March 2025, which are not recorded on the Balance Sheet, amount to £0.834m.

**Transactions under leases**

The Council incurred the following expenses and cash flows in relation to leases:

	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
<b>Comprehensive income and expenditure statement:</b>		
Interest expense on lease liabilities	101	-
Expense relating to short-term leases	151	-
Expense relating to exempt leases of low-value items	221	-
<b>Cash Flow Statement:</b>		
Total cashflow for leases	1,277	-
Cash payments for interest portion of lease liabilities	103	-
Short term lease payments where exemptions taken	151	-
Low value lease payments where exemptions taken	252	-



**Notes to the Accounts (cont'd)****Maturity analysis of lease liabilities**

The lease liabilities are due to be settled over the following time bands:

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Less than one year	715	-
One to five years	683	-
More than five years	800	-
<b>Total undiscounted liabilities</b>	<b>2,198</b>	<b>-</b>

**Council as a lessor****Operating Leases**

The Council is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor.

The Council leases out land and property previously classified as an operating leases under International Accounting Standard 17 (IAS 17) for the following purposes:

- for the provision of community services
- for economic development purposes to provide suitable affordable accommodation for local businesses

The lease receivables are due to be collected over the following time bands:

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Less than one year	1,001	996
Later than one year and not later than five years	1,941	2,053
More than five years	12,701	13,580
<b>Total undiscounted receivables</b>	<b>15,643</b>	<b>16,629</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25 there were no contingent rents received by the Council (2023/24 no contingent rents were received by the Council).

**Notes to the Accounts (cont'd)****36. PRIVATE FINANCE INITIATIVES AND SIMILAR CONTRACTS****(I) Schools PFI Contract**

The Council signed a contract on 20 April 2000 with East Ren Schools Services Ltd to procure the provision of services for the Council under the government's Private Finance Initiative.

The services are the provision of a new Mearns Primary School and an extension to St Ninian's High School. The contract is for a period of 25 years commencing August 2001 and the assets will revert to the Council at the end of the contract period. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment Balance in Note 15.

<b>Movement in Value of Assets</b>	<b>£000</b>
<b>Valuation at 31 March 2024</b>	<b>31,131</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>-</b>
<b>Valuation as 1 April 2024</b>	<b>31,131</b>
Additions/Revaluations	(1,272)
Depreciation in Year	(780)
<b>NET BOOK VALUE AT 31 MARCH 2025</b>	<b>29,079</b>

The annual Unitary Charge is a fixed sum of £2.17m. This is offset by a Direct Support Payment from the Scottish Government of £1.25m leaving a net cost to the Council of £0.92m.

The total value of payments over the remainder of the contract before inflation will be £3.02m and the total value of income from the Scottish Government will be £1.67m resulting in a net outstanding undischarged obligation before inflation of £1.35m.

The Gross Unitary Charge is subject to inflation increases less than Retail Price Index but the gearing effect of the Scottish Government contribution carrying no increases results in the net burden increasing by more than the Retail Price Index.

	<b>Liability</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	2,277	215	2,107	4,599
Within 2 to 5 years	-	-	1,781	1,781
Within 6 to 10 years	-	-	-	-
<b>ESTIMATED TOTAL</b>	<b>2,277</b>	<b>215</b>	<b>3,888</b>	<b>6,380</b>

**(II) Roads PFI Contract**

The Council finalised a PFI agreement in conjunction with South Lanarkshire Council and the Scottish Executive to construct the Glasgow Southern Orbital Road and the M77 extension. Some 26.67% of the asset relates to East Renfrewshire Council.

**Notes to the Accounts (cont'd)**

The contract was signed on 30 April 2003 with Connect to construct and thereafter maintain the new roads for a period of 30 years commencing April 2005. At the end of the contract period the roads will revert to the respective authorities. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

<b>Movement in Value of ERC Assets</b>	<b>£000</b>
<b>Valuation at 31 March 2024</b>	<b>22,531</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>13,274</b>
<b>Valuation at 1 April 2024</b>	<b>35,805</b>
Additions/Revaluations	177
Depreciation in Year	(1,333)
<b>NET BOOK VALUE AT 31 MARCH 2025</b>	<b>34,649</b>

Payment for the project is made through an Annual Unitary Charge which is made up of a Fixed Availability Element and an Expected Usage Element geared to forecast traffic flow.

Direct support payments from the Scottish Government result in an annual net cost to the Council of £100,000.

The outstanding undischarged net obligation is currently £1.01m.

	<b>Liability</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	1,952	1,745	1,629	5,326
Within 2 to 5 years	9,978	5,720	5,544	21,242
Within 6 to 10 years	17,776	3,320	6,932	28,028
Within 11 to 15 years	324	19	58	401
<b>ESTIMATED TOTAL</b>	<b>30,030</b>	<b>10,804</b>	<b>14,163</b>	<b>54,997</b>

**(III) Schools PPP Project**

On 10 December 2004 the Council signed a further schools PPP contract for the provision of a new Williamwood High School, a new Primary School/Community Inclusive Education Campus for Carlibar and extensions to Mearns Castle High School and Woodfarm High School. The extensions were handed over to the Council in December 2005 and the new schools were handed over on target in July 2006.

The contract for services at the new schools is for 25 years commencing in July 2006. Services at the extensions commenced in December 2005 but will have the same end date as for the new schools. At the end of the contract period the assets will revert to the Council. These assets are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

**Notes to the Accounts (cont'd)**

<b>Movement in Value of Assets</b>	<b>£000</b>
<b>Valuation at 31 March 2024</b>	<b>85,510</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>-</b>
<b>Valuation at 1 April 2024</b>	<b>85,510</b>
Additions/Revaluations	7,213
Depreciation in Year	(2,130)
<b>NET BOOK VALUE AT 31 MARCH 2025</b>	<b>90,593</b>

The Annual Unitary Charge is a fixed sum of £6.86m and this is offset by a Direct Support Payment from the Scottish Government of £3.95m leaving a net cost to the Council of £2.91m.

The total value of payments over the remainder of the contract before inflation will be £42.88m and the total value of income from the Scottish Government will be £19.71m leaving a net outstanding undischarged obligation of £23.17m.

The Gross Unitary Charge is subject to inflation increases less than the Retail Price Index but the gearing effect of the Scottish Government contribution carrying no increases results in the net burden increasing by more than the Retail Price Index.

	<b>Liability</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	4,243	2,899	4,258	11,400
Within 2 to 5 years	23,789	7,970	16,175	47,934
Within 6 to 10 years	10,452	986	4,463	15,901
Within 11 to 15 years	-	-	-	-
<b>ESTIMATED TOTAL</b>	<b>38,484</b>	<b>11,855</b>	<b>24,896</b>	<b>75,235</b>

**(IV) Barrhead High School - Scotland's Schools for the Future NPD Project**

On 21 March 2016 the Council signed a contract for the construction and maintenance of a replacement Barrhead High School to be delivered under the Scotland's Schools For the Future programme non-profit distributing (NPD) model. The new facility was handed over to the Council in August 2017.

The contract is for 25 years from August 2017 and the asset will revert to the Council at the end of the contract period. Movements in the value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

<b>Movement in Value of Assets</b>	<b>£000</b>
<b>Valuation at 31 March 2024</b>	<b>24,619</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>-</b>
<b>Valuation at 1 April 2024</b>	<b>24,619</b>
Additions/Revaluations	2,299
Depreciation in Year	(616)
<b>NET BOOK VALUE AT 31 MARCH 2025</b>	<b>26,302</b>

**Notes to the Accounts (cont'd)**

The capital element of the Annual Service Payment will be fully covered by Scottish Government Revenue Funding Support payments.

The Annual Service Payment is a fixed sum of £2.105m and this is offset by Direct Support Payment from the Scottish Government of £1.832m leaving a net cost to the Council of £0.273m.

The total value of payments over the remainder of the contract before inflation will be £36.526m and the total value of income from the Scottish Government will be £32.335m leaving a net outstanding undischarged obligation of £4.191m

The Annual Service Payment is subject to inflation increases less than the Retail Price index but the Scottish Government contribution is fixed and will not increase over the lifetime of the project. This will result in an increasing net annual burden for the Council.

	Liability	Interest	Service Charges	Total
	£000	£000	£000	£000
Within 1 year	564	1,224	566	2,354
Within 2 to 5 years	2,456	4,505	2,625	9,586
Within 6 to 10 years	4,196	4,595	3,610	12,401
Within 11 to 15 years	6,674	2,876	3,374	12,924
Within 16 to 20 years	4,238	497	1,549	6,284
<b>ESTIMATED TOTAL</b>	<b>18,128</b>	<b>13,697</b>	<b>11,724</b>	<b>43,549</b>

**(V) Clyde Valley Waste Recycling Plant**

In January 2020 the Council entered into a 25 year contract for waste recycling which utilises residual waste to obtain thermal gain. North Lanarkshire is the lead authority, with an additional four councils taking part in the project through an Inter Authority Agreement.

The estimated useful life of the asset is 25 years and the member authorities do not have any rights to use the facility beyond this point, should the asset life be extended.

Movements in the value over the year are detailed in the analysis of the movement on the Property, Plant & Equipment balance in Note 15.

<b>Movement in Value of Assets</b>	<b>£000</b>
<b>Valuation at 31 March 2024</b>	<b>2,470</b>
<b>Adjustments relating to lease agreements per IFRS 16</b>	<b>816</b>
<b>Valuation 1 April 2024</b>	<b>3,286</b>
Additions/Revaluations	(147)
Depreciation in Year	(149)
<b>NET BOOK VALUE AT 31 MARCH 2025</b>	<b>2,990</b>

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the provider fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the contracts as at

**Notes to the Accounts (cont'd)**

31 March 2025 including an adjustment for inflation and excluding any estimation of availability and performance deductions are as follows:

	Liability £000	Interest £000	Service Charge £000	Total £000
Within 1 year	54	190	2,464	2,708
Within 2 to 5 years	464	706	10,312	11,482
Within 6 to 10 years	251	786	14,930	15,967
Within 11 to 15 years	1,049	613	16,371	18,033
Within 16 to 20 years	1,522	257	17,237	19,016
<b>ESTIMATED TOTAL</b>	<b>3,340</b>	<b>2,552</b>	<b>61,314</b>	<b>67,206</b>

The estimated cash values of payments due to be made are based on inflation indices ranging from 2%-5%. These rates were the base rates at the beginning of the contract and are applied to the guaranteed minimum tonnage via the ongoing inflationary factor. Future payments could be impacted by actual tonnage and actual rates of inflation.

**37. IMPAIRMENT LOSSES****Impairment of Assets**

Impairment losses/ (reversals) of £5.961m were charged to the Comprehensive Income and Expenditure Statement. The breakdown between class of asset is as follows:-

	Losses/(Gains) £000	Reversal of Previous (Losses)/Gains £000	Net Loss/(Reversal) £000
Property, Plant & Equipment and Assets Held for Sale	14,379	(8,418)	5,961

**38. TERMINATION BENEFITS**

The Council terminated the contracts of a number of employees in 2024/25 incurring liabilities of £0.860m (£2.887m in 2023/24). This was in respect of 25 officers (44 officers in 2023/24) from across the Council. The Remuneration Report at page 48 provides further details on exit packages.

**39. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES**

East 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 2020 actuarial valuation set employer contribution rates at 26.0% from 1 April 2024, having previously been 23% from 1 September 2019. Member contributions continued at the same rates within a range of 7.4% to 11.73% and are anticipated to deliver a yield of 9.6%.

The Council has no liability for other employers' obligations to the multi-employer scheme.





## **Notes to the Accounts (cont'd)**

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. However, it is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Council is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period 1 April 2024 is 26.0% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay. In addition £0.38m was paid (2023/24 £0.37m) in respect of added years.

The total contribution paid into the Teachers' Pension Scheme during the year ending 31 March 2024, by East Renfrewshire Council was £17.09m, equating to approximately 2.15% of the total contributions made to the scheme and the amount paid during the year ending 31 March 2025 was £19.06m. The total employee's contribution paid into the scheme during the year ending 31 March 2025 was £7.22m.

### **40. DEFINED BENEFIT PENSION SCHEMES**

#### **Participation in Pension Schemes**

The post-employment scheme for employees other than teachers is the Local Government Pension Scheme (LGPS), and is administered in the West of Scotland by Glasgow City Council in respect of all local authorities and admitted bodies in the former Strathclyde Area. This is a multi-employer scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. Employer's liabilities can be evaluated directly by the Actuary at any time on membership data. Individual employer assets have been apportioned to each employer since 2002. Prior to that date, each employer was considered to have the same funding as the whole Fund.

#### **Benefits**

- From 1 April 2015 the pension salary will be calculated on a career average salary and the accrued rate will be based on 1/49th of this calculation and years of pensionable service.
- For the period 1 April 2009 to 31 March 2015 the LGPS was a defined benefit final salary scheme and the pension's accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009, the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).
- There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. Pensions are increased annually in line with changes to the Pensions (Increases) Act 1971 and Section 59 of the Social Security Pensions Act 1975.

#### **Governance**

- The Strathclyde Pension Fund is operated under the regulatory framework for the LGPS in Scotland and the governance of the scheme is the responsibility of the Strathclyde Pension Fund Committee. This committee is comprised solely of elected members of Glasgow City Council. Employing authorities (including East Renfrewshire Council) are represented at the Strathclyde Pension Fund Representative Forum.
- Policy is determined in accordance with the Local Government Pension Scheme (Scotland) Regulations. Management of the Fund's investments is carried out by the Fund's Investment Advisory Panel which selects and appoints a number of external investment managers/partners and monitors their investment performance.



## Notes to the Accounts (cont'd)

- Under the Regulations, employers fall into three categories, scheme employers (also known as schedule bodies) such as East Renfrewshire Council, community admission bodies and transferee admission bodies. Admission agreements are generally assumed to be open-ended. However, either party can voluntarily terminate the admission agreement by giving an appropriate period of notice to the other party. Any deficit arising from the cessation valuation will usually be levied on the departing admission body as a capital payment.

### Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no pension plan assets built up to meet these pension liabilities.

### Transactions Relating to Post-Employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Included in net cost of services within Comprehensive Income and Expenditure Statement	Local Government Pension Scheme	
	2024/25 £000	2023/24 £000
<ul style="list-style-type: none"> <li>Current service cost</li> </ul>	16,304	16,876
<ul style="list-style-type: none"> <li>Past service costs (including curtailments)</li> </ul>	750	1,780
<ul style="list-style-type: none"> <li>Effect of settlement</li> </ul>	-	-
<ul style="list-style-type: none"> <li>Contributions in respect of unfunded benefits</li> </ul>	(1,354)	(1,325)
<i>Included within Financing and Investment Income and Expenditure</i>		
<ul style="list-style-type: none"> <li>Net interest cost</li> </ul>	1,051	(5,419)
<b>Total of LGPS Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services</b>	<b>16,751</b>	<b>11,912</b>
Included within Other Comprehensive Income and Expenditure		
<ul style="list-style-type: none"> <li>Expected return on scheme assets</li> </ul>	9,268	(34,839)
<ul style="list-style-type: none"> <li>Actuarial (gains) and losses on changes in demographic assumptions</li> </ul>	(937)	(7,809)
<ul style="list-style-type: none"> <li>Actuarial (gains) and losses arising on changes in financial assumptions</li> </ul>	(293,953)	(68,252)
<ul style="list-style-type: none"> <li>Other</li> </ul>	(5,895)	51,322
	<b>(274,766)</b>	<b>(47,666)</b>

### Movement in Reserves Statement

<ul style="list-style-type: none"> <li>Actual amount charged against the General Fund Balance for pensions in the year: employers' contributions payable to scheme</li> </ul>	5,814	16,462
<ul style="list-style-type: none"> <li>Less: Total Post Employment Benefit charged to the Surplus or Deficit on Provision of Services</li> </ul>	(16,751)	(11,912)
<ul style="list-style-type: none"> <li>Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code</li> </ul>	(10,937)	4,550

**Notes to the Accounts (cont'd)****Pensions assets and liabilities required in the Balance Sheet**

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is per the table below. The net asset arising from the Council's involvement in the defined benefit scheme totals £263.694m at 31 March 2025. However, this has been limited to £nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to £nil

Separately the Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

	<b>Local Government Pension Scheme</b>	
	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Present value of the defined benefit obligation	(482,903)	(547,649)
Present value of the unfunded liability accounted for separately	(14,514)	(16,886)
Fair value of plan assets	761,111	743,161
<b>Net (liability)/ asset arising from defined benefit obligation</b>	<b>263,694</b>	<b>178,626</b>

**Reconciliation of the Movements in the Fair Value of Scheme Assets.**

	<b>Local Government Pension Scheme</b>	
	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Opening fair value of scheme assets</b>	<b>743,161</b>	<b>679,405</b>
Effect of Settlement		
Interest income	35,452	32,298
Remeasurement gain/(loss)		
• The return on plan assets, excluding the amount included in the net interest expenses	(9,268)	34,839
• Other	-	(4,500)
The effect of changes in foreign exchange rates		
Contributions from employer	5,814	16,462
Contributions from employees into the scheme	4,836	4,815
Benefits paid	(18,884)	(20,158)
<b>Closing fair value of scheme assets</b>	<b>761,111</b>	<b>743,161</b>

**Notes to the Accounts (cont'd)****Reconciliation of Present Value of the Scheme Liabilities ( including the unfunded element outlined above)****Funded liabilities:  
Local Government  
Pension Scheme**

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Opening balance at 1 April	<b>(564,535)</b>	<b>(518,942)</b>
Effect of Settlement	-	-
Current service cost	(16,304)	(16,876)
Interest cost	(27,118)	(24,696)
Contributions from scheme participants	(4,836)	(4,815)
Remeasurement gains and (losses)		
• Actuarial gains and (losses) on changes in demographic assumptions	937	7,809
• Actuarial gains and (losses) arising on changes in financial assumptions	89,056	20,104
• Other	5,895	(46,822)
Past service cost	(750)	(1,780)
Benefits paid	20,238	21,483
<b>Closing balance at 31 March</b>	<b>(497,417)</b>	<b>(564,535)</b>

**Notes to the Accounts (cont'd)**

Local Government Pension Scheme assets comprised:

Asset Category	31-Mar-25				31-Mar-24			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
<b>Equity Securities:</b>								
Consumer	37,501	81	37,582	5	34,322	10	34,332	4
Manufacturing	35,461	49	35,510	5	42,817	11	42,828	6
Energy and Utilities	5,916	-	5,916	1	6,740	-	6,740	1
Financial Institutions	17,047	332	17,379	2	21,227	106	21,333	3
Health and Care	18,096	9	18,105	2	19,801	36	19,837	3
Information Technology	43,652	20	43,672	6	25,188	-	25,188	3
Other	-	-	-	-	-	-	-	-
<b>Debt Securities</b>								
Corporate Bonds (investment grade)	-	-	-	-	-	-	-	-
Corporate Bonds (non-investment grade)	-	-	-	-	-	-	-	-
UK Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Private Equity:-</b>								
All	-	175,932	175,932	23	-	177,423	177,423	24
<b>Real Estate:442</b>								
UK Property	-	57,424	57,424	8	-	58,434	58,434	8
Overseas Property	-	-	-	-	-	-	-	-
<b>Investment funds and unit trusts:</b>								
Equities	2,787	182,984	185,771	25	3,052	253,231	256,283	34
Bonds	-	160,551	160,551	21	-	86,690	86,690	12
Hedge Funds	-	-	-	-	-	-	-	-
Commodities	-	373	373	-	-	296	296	-
Infrastructure	-	2,686	2,686	-	-	-	-	-
Other	-	1,692	1,692	-	-	-	-	-
<b>Derivative:</b>								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents</b>								
All	-	18,519	18,519	2	1,158	12,619	13,777	2
<b>Totals</b>	<b>160,460</b>	<b>600,652</b>	<b>761,112</b>	<b>100</b>	<b>154,305</b>	<b>588,856</b>	<b>743,161</b>	<b>100</b>

**Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson an independent firm of actuaries, estimates for the Strathclyde Pension Fund being based on the latest full valuation of the scheme as at 31 March 2023.



## Notes to the Accounts (cont'd)

The principal assumptions used by the actuary have been:-

	<b>Local Government Pension Scheme</b>	
	<b>2024/25</b>	<b>2023/24</b>
Investment returns	3.5%	9.9%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
• Men	19.8 years	19.9 years
• Women	22.9 years	22.9 years
Longevity at 65 for future pensioners:		
• Men	20.8 years	20.9 years
• Women	24.7 years	24.8 years
Rate of increase in salaries	3.50%	3.50%
Rate of increase in pensions	2.80%	2.80%
Rate for discounting scheme liabilities	5.80%	4.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. 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 below did not change from those used in the previous period.

<b>Change in assumptions at 31 March 2025:</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount £000</b>
0.1% decrease in Real Discount Rate	2%	8,518
1 year increase in the member life expectancy	4%	19,897
0.1% increase in the Salary Increase Rate	-	561
0.1% increase in the Pension Increase Rate	2%	8,185

### Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into too narrow a range. The Fund invests in equities, bonds, properties and in cash.

### Impact on the Council's Cash Flow

The objectives of the Fund are 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. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. Employer's contributions have been set at 6.5% following completion of the triennial valuation as at 31 March 2023. This rate will remain for 2024/25 and 2025/26 before increasing to 17.5%. These rates are a reduction on the 2023/24 rate of 19.3%.



## **Notes to the Accounts (cont'd)**

The Fund takes account of national changes to the Local Government Pension Scheme in Scotland such as the move from 1 April 2015 to a new career average revalued earning scheme (CARE) for future accruals.

The total contribution expected to be made by Council to Strathclyde Pension Fund in the year to 31 March 2026 is £5.170 million.

The weighted average duration of the defined benefit obligation for scheme members is 17.0 years (17.0 years 2023/24).

### **41. CONTINGENT LIABILITIES**

There are contingent liabilities arising from insurance claims and a small number of legal cases currently in dispute. Also holiday pay issues are currently subject to Employment Law litigation on a national level and will not be resolved for a number of months. No liability has currently been accepted and no liability may arise. In addition, the potential impact of the pension rights awarded in cases with same-sex married couples and civil partnerships, known as the Goodwin case, has been identified. The Pension Fund Actuary estimates the impact is c0.1% of obligations for each admitted body. These potential costs have not been included in these accounts. Further contingent liabilities exist in relation to the Council's share of any potential future claims against the former Strathclyde Regional Council.

In terms of East Renfrewshire Culture and Leisure Trust's admission to the Strathclyde Pension Scheme, the Council has guaranteed to accept liability for any unfunded pension costs should they cease to exist, withdraw from the scheme or become unable to meet any unfunded liability. In addition, funding will be provided to the Trust should their trading activities need support beyond the agreed management fee. The Council has not quantified the possible liability.

### **42. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Council's activities expose it to a variety of financial risks:

- credit risk - the possibility that other parties might fail to pay amounts due to the Council
- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments
- market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

#### **Overall Procedures for Managing Risk**

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Regulations issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its Financial Regulations/Standing Orders/Scheme of Delegation;
- by approving annually in advance prudential and treasury indicators for the following three years limiting:





## **Notes to the Accounts (cont'd)**

- the Council's overall borrowing;
  - its maximum and minimum exposures to fixed and variable rates;
  - its maximum and minimum exposures to the maturity structure of its debt;
  - its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Regulations.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy for 2024/25 including the prudential indicators was approved by Council on 28 February 2024 and is available on the [Council website](https://www.eastrenfrewshire.gov.uk/media/10096/Council-Item-05-iv-28-February-2024/pdf/Council_Item_05iv_-_28_February_2024.pdf?m=1713447820697). [https://www.eastrenfrewshire.gov.uk/media/10096/Council-Item-05-iv-28-February-2024/pdf/Council\\_Item\\_05iv\\_-\\_28\\_February\\_2024.pdf?m=1713447820697](https://www.eastrenfrewshire.gov.uk/media/10096/Council-Item-05-iv-28-February-2024/pdf/Council_Item_05iv_-_28_February_2024.pdf?m=1713447820697).

Subsequently, following the transition to IFRS 16, the prudential indicators were revised and approved by Council on 27 March 2025 and the report is available on the [Council website](https://www.eastrenfrewshire.gov.uk/media/11413/Council-Item-5i-23-Apr-2025/pdf/Council_Item_5i_-_23_Apr_2025.pdf?m=1744719767617). [https://www.eastrenfrewshire.gov.uk/media/11413/Council-Item-5i-23-Apr-2025/pdf/Council\\_Item\\_5i\\_-\\_23\\_Apr\\_2025.pdf?m=1744719767617](https://www.eastrenfrewshire.gov.uk/media/11413/Council-Item-5i-23-Apr-2025/pdf/Council_Item_5i_-_23_Apr_2025.pdf?m=1744719767617)

The key issues within the strategy, subsequently update, were:

- The Authorised Limit for 2024/25 was set at £360.455m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £327.200m. This is the expected level of debt and other long term liabilities during the year.
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 15% based on the Council's net debt.
- The maximum and minimum exposures to the maturity structure of debt are shown below.

These policies are implemented by a central treasury team. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices - TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed regularly.

The Council's [Capital Investment Strategy for 2024/25](https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council_Item_13_-_28_February_2024.pdf?m=1713447850837) was approved by Council on 28 February 2024 [https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council\\_Item\\_13\\_-\\_28\\_February\\_2024.pdf?m=1713447850837](https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council_Item_13_-_28_February_2024.pdf?m=1713447850837).

### **Credit Risk**

Credit risk arises from the deposits with banks and financial institutions.

This risk is minimised through the annual Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard and Poors Credit Ratings Services. The Annual Treasury Management Strategy also imposes a maximum sum to be invested and the time limits in respect of each financial institution.



## Notes to the Accounts (cont'd)

The credit criteria in respect of financial assets held by the Council are detailed below:

The Council uses the creditworthiness service provided by MUFG Corporate Markets. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Credit ratings, as follows:-

Financial Asset Category	Criteria	Fitch	Moody's
Deposits with Bank and Money Market Funds	Short Term: Long Term:	F1 A-	P-1 / P-2 A3

The Council's [Capital Investment Strategy](https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council_Item_13_-_28_February_2024.pdf?m=1713447850837) for 2024/25 was approved by Council on 28 February 2024. [https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council\\_Item\\_13\\_-\\_28\\_February\\_2024.pdf?m=1713447850837](https://www.eastrenfrewshire.gov.uk/media/10102/Council-Item-13-28-February-2024/pdf/Council_Item_13_-_28_February_2024.pdf?m=1713447850837)

The Council's maximum exposure to credit risk in relation to its investments in banks, £10m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

### Amounts Arising from Expected Credit Losses

At the end of the financial year expected credit losses were calculated on all amortised assets, on a 12 month basis, with the exception of investments in central government and other local authorities. This amount totalled £1 (2022/23 £Nil) during the year, the Council did not write off any financial assets.

### Credit Risk Exposure

The Council has the following exposure to risk at 31 March 2025.

£000s	Credit Risk rating	Gross Carrying Amount (£)	Exposure to Credit Risk (£)
12-month expected credit losses	AAA	15,000,000	-
	AA-	20,000,000	-
	A-	546,000	1
Simplified approach (trade receivables excluding statutory debtors - Council Tax and Non-Domestic Rates)	Less than 3 months and past due date	209,000	-
	Three to five months	93,000	-
	Six months to one year	418,000	-
	More than one year	1,567,000	-



## **Notes to the Accounts (cont'd)**

The Council does not generally allow credit for customers, such that as at 31 March 2025 £2.287m of the £3.519m (£2.115m of £2.636m as at 31 March 2024) sundry income debtor balances are past their due date for payment.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

### **Liquidity Risk**

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities is as follows:

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
<b>Less than one year</b>	16	16
<b>Between one and two years</b>	5,017	16
<b>Between two and five years</b>	12,035	7,034
<b>More than five years</b>	135,555	120,573
	<b>152,623</b>	<b>127,639</b>

All trade and other payables are due to be paid in less than one year.

### **Market Risk**

#### **Interest Rate Risk**

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates - the fair value of the borrowing will fall (no impact on revenue balances)
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value, on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on



## **Notes to the Accounts (cont'd)**

variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure.

The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	<b>£000</b>
Increase in interest payable on variable rate borrowings	115
Increase in interest receivable on variable rate investments	-
Increase in government grant receivable for financing costs	(163)
Impact on Surplus or Deficit on the Provision of Services	(48)
Share of overall impact debited to the HRA	(13)
Decrease in fair value of fixed rate investment assets	-
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	9,789

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

### **Price Risk**

The Council does not invest in equity shares and consequently is not exposed to losses arising from movement in their price.

### **Foreign Exchange Risk**

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.



## **Housing Revenue Account Income & Expenditure Statement**

The Housing Revenue Account's 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 rent and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in year, on the basis on which rents are raised is shown in the movement on the Housing Revenue Account Statement.

	<b>HRA Notes</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Income</b>			
Dwelling Rents		(14,955)	(13,663)
Non-dwelling Rents		(6)	(190)
Other Income		(1,249)	(1,317)
<b>Total Income</b>		<b>(16,210)</b>	<b>(15,170)</b>
<b>Expenditure</b>			
Repairs and Maintenance		5,811	5,738
Supervision and Management		4,573	4,432
Depreciation and Impairment on Non-Current Assets		11,177	2,492
Difference between Fair Value and Historical Cost Depreciation		4,953	3,698
Movements in the Impairment of Debtors	4	9	(71)
Other expenditure		96	252
<b>Total Expenditure</b>		<b>26,619</b>	<b>16,541</b>
<b>Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>		<b>10,409</b>	<b>1,371</b>
HRA Services' Share of Corporate and Democratic Core		34	35
<b>Net Cost for HRA Services</b>		<b>10 443</b>	<b>1,406</b>
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:			
• (Gain) or Loss on Sale of HRA Non-Current Assets		-	4,800
• Interest Payable and Similar Charges		2,100	1,842
• Interest and Investment Income		(83)	(52)
• Pension Interest Cost and Expected Return on Pension Assets		52	(266)
• Rental Income – operating lease over Property, Plant and Equipment		(189)	(189)
• Capital Grants and Contributions Receivable		(10,912)	(1,212)
<b>(Surplus) or Deficit for the Year on HRA Services</b>		<b>1,411</b>	<b>6,329</b>

### **Movement on the Housing Revenue Account Statement**

	<b>HRA Notes</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
(Surplus) or Deficit for the Year on HRA Income and Expenditure Statement		1,411	6,329
Adjustments between Accounting Basis and Funding Basis Under Statute	1	(2,242)	(6,183)
Net (Increase) or Decrease Before Transfers to or from Reserves		(831)	146
(Increase) or Decrease in Year on the HRA		(831)	146
Balance on the HRA at the end of the Previous Year		(1,652)	(1,798)
<b>Balance on the HRA at the end of the Current Year</b>		<b>(2,483)</b>	<b>(1,652)</b>



# Notes to the Housing Revenue Account

## Housing Revenue Account Disclosures

### 1. Adjustments between Accounting Basis and Funding Basis under Statute

	2024/25 £000	2023/24 £000
Gain or loss on sale of HRA non-current assets	-	(4,800)
Capital expenditure funded by the HRA	-	-
Transfer (to)/from the Capital Adjustment Account:		
• Depreciation	(11,177)	(2,492)
• Difference between Fair Value and Historical cost depreciation	(4,953)	(3,698)
• Capital Grants and Contributions	10,912	1,212
• Repayment of Debt	3,490	3,290
HRA share of contributions to or from the Pensions Reserve	(500)	311
Transfer to/from the Statutory Compensated Absences Account	(14)	(6)
	<b>(2,242)</b>	<b>(6,183)</b>

### 2. Housing Stock

Council's housing stock at 31 March 2025 was 3,230 (3,136 at March 2024) in the following categories:

	2024/25 Number	2023/24 Number
1 Apartment	176	193
2 Apartment	1,002	959
3 Apartment	1,334	1,301
4 Apartment	622	593
5 Apartment	92	86
6 Apartment	4	4
<b>Total</b>	<b>3,230</b>	<b>3,136</b>

### 3. Rent Arrears

At the year-end rent arrears amounted to £1,767,801 (2023/24: £1,664,515) of which the current rent arrears were £867,835 (2023/24: £894,595) representing 4.9% (2023/24: 5.4%) of gross rent due and former tenant arrears amounted to £900,005 (2023/24: £769,921). In addition, the figure contains £29,077 (2023/24: £27,607) in respect of outstanding Housing Benefit Overpayments.

### 4. Impairment of Debtors

In the financial year 2024/25, the impairment of debtors for the Housing Revenue Account was increased by £9,008, resulting in a bad debt provision balance of £1,308,195 (2023/24: £1,299,187).

### 5. Void Rents

The loss of rental income recoverable from houses that were not let during the year totalled £233,397 (2023/24: £210,784).



## National Non Domestic Rates Account

National Non Domestic Rates (NNDR) income is collected by Councils on behalf of the Scottish Government. The amount of NNDR income distributed to the Council by the Scottish Government is aligned to the amount collected by the Council. The table below details the actual levels of NNDR collected by East Renfrewshire Council, the agreed Provisional Contribution Amount to the national pool and the Distributable amount due to the Council from the national pool.

The Business Rates Incentivisation Scheme (BRIS) is intended to encourage all local authorities to maximise their existing business rates income and also to encourage new businesses to start up. Each local Council that exceeds its calculated local buoyancy target will be able to retain a 50% share of the additional rates income generated, where it can be demonstrated that there is a corresponding increase in rateable value. In accordance with the guidance, the table below describes this element of Non Domestic Rates increase as "income retained by the Council".

	2024/25 £000	2023/24 £000
Gross rates levied and the contributions in lieu	23,485	22,271
Less:		
• Reliefs and other deductions	(7,094)	(6,455)
• Payments of interest	-	-
• Write-offs of uncollectable debts and allowance for impairment	(311)	(557)
<b>Net Non-Domestic Rate Income collected</b>	<b>16,080</b>	<b>15,259</b>
Collection adjustment to meet Provisional Contribution Amount	503	452
<b>Contribution to Non Domestic Rate pool</b>	<b>16,583</b>	<b>15,711</b>
Distribution from Non Domestic Rate pool	15,941	15,695
Adjustments for years prior to the pool	-	-
Non-Domestic Rate income retained by Council (BRIS)	-	-
<b>Income credited to the Comprehensive Income and Expenditure Statement (as per Note 14)</b>	<b>15,941</b>	<b>15,695</b>

### Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £, which is determined each year by the Scottish Government. The NNDR poundage rate set by the Scottish Government for 2024/25 was £0.498 (2023/24 £0.498)

	Number	Rateable Value as at 1 April 2024 £
Shops	583	15,281,525
Offices	383	3,890,200
Hotels, Boarding Houses etc.	11	598,400
Industrial and Freight Transport	155	1,507,770
Subject Miscellaneous	455	20,432,228
Subjects Other	358	2,823,150
<b>Total</b>	<b>1,945</b>	<b>44,533,273</b>





## **Council Tax Income Account**

Local Councils raise taxes from residents through the Council Tax - which is a property tax linked to property values. Each dwelling in a local council area is placed into one of 8 valuation bands (A to H). The local council determines the annual tax for a band D property and all other properties are charged a proportion of this, with lower valued properties (Bands A to C) paying less, and higher valued property (E to H) paying more. The Council Tax Income Account shows the gross income raised from Council Taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Gross Council Tax levied and contributions in lieu	76,431	75,939
Adjustments for prior years Council Tax	(73)	(221)
Adjusted for:		
• Council Tax Reduction Scheme	(4,400)	(4,414)
• Council Tax Benefits (Net of Government Grants)	-	-
• Other discounts and reductions	(7,495)	(7,660)
• Uncollectable debt and allowance for impairment	(1,135)	(820)
<b>Net Council Tax Income included in the Comprehensive Income and Expenditure Account (as per Note 14)</b>	<b>63,328</b>	<b>62,824</b>

### **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 that are based on pre-determined proportions relative to the band D charge. The band D charge for 2024/25 was £1,415.22 (2023/24: £1,415.22).

A discount of 25% on the council tax is made where there are fewer than two residents in a property. 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. East 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.

**Council Tax Income Account (cont'd)****Calculation of the Council Tax Base 2024/25\***

	No. of Dwellings	No. of Exemptions	Disabled Relief	Discount 10%	Discounts 25%	Discounts 50%	Total Dwellings	Ratio to Band D	Band D Equivalents
BAND A	1,320	(127)	18	-	(183)	(3)	1,025	240/360	683
BAND B	5,274	(264)	(4)	-	(631)	(8)	4,367	280/360	3,396
BAND C	4,128	(147)	10	-	(442)	(8)	3,541	320/360	3,147
BAND D	7,089	(191)	42	-	(682)	(9)	6,249	1	6,249
BAND E	8,638	(127)	(10)	-	(587)	(10)	7,904	473/360	10,385
BAND F	6,837	(89)	(1)	-	(352)	(10)	6,385	585/360	10,376
BAND G	7,156	(75)	(48)	-	(304)	(10)	6,719	705/360	13,158
BAND H	797	(2)	(7)	-	(20)	-	768	882/360	1,882
<b>TOTAL</b>									<b>49,276</b>
Provision for non-collection (2%)									986
Council Tax Base									48,290

\*Source: Renfrewshire Valuation Joint Board return as at 31 March 2025  
(Please note, the sum of the individual items may not equal the totals shown due to rounding)

Dwellings fall within a valuation band between A to H which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base i.e. Band D equivalents. This value is then increased or decreased depending on the band. Based on the Council Tax base available to East Renfrewshire Council, the band D charge for 2024/25 was £1,415.22

BAND A	£943.48	BAND E	£1,859.44
BAND B	£1,100.73	BAND F	£2,299.73
BAND C	£1,257.97	BAND G	£2,771.47
BAND D	£1,415.22	BAND H	£3,467.29



## Common Good Fund

The earliest legislation which reflects the existence of the Common Good can be traced back to the Common Good Act 1491. The term common good is used to denote all property of the former Burghs not acquired under statutory powers or held under special trusts and was reserved for purposes which promoted the general good of the inhabitants or dignity of the Burgh. The Council administers these funds but they are not council assets and have not been included in the council's balance sheet. The in-year movement relates to the capital accounting entries and is not based on costs incurred or income received. A copy of the Council's Common Good register can be obtained from the Council Website: <https://www.eastrenfrewshire.gov.uk/CAT>

### Movement in Reserves statement for the year ending 31 March 2025

	2024/25 Unusable Reserve £000	2023/24 Unusable Reserve £000
<b>Balance at 1 April</b>	<b>(2,914)</b>	<b>(2,083)</b>
Deficit / (surplus) on the provision of services	8	181
Other comprehensive income and expenditure	(236)	(1,012)
<b>Balance at 31 March</b>	<b>(3,142)</b>	<b>(2,914)</b>

### Comprehensive Income and Expenditure Statement for the year ending 31 March 2025

	Expenditure £000	2024/25 Income £000	Net £000	Expenditure £000	2023/24 Income £000	Net £000
Net costs of services	8	-	8	181	-	181
<b>(Surplus) or deficit</b>			<b>8</b>			<b>181</b>
(Surplus) / deficit on revaluation of fixed assets			(236)			(1,012)
<b>Total Comprehensive (Income) and Expenditure</b>			<b>(228)</b>			<b>(831)</b>

### Balance Sheet

	2024/25 £000	2023/24 £000
Property, Plant and Equipment	3,142	2,914
<b>Net Assets</b>	<b>3,142</b>	<b>2,914</b>
Unusable Reserve:		
Revaluation Reserve	(2,015)	(1,819)
Capital Adjustment Account	(1,127)	(1,095)
<b>Net Reserves</b>	<b>(3,142)</b>	<b>(2,914)</b>

**Common Good Fund (cont'd)****PROPERTY, PLANT & EQUIPMENT****Movement on Balances (Common Good)**

	<b>Land and Buildings 2024/25 £000</b>	<b>Land and Buildings 2023/24 £000</b>
Cost or Valuation at 1 April	2,914	2,083
Additions	230	265
Donations	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	175	946
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(177)	(380)
Derecognition – disposals	-	-
Derecognition – other	-	-
Assets reclassified (to)/from Held for Sale	-	-
Other movements in cost or valuation	-	-
<b>As at 31 March</b>	<b>3,142</b>	<b>2,914</b>
Accumulated Depreciation and Impairment at 1 April	-	-
Depreciation charge	(113)	(113)
Depreciation written out on disposal	-	-
Depreciation written out on Revaluation Reserve	61	66
Depreciation written out on Surplus/Deficit on the provision of Services	52	47
Derecognition – other (transfers)	-	-
<b>As at 31 March</b>	<b>-</b>	<b>-</b>
<b>Net Book Value at 31 March 2025</b>	<b>3,142</b>	
<b>Net Book Value at 31 March 2024</b>	<b>2,914</b>	<b>2,914</b>
<b>Net Book Value at 31 March 2023</b>		<b>2,083</b>



## Group Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

### Year ended 31 March 2024

### Year ended 31 March 2025

Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
196,880	(18,177)	178,703	Education	193,429	(9,517)	183,912
158,821	(91,036)	67,785	HSCP – Provision of Services	169,581	(95,419)	74,162
41,432	(11,586)	29,846	Environment	43,110	(11,515)	31,595
24,198	(13,806)	10,392	Business Operations & Partnerships	21,311	(13,205)	8,106
626	(284)	342	Chief Executive's Office	608	(317)	291
11,309	(3,113)	8,196	Other Expenditure & Income	3,198	(993)	2,205
2,874	(216)	2,658	Support Services – Chief Executive's Office	3,117	(230)	2,887
13,280	(226)	13,054	Support Services – Business Operations & P'ships	15,039	90	15,129
1,610	(131)	1,479	Support Services – Environment	1,611	(65)	1,546
			Share of operating results of subsidiaries:-			
11,409	(5,446)	5,963	ERC Leisure Trust	11,350	(5,293)	6,057
181	-	181	Common Good	8	-	8
1	-	1	Trust Funds	8	-	8
<b>462,621</b>	<b>(144,021)</b>	<b>318,600</b>	<b>Net Cost of General Fund Services</b>	<b>462,370</b>	<b>(136,464)</b>	<b>325,906</b>
16,541	(15,170)	1,371	HRA	26,619	(16,210)	10,409
<b>479,162</b>	<b>(159,191)</b>	<b>319,971</b>	<b>Cost of Services</b>	<b>488,989</b>	<b>(152,674)</b>	<b>336,315</b>
		(6,661)	Other operating expenditure			(2,327)
		1,654	Financing and investment income and expenditure			11,418
		(303,870)	Taxation and non-specific grant income			(348,559)
		<b>11,094</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>(3,153)</b>
		(1,674)	Share of operating results of associates			(1,512)
		2,091	Share of operating results of joint venture			(666)
		<b>11,511</b>	<b>Group (Surplus) / Deficit (Note 1 Group)</b>			<b>(5,331)</b>
		(24,079)	(Surplus) / Deficit on revaluation of Non-current assets			6,558
		120,885	Actuarial (gains)/losses on pension assets/liabilities			(18,453)
		1,269	Share of other comprehensive expenditure and income of associates and joint venture			(158)
		<b>98,075</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(12,053)</b>
		<b>109,586</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(17,384)</b>



## Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Council along with the share of reserves of its subsidiary, associates and joint venture, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the movements chargeable to council tax (or rents) for the year.

The Increase/Decrease line shows the statutory Group General Fund Balance and Housing Revenue Account Balance movements in the year following these adjustments.

	Unallocated General Fund Balance £000	Earmarked General Fund Balance £000	Housing Revenue Account £000	Repairs & Renewals Fund £000	Insurance Fund £000	Capital Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Share of Reserves of Subsidiary Associates and Joint Venture Usable Reserves £000	Share of Reserves of Subsidiary Associates and Joint Venture Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2024 carried forward</b>	(7,302)	(34,464)	(1,652)	(4,450)	(2,044)	(18,877)	(68,789)	(674,749)	(27,698)	(17,012)	(788,248)
<b>Movement in reserves during 2024/25</b>											
Total Comprehensive (Income) and Expenditure	(4,312)	-	1,411	-	-	-	(2,901)	(6,515)	(2,430)	(5,538)	(17,384)
Adjustments between accounting basis & funding basis under regulations	(4,025)	-	(2,242)	-	-	5,431	(836)	836	16,926	(16,926)	-
<b>(Increase)/Decrease in 2024/25</b>	<b>(8,337)</b>	<b>-</b>	<b>(831)</b>	<b>-</b>	<b>-</b>	<b>5,431</b>	<b>(3,737)</b>	<b>(5,679)</b>	<b>14,496</b>	<b>(22,464)</b>	<b>(17,384)</b>
<b>Net transfer to or from Reserves</b>	<b>6,798</b>	<b>(2,547)</b>	<b>-</b>	<b>(675)</b>	<b>(102)</b>	<b>(3,474)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>(8,841)</b>	<b>(37,011)</b>	<b>(2,483)</b>	<b>(5,125)</b>	<b>(2,146)</b>	<b>(16,920)</b>	<b>(72,526)</b>	<b>(680,428)</b>	<b>(13,202)</b>	<b>(39,476)</b>	<b>(805,632)</b>
	Unallocated General Fund Balance £000	Earmarked General Fund Balance £000	Housing Revenue Account £000	Repairs & Renewals Fund £000	Insurance Fund £000	Capital Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Share of Reserves of Subsidiary Associates and Joint Venture Usable Reserves £000	Share of Reserves of Subsidiary Associates and Joint Venture Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2023 carried forward</b>	(6,658)	(45,456)	(1,798)	(3,211)	(1,946)	(5,402)	(64,471)	(803,434)	(13,497)	(16,432)	(897,834)
<b>Movement in reserves during 2023/24</b>											
Total Comprehensive (Income) and Expenditure	5,171	-	6,329	-	-	-	11,500	112,867	11	(14,792)	109,586
Adjustments between accounting basis & funding basis under regulations	(9,782)	-	(6,183)	-	-	147	(15,818)	15,818	(14,212)	14,212	-
<b>(Increase)/Decrease in 2023/24</b>	<b>(4,611)</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(4,318)</b>	<b>128,685</b>	<b>(14,201)</b>	<b>(580)</b>	<b>109,586</b>
<b>Net transfer to or from Reserves</b>	<b>3,967</b>	<b>10,992</b>	<b>-</b>	<b>(1,239)</b>	<b>(98)</b>	<b>(13,622)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>(7,302)</b>	<b>(34,464)</b>	<b>(1,652)</b>	<b>(4,450)</b>	<b>(2,044)</b>	<b>(18,877)</b>	<b>(68,789)</b>	<b>(674,749)</b>	<b>(27,698)</b>	<b>(17,012)</b>	<b>(788,248)</b>



## Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council and its Group entities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. 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 on their use (for example the Capital Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000		31 March 2025 £000
959,809	Property, Plant & Equipment	1,015,209
318	Heritage Assets	318
148	Intangible Assets	119
	Long-term Investments and/or Investments in	
22,732	Associates and Joint Venture	24,979
243	Investments	239
200	Asset in Associates and Joint Ventures	319
15,687	Defined Benefit Asset	20,831
<b>999,137</b>	<b>Long Term Assets</b>	<b>1,062,014</b>
60	Assets Held for Sale	-
-	Short Term Intangible Assets	-
695	Inventories	821
24,830	Short Term Debtors	28,988
-	Short Term Investments	-
39,000	Cash and Cash Equivalents	40,131
<b>64,585</b>	<b>Current Assets</b>	<b>69,940</b>
(16)	Short Term Borrowing	(16)
(5,567)	Finance Leases including PFI/PPP	(9,734)
(50,400)	Short Term Creditors	(53,060)
(592)	Provisions	(289)
<b>(56,575)</b>	<b>Current Liabilities</b>	<b>(63,099)</b>
(1,295)	Provisions – long term	(1,269)
(127,623)	Long Term Borrowing	(152,607)
(5)	Long Term Creditors	(6)
(62,565)	PFI/PPP Finance Lease	(84,353)
(16,886)	Defined Benefit Liability	(14,514)
(10,525)	Capital Grant Receipts in Advance	(10,474)
<b>(218,899)</b>	<b>Long Term Liabilities</b>	<b>(263,223)</b>
<b>788,248</b>	<b>Net Assets</b>	<b>805,632</b>
(96,487)	Usable Reserves	(85,728)
(691,761)	Unusable Reserves	(719,904)
<b>(788,248)</b>	<b>Total Reserves</b>	<b>(805,632)</b>

Kirsty Stanners LLB CPFA  
Head of Finance (Chief Financial Officer)  
The unaudited financial statements were issued on 5 June 2025





## **Group Cash Flow Statement**

The Group Cash Flow Statement shows the changes in cash and cash equivalents of the Council and its Group entities during the reporting period. The statement shows how the Group 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 Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

<b>2023/24 £000</b>		<b>2024/25 £000</b>
11,511	Net Group (surplus) or deficit on the provision of services	(5,331)
(15,558)	Group adjustments to net surplus or deficit on the provision of services for non-cash movements	(20,079)
-	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(4,047)	Net cash flows from Operating Activities	(25,410)
30,055	Investing Activities	40,334
742	Financing Activities	(16,055)
26,750	Net (increase) or decrease in cash and cash equivalents	(1,131)
(65,750)	Cash and cash equivalents at the beginning of the reporting period	(39,000)
<b>(39,000)</b>	<b>Cash and cash equivalents at the end of the reporting period (Including Bank overdraft)</b>	<b>(40,131)</b>



## **Notes to the Group Accounts**

### **1. RECONCILIATION OF EAST RENFREWSHIRE COUNCIL'S SURPLUS OR DEFICIT FOR THE YEAR TO THE GROUP SURPLUS OR DEFICIT**

**PURPOSE** This statement shows how the (surplus)/deficit on the Council's single entity Income and Expenditure Account for the year reconciles to the (surplus)/deficit for the year on the Group Accounts.

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>(Surplus)/Deficit on East Renfrewshire Council's provision of services</b>	<b>(2,901)</b>	<b>11,500</b>
<b>(Surplus)/Deficit in year arising from subsidiaries included in Group Accounts:</b>		
Net expenditure/(income) on Trust Funds in year	(10)	(16)
Common Good	8	181
East Renfrewshire Culture and Leisure Trust	(220)	(571)
<b>(Surplus)/Deficit in year arising from associates included in the Group Accounts:</b>		
• Strathclyde Partnership for Transport	(1,485)	(1,644)
• Strathclyde Concessionary Travel Scheme Joint Committee	62	(8)
• Renfrewshire Valuation Board	(119)	(22)
<b>(Surplus)/Deficit in year arising from a joint venture included in the Group Account:</b>		
East Renfrewshire Integration Joint Board	(666)	2,091
<b>GROUP ACCOUNT (SURPLUS)/DEFICIT FOR THE YEAR ON PROVISION OF SERVICES</b>	<b>(5,331)</b>	<b>11,511</b>



## **Notes to the Group Accounts (cont'd)**

### **2. COMBINING ENTITIES**

The following entities have been consolidated into the Group Statements as subsidiaries of the council.

#### **Subsidiaries:-**

##### **Common Good and Charitable Trusts**

Barrhead Common Good and the Council's Charitable Trust Funds are administered by East Renfrewshire Council and are treated as subsidiaries within Council's Group Accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line.

##### **East Renfrewshire Culture and Leisure Trust (ERCLT)**

East Renfrewshire Culture and Leisure Trust was incorporated on 2 July 2015 as a company limited by guarantee. The company is also a registered charity, with East Renfrewshire Council being the sole member. The Council provides funding to the Trust based on an agreed service plan; however, the limit of the council's liability if the company was wound up is £1. Under accounting standards, the council has a controlling interest in this company. It is therefore included in the Group Financial Statements as a subsidiary.

The company will promote, advance and further charitable purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.

After accounting for FRS 102 Retirement Benefits, the net assets of the company were £23.874m at 31 March 2025. The gain/ (loss) on ordinary activities before and after taxation for the year to 31 March 2025 £5.364m (2023/24 £15.620m).

The accounts are subject to independent audit and are available from Chief Executive, East Renfrewshire Culture and Leisure Trust, 1 Burnfield Ave, Giffnock, East Renfrewshire, G46 7TL.

The Council also exercises a significant influence over a number of entities, details of which are listed below. All of these bodies share the same financial year as the Council and have all been incorporated into the Group Accounts as either associates or joint ventures.

#### **Associates:-**

##### **Strathclyde Partnership for Transport**

This is the statutory body responsible for formulating the public transport policy for the 12 local authorities in the West of Scotland. The Council contributed £1.56m or 4.33% to the Council's running costs during 2024/25 and accounted for £23.211m (2023/24 £21.568m) of the net balance sheet assets within the Group Balance Sheet. The accounts of the Council are subject to independent audit and are available from The Treasurer to Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.



## **Notes to the Group Accounts (cont'd)**

### **Strathclyde Concessionary Travel Scheme Joint Committee**

This Committee comprises the 12 Councils within 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 12 constituent Councils and by direct grant funding from the Scottish Government. The Strathclyde Passenger Transport Executive administers the Scheme on behalf of the Board.

During 2024/25 the Council contributed £0.187m or 4.56% to the annual running costs and accounted for £0.170m (2023/24 £0.232m) of the net Balance Sheet assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Treasurer to Strathclyde Concessionary Travel Scheme, Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.

### **The Renfrewshire Valuation Joint Board**

This Board is an independent public body formed in 1996 at local government reorganisation by an Act of Parliament. The Council has no shares in, nor ownership of the Board. The Board's running costs are met by the three councils of East Renfrewshire, Inverclyde and Renfrewshire. Surpluses or deficits on the Board's operation are shared between the three member councils. The accounts of the Board are subject to audit and are available from the Treasurer of the Renfrewshire Valuation Joint Board, Renfrewshire Council, Council Headquarters, Paisley PA1 1JB.

The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of East Renfrewshire, Inverclyde and Renfrewshire. East Renfrewshire Council contributed £0.586m or 20.55% to the organisation's revenue costs and its share of the year-end net asset of £0.319m (2023/24 £0.2m net asset) is included in the Group Balance Sheet.

### **Joint Venture:-**

#### **East Renfrewshire Integration Joint Board**

The East Renfrewshire Integration Joint Board was formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Joint Venture between East Renfrewshire Council and the Greater Glasgow & Clyde Health Board.

Integration Joint Boards are specified as Section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS).

The East Renfrewshire Integration Joint Board receives contributions from its funding partners, namely East Renfrewshire Council and the Greater Glasgow and Clyde Health Board to fund its services. Expenditure is incurred in the form of charges for services provided to the Joint Board by its partners.

During 2024/25 the Council contributed £95.877m or 41.94% to the annual running costs and accounted for £1.598m (2023/24 £0.932m) of the net Balance Sheet assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Chief Financial Officer to the East Renfrewshire Integration Joint Board, Eastwood Health and Care Centre, Drumby Crescent, Clarkston, G76 7HN.



## **Notes to the Group Accounts (cont'd)**

### **3. FINANCIAL IMPACT OF CONSOLIDATION**

The effect of inclusion of the Common Good along with the subsidiary, associate and joint venture entities and the trust fund balances on the Group Balance Sheet is to increase both Reserves and net assets by £52,678k, representing the Council's net share of the net assets in these entities.

	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>Surplus/(Deficit) on East Renfrewshire Council's net assets</b>	<b>752,954</b>	<b>743,538</b>
<b>Surplus/(Deficit) in year net assets from subsidiaries included in Group Accounts:</b>		
Trust Funds in year	364	354
Common Good	3,142	2,914
East Renfrewshire Culture and Leisure Trust	23,874	18,510
<b>Surplus/(Deficit) in year net assets from associates included in the Group Accounts:</b>		
• Strathclyde Partnership for Transport	23,211	21,568
• Strathclyde Concessionary Travel Scheme Joint Committee	170	232
• Renfrewshire Valuation Board	319	200
<b>Surplus/(Deficit) in year net assets from a joint venture included in the Group Account:</b>		
East Renfrewshire Integration Joint Board	1,598	932
<b>GROUP ACCOUNT SURPLUS/(DEFICIT) FOR THE YEAR ON NET ASSETS</b>	<b>805,632</b>	<b>788,248</b>

### **4. ACCOUNTING POLICIES**

The financial statements in the Group Accounts of East Renfrewshire Council are prepared in accordance with the accounting policies set out for the single entity.

### **5. IFRS 16 Leases**

As ERCLT is a registered charity it is not currently required to adopt IFRS 16 *Leases* into their Annual Accounts, however consideration has been made by them to identify any assets that may be covered by this accounting standard. No assets above the de-minimis level set by the Council have been identified and therefore no consolidation adjustment was required before finalising the Council's Group accounts.

### **6. PENSIONS**

Disclosure of information relating to the pensions of East Renfrewshire Council and its associates follows the reporting requirements of IAS19 Employee Benefits. Information relating to the pensions of subsidiaries follows the reporting requirements of FRS102 (The financial Reporting Standard applicable in the UK and Republic of Ireland) and includes separate assumptions for their actuarial valuation.



## Notes to the Group Accounts (cont'd)

As ERCLT is an admitted body to the Local Government Pension Scheme, consolidation adjustments to the Council's Group accounts have been made to reflect an asset ceiling calculation, in recognition of a pension asset achieved by Strathclyde Pension Fund in 2024/25.

### 7. GOING CONCERN

The Council's share of East Renfrewshire Culture & Leisure Trust's (ERCLT) net reserves is a net asset, this asset is after accounting for a pension asset. Any future pension liability, due in future years, will be financed by annual pension contributions and returns on pension fund investments.

ERCLT has prepared their accounts on a going concern basis, as has the Council in preparing its Group Financial Statements as it is expected that funding, aligned with robust budget processes, will continue to provide sufficient resources.

### 8. TRUST FUNDS

The Council acts as Trustees for 16 Trusts, 6 of which have charitable status. These are varied in nature and relate principally to legacies left by individual inhabitants over a period of years. The funds do not represent assets of the Council and are not included in the Council's single entity Balance Sheet.

		Balance 31.03.24 £	Expenditure £	Income £	Balance 31.03.25 £
Charity Number					
SCO05976	Duff Memorial Fund	521	-	259	780
SCO16641	Newton Mearns Benevolent Fund	2,309	-	190	2,499
SCO19475	Janet Hamilton Fund	14,259	-	2,724	16,983
SCO19474	John Pattison Memorial	717	-	520	1,237
SCO19473	Hugh & Janet Martin Fund	1,967	-	878	2,845
SCO37293	Netherlee School 1937	5,350	-	1,019	6,369
<b>CHARITABLE REVENUE BALANCES</b>		<b>25,123</b>	<b>-</b>	<b>5,590</b>	<b>30,713</b>
	Thornliebank War Memorial Fund	765	-	44	809
	Anderson Bequest	80	-	54	134
	Cathcart Cemetery Fund	7,039	-	512	7,551
	Crum Memorial	160	-	61	221
	McNiven Prize	1,088	-	105	1,193
	Rev Denis Reen	2,552	-	228	2,780
	James Cowan Bequest	519	-	101	620
	Cowan Park Cropping Fund	59	-	23	82
	Annie Tyson Trust Fund	62,408	7,672	11,004	65,740
	Rita Donnelly Memorial Prize	20	-	-	20
<b>OTHER TRUST FUND REVENUE BALANCES</b>		<b>74,690</b>	<b>7,672</b>	<b>12,132</b>	<b>79,150</b>



# Notes to the Group Accounts (cont'd)

			Capital Value of Fund	
			31.03.25 £	31.03.24 £
<b>The Principal Funds</b>	Duff Memorial Fund	For the upkeep of Duff Memorial Hall	4,646	4,646
	Janet Hamilton Fund	Assisting the sick requiring nursing or hospital treatment	40,131	40,131
	John Pattison Memorial	Assisting the deserving poor in Barrhead	9,657	9,657
	Hugh & Janet Martin Fund	For charitable and educational purposes	15,574	15,574
	Netherlee School 1937	To advance the education of the pupils of Netherlee Primary	15,000	15,000
	Newton Mearns Benevolent Fund	Provision of comforts for the needy of the parish of Mearns.	1,500	1,500
	<b>CHARITABLE TOTAL RESERVES</b>		<b>86,508</b>	<b>86,508</b>
	Annie Tyson Trust Fund	Assisting with special needs training	157,306	157,306
	Other Trust Funds		10,256	10,256
	<b>OTHER TRUST FUND TOTAL RESERVES</b>		<b>167,562</b>	<b>167,562</b>

		2024/25 £	2023/24 £
<b>Balance Sheet – Charitable</b>	Fund balances	117,221	111,631
	Creditors	-	-
	<b>TOTAL LIABILITIES</b>	<b>117,221</b>	<b>111,631</b>
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	117,221	111,631
	<b>TOTAL ASSETS</b>	<b>117,221</b>	<b>111,631</b>

		2024/25 £	2023/24 £
<b>Balance Sheet – Other Trust Funds</b>	Fund balances	246,712	242,252
	Creditors	-	-
	<b>TOTAL LIABILITIES</b>	<b>246,712</b>	<b>242,252</b>
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	246,712	242,252
	<b>TOTAL ASSETS</b>	<b>246,712</b>	<b>242,252</b>





## **Notes to the Group Accounts (cont'd)**

### **9. NON MATERIAL INTEREST IN JOINT COMMITTEES**

The Council has an interest in a number of Joint Committees that have not been consolidated within the group accounts. In aggregate they are considered to be immaterial to the understanding of the accounts.

- **Scotland Excel** took up the activities of the Authorities Buying Consortium and similar bodies across the Scottish local authority sector on 1 April 2008. It is a not-for-profit organisation funded mainly by the 32 participating Scottish local authorities. During the year, the Council made a contribution of £81,378 (2023/24, £81,378) representing 2% (2023/24, 2%) of the organisation's estimated running costs for the year to 31 March 2025.
- The **Glasgow and the Clyde Valley Strategic Development Planning Authority** Joint 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 & 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. During the year, the Council contributed £43,271 (£2023/24 £53,000) representing 12.5% (2023/24, 12.5%) of the Committee's estimated running costs for the year to 31 March 2025.
- **Continuing Education Gateway** is a consortium of 11 local authorities in the West of Scotland. It was formed in April 2000 to further the provision of careers and education guidance services. During the year, the Council made a contribution of £16,400 (2023/24, £16,400) representing 4.20% (2023/24 4.20%) of the consortium's estimated running costs for the year to 31 March 2025.
- The **West of Scotland Archaeology Service** was set up in 1997 as a Committee of 11 authorities in the region. It is currently funded by 12 local authorities and by Historic Scotland for specific projects. Its primary purpose is to provide planning related archaeological advice to its members, permitting them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process. During the year, the Council made a contribution of £7,619 (2023/24, £7,619) representing 4.05% (2023/24 4.05%) of the Committee's estimated running costs for the year to 31 March 2025.
- The **Glasgow City Region Cabinet** is a Joint Committee established on 20 January 2015. The purpose of the Committee 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 £1.1bn investment programme, including delivery of labour market and innovation programmes. During the year the Council made a contribution of £18,392 (2023/24 £42,291) representing 5.22% (2023/24 5.22%) of the organisation's running costs for the year to March 2025.
- The **SEEMIS Group LLP** was incorporated on 11 May 2009 and commenced trading on 1 July 2010. It is funded by the 32 authorities and the principal activity of the LLP is the provision of information technology solutions to education services. During the year, the Council made a contribution of £132,913 (2023/24 £137,431) representing 2.51% (2023/24 2.51%) of the organisation's running costs for the year to 31 March 2025.



## **Glossary of Terms**

Much of the terminology used in this Report is intended to be self-explanatory. However, the following additional definitions and interpretations of terms used may be helpful. This section of the accounts does not form part of the audited accounts.

### **1. Gross Expenditure**

This includes all expenditure attributable to the service / activity including employee costs, expenditure relating to premises and transport, supplies & services, third party payments and capital charges.

### **2. Gross Income**

This includes the charges to individuals and organisations for the direct use of the Council's services.

### **3. Corporate and Democratic Core**

Corporate and Democratic Core costs include the costs of policy making and all other member based activities together with costs which relate to the general running of the Council. The Service Reporting Code of Practice for Local Authorities stipulates that such costs are to be excluded from the Total Cost relating to the Housing Revenue Account service activity.

### **4. Capital Charges**

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

### **5. Financing Costs**

This includes the annual costs of financing the sums borrowed by the Council covering its capital repayment of loans, interest charges and debt management expenses.

### **6. Specific Government Grant**

This includes grants received from Central Government in respect of a specific purpose or service e.g. Gaelic Grant.

### **7. Capital Expenditure**

This is expenditure incurred in creating, acquiring or improving assets where the expenditure is normally financed by borrowing with repayment over a period of years, or by utilising the income from the sale of existing assets.

### **8. Non-Current Assets**

These are created by capital expenditure incurred by the Council. This includes buildings and property, vehicles, plant and machinery, roads, computer equipment etc.

### **9. Revaluation Reserve**

The Revaluation Reserve represents the accumulated gains on the revaluation of fixed assets not yet realised through sales. This account cannot be used to support spending.

### **10. Capital Adjustment Account**

The capital adjustment account represents the accumulation of capital resources set aside to meet past expenditure. This account cannot be used to support spending.

### **11. Financial Instruments Adjustment Account**

This account is a balancing account to allow for differences in statutory requirements and proper accounting practices for borrowing and lending. This account cannot be used to support spending.

### **12. Capital Grant Receipts in Advance**

This contains any capital grants or contributions which have been received where the related capital expenditure has not yet been incurred and will be released to meet the costs of that capital expenditure as appropriate.



## **Glossary of Terms (cont'd)**

### **13. Pension Reserve**

The Local Government Pension Fund (Scotland) Regulations 2003 came into force on 20 December 2003 and require Local Authorities to set up a pension reserve fund for pension scheme surpluses and deficits. This fund is separate from a Council's General Fund and means that any pension scheme surplus / deficit will not impact on local taxation.

### **14. Generally Accepted Accounting Practice in the UK (UK GAAP)**

The overall body of regulation establishing how Company accounts must be prepared in the United Kingdom. The basis on which Local Authority accounts were previously prepared.

### **15. International Financial Reporting Standards (IFRS)**

The basis on which Local Authority accounts are currently prepared.

### **16. Subsidiary**

An entity over which the Council has overall control through the power to govern its financial and operating policies so as to obtain benefits from the entity's activities.

### **17. Associate**

An entity other than a subsidiary or joint venture in which the reporting Council has a participating interest and over who's operating and financial policies the reporting Council is able to exercise significant influence.

### **18. Joint Venture**

A contractual or binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.

### **19. Entity**

A body corporate, partnership, trust, unincorporated association, or statutory body that is delivering a service, or carrying on a trade or business, with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single-entity accounts.

### **20. Common Good**

Denotes all assets of the former Burghs not acquired under statutory powers or held under special trusts and reserved for purposes which promoted the general good of the inhabitants or dignity of the Burgh.



EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

19 June 2025

Report by Director of Business Operations and Partnerships

CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT

**PURPOSE OF REPORT**

1. To update the Audit and Scrutiny Committee on progress against improvement actions in the 2024/25 Code of Corporate Governance and to approve a new Code for 2025/26. The report also includes the draft Annual Governance Statement for the committee's consideration.

**RECOMMENDATIONS**

2. The Audit and Scrutiny Committee is asked to:
- (a) note progress on the 2024/25 Code of Corporate Governance improvement actions;
  - (b) approve the Code of Corporate Governance updates and actions for 2025/26 (Annex 1); and
  - (c) recommend to Council the approval of the 2024/25 Annual Governance Statement (Annex 2).

**BACKGROUND**

3. East Renfrewshire Council is responsible for ensuring that 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.

4. In discharging this responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of resources. Since December 2002, the Council has adopted and updated annually a Code of Corporate Governance which is consistent with the principles and requirements of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government.

5. The Code of Corporate Governance is a statement of the structures and processes that govern internal policy-making, community leadership, partnership working and the mechanisms to ensure proper control and accountability are in place.

6. The Code comprises of seven governing principles and a set of supporting principles. The full set of principles is listed in the draft code in Annex 1, alongside some examples of high-level evidence. A matrix diagram providing a list of all evidence and links to the code principles to demonstrate good corporate governance is included at the end of Annex 1 for ease of reference.

7. All councils must comply with the following requirements:

- Publication of an annual progress summary on the previous year's Code, including any actions taken to improve compliance.
- Publication of an annual Code of Corporate Governance update. This includes an update on new evidence we can present. It also include self-assessment scoring of the evidence we have regarding compliance with national guidance, on each governance requirement, and details of any action planned to improve compliance during 2024/25.
- Inclusion of an Annual Governance Statement in the Council's Annual Report and Accounts.

## PROGRESS ON 2024/25 ACTIONS

8. In May 2025, an update on the improvement actions from the 2024/25 Code of Corporate Governance was produced. [Available here.](#)

9. Seven improvement actions listed in the 2024/25 code were completed. These are listed below. Note the letters and numbers e.g. A1.2 refer to which principle/sub-principle the action is presented under in the Code.

- **A1.2** - Following the consideration of Vision for the Future in June 2023, further scoping and development with community partners and local residents, with a view to a broader review of outcomes and the 'golden thread' of strategic planning planned for 2024/25, will be completed by June 2024. (Head of Communities & Transformation, June 2024). This action was delayed due to the General Election – carried forward to September 2024.
- **A2.3** - Continue with manual checks by Procurement of all Housing invoices or certificated payments over £50k until the new Servitor/Integra interface is in place (Chief Procurement Officer, March 2025).
- **B2.2 and G3.5** - Review the Council's strategic and community planning frameworks to align with Vision for the Future. (Head of Communities & Transformation, April 2025).
- **B3.6 and F5.1** - Increase profile of financial resilience measures in longer term financial planning reports (Head of Finance, February 2025).
- **E1.3** - Engage with External Audit Best Value annual theme of workforce innovation (Head of HR & Corporate Services, September 2024).
- **E2.5** - A review of the Community Council Scheme of Establishment will be undertaken to incorporate new national guidance (Head of HR & Corporate Services, March 2025).
- **F4.1** The development of a new Information Asset Register was completed in April 2024. Work is now underway to update and import existing records, undertake staff training and co-ordinate arrangements for departments to populate the system with up to-date information over the coming months (Head of Communities & Transformation, March 2025).

10. The remaining actions are ongoing and are included in the 2025/26 Code (actions are organised by their corresponding supporting principle within the Code):

- **A1.3 and B1.3** - Complete the review of the Council's Standing Orders (Democratic Services Manager, Autumn 2025).
- **A1.3 and B1.3** - Conduct a review of the Council's Schemes of Administration and Delegated Functions (Democratic Services Manager, Autumn 2025).

- **B2.2 and G3.5-** Review community planning governance structures aligned to A Place to Grow (Head of Communities & Transformation, November 2025).
- **C2.4** - Implement a proportionate response to the new Consumer Duty (Director of Business Operations & Partnerships, March 2026).
- **E2.4** - Review elected member training and development, including provision of Equality, Fairness & Rights Impact assessment training and ensuring coverage of mandatory cyber essentials training (Head of HR & Corporate Services, March 2026).

## UPDATED CODE OF CORPORATE GOVERNANCE FOR 2025/26

11. The proposed updated Code of Corporate Governance for 2025/26 is included at Annex 1 and sets out arrangements which demonstrate how we fulfil the seven governance principles outlined in the national guidance.

12. The CIPFA / SOLACE framework emphasises that councils should:

- keep codes of corporate governance under review;
- carry out a process of self-evaluation scoring; and
- develop actions to address any gaps or areas for improvement in governance arrangements.

## REVIEW OF CODE

13. The review of the 2024/25 Code of Corporate Governance to inform the new code, involved engagement with key representatives across relevant services of the Council and HSCP. Senior colleagues provided critical input, assessing our compliance and provided improvement actions and new evidence. Much of the Code was scored as fully compliant, with examples of evidence provided. The review of the 2024/25 code identified a small number of areas that were partially compliant and scored as '2', until the actions associated with these sub-principles have been completed. These are:

- **A1.3 and B1.3** - Complete the review of the Council's Standing Orders (Democratic Services Manager, Autumn 2025).
- **A1.3 and B1.3** - Conduct a review of the Council's Schemes of Administration and Delegated Functions (Democratic Services Manager, Autumn 2025).
- **C2.4** - Implement a proportionate response to the new Consumer Duty (Director of Business Operations & Partnerships, March 2026).

14. Several new actions have also been identified to further improve compliance with the Code. Key actions for 2025/26 are:

- **C1.4 F1.1, F1.2, F1.3 and F3.1** - Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'A Place to Grow' – accompanied with risk management training for Elected Members (Resilience Coordinator, December 2025).
- **D2.3** - Review strategic performance management framework and reports to align with 'A Place to Grow' (Head of Communities & Transformation, June 2026).
- **F4.1** - Submission of the Council's amended Records Management Plan for the approval of the Keeper of the Records of Scotland (Head of Legal Services, May 2025).
- **F5.2** - The Servitor system is coming to end of life; a data review is ongoing to identify risks due to duplication. Furthermore, a Digital Improvement Strategy has commenced within the Housing Repairs Service, which will replace Servitor and see introduction of all jobs being raised on Integra (Director of Environment, April 2026).



15. Once approved, the Code of Corporate Governance 2025/26 and improvement actions will be made available on the Council's website and a progress update on the actions will be made in May 2026 after the close of the 2025/26 financial year.

## ANNUAL GOVERNANCE STATEMENT

16. As part of the SOLACE/CIPFA corporate governance framework the Leader and the Chief Executive are responsible for ensuring the inclusion of the Annual Governance Statement (AGS) in the Annual Report and Accounts. This statement sets out the governance framework, a review of its effectiveness and key actions planned relating to governance for the following year. A draft proposed AGS is attached at Annex 2. Note the actions in the AGS are included in the Code of Corporate Governance. The 2024/25 Annual Report and Accounts will be published later in the year including, subject to the Committee's and Council approval, the AGS.

## CONCLUSION

17. Based on the evidence presented here East Renfrewshire Council is governed by sound and effective internal management controls and continues to demonstrate compliance with the requirements of the CIPFA/SOLACE Framework: *"Delivering Good Governance in Local Government"*.

18. As part of the annual review process the Code of Corporate Governance has been updated and scored in line with evidence, and in consultation with colleagues across the Council. Progress on planned actions from last year (2024/25) has been posted on the Council's website, accessible [here](#). Subject to Audit and Scrutiny Committee's approval, the new revised Code for 2025/26 will be posted on the Council website in June 2025. The Annual Governance Statement, following Council approval of the Annual Accounts 2024/25 will be posted on the Council website in September 2025.

## RECOMMENDATIONS

19. The Audit and Scrutiny Committee is asked to:

- (a) note progress on the 2024/25 Code of Corporate Governance improvement actions;
- (b) approve the Code of Corporate Governance updates (Annex 1) and actions for 2025/26; and
- (c) recommend to Council the approval of the 2024/25 Annual Governance Statement (Annex 2).

Louise Pringle  
Director of Business Operations and Partnerships  
20 June 2025

Report authors:  
Aidan Holligan and Morag Brown, Strategic Services

## BACKGROUND PAPERS

- Code of Corporate Governance, Audit & Scrutiny Committee, June 2024
- Annual Report and Accounts 2023/24, Audit and Scrutiny Committee, June 2024

# **Annex 1: NEW EAST RENFREWSHIRE COUNCIL CODE OF CORPORATE GOVERNANCE 2025/2026**

Evaluation Scoring – 1 not complaint, 2 partially compliant, 3 fully compliant

<b>Principle A: behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>			
<b>Supporting principle 1: behaving with integrity</b>		<b>Evaluation</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
A1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<ul style="list-style-type: none"> <li>Codes of Conduct for Members &amp; Employees</li> <li>Commissioner for ethical standards in public life Scotland</li> <li>Monitoring Officer role</li> <li>Audit and Scrutiny Committee reporting</li> </ul>	3	
A1.2 Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	<ul style="list-style-type: none"> <li>Council Values</li> <li>HR policies and procedures e.g. discipline and grievance</li> <li>Codes of Conduct for Members &amp; Employees</li> </ul>	3	
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	<ul style="list-style-type: none"> <li>Council Standing Orders</li> <li>Audit and Scrutiny Committee</li> <li>Schemes of Administration and Delegated Functions</li> <li>Council values</li> <li>Register of interests</li> </ul>	2	<b>Ongoing</b>  Complete the review of the Council's Standing Orders (Democratic Services Manager, Autumn 2025).

			<b>Ongoing</b>  Conduct a review of the Council's Schemes of Administration and Delegated Functions (Democratic Services Manager, Autumn 2025).
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> <li>• HR policies and procedures e.g. discipline and grievance, Dignity at Work</li> <li>• Data Protection Policy and associated Information Governance Framework</li> <li>• Social Media Strategy &amp; Protocol</li> <li>• Fraud, Bribery &amp; Theft Policy (updated April 2022)</li> <li>• Registers of interests (Councillor and Employee)</li> <li>• Codes of Conduct for Members &amp; Employees</li> <li>• Fraud Response Statement</li> </ul>	3	

Supporting principle 2: demonstrating strong commitment to ethical values		Evaluation	Further action required
Requirement	Examples of supporting evidence		
A2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> <li>• Council Standing Orders</li> <li>• Audit and Scrutiny Committee chaired by non-Administration councillor</li> <li>• Scheme of Administration</li> <li>• Scheme of Delegated Functions</li> </ul>	3	
A2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> <li>• Codes of Conduct for Members &amp; Employees</li> <li>• Scheme of Delegated Functions</li> <li>• Council Values</li> </ul>	3	
A2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<ul style="list-style-type: none"> <li>• HR policies and procedures e.g. discipline and grievance, Dignity at Work</li> <li>• Data Protection Policy and DPIA Framework</li> <li>• Contract Standing Orders</li> <li>• Recruitment and Selection Code of Practice</li> <li>• Audit and Scrutiny Committee</li> <li>• Corporate Procurement Strategy</li> <li>• Modern Slavery Charter</li> <li>• People Strategy and associated action plan</li> </ul>	3	
A2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	<ul style="list-style-type: none"> <li>• Codes of Conduct for Members &amp; Employees</li> <li>• Contract Standing Orders</li> <li>• General Conditions of Purchase</li> <li>• Corporate Procurement Strategy</li> <li>• Integration scheme for ER HSCP</li> <li>• ERCLT governance arrangements</li> </ul>	3	

Supporting principle 3: respecting the rule of law		Evaluation	Further action required
Requirement	Examples of supporting evidence		
A3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> <li>• Scheme of Administration</li> <li>• Contract Standing Orders</li> <li>• Other statutory provision (e.g. planning legislation, placing requests)</li> <li>• Financial Regulations</li> <li>• Declarations of Employee interests</li> </ul>	3	
A3.2 Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	<ul style="list-style-type: none"> <li>• Codes of Conduct for Members &amp; Employees</li> <li>• Scheme of Delegated Functions</li> <li>• Financial Regulations</li> <li>• Council Standing Orders</li> </ul>	3	
A3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none"> <li>• Key Council strategic plans (e.g. Place to Grow &amp; Organisational Health Check)</li> </ul>	3	
A3.4 Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> <li>• Role of Monitoring Officer</li> <li>• Legal files (e.g. response to Housing Regulator reports)</li> <li>• Other statutory provision (e.g. planning legislation, placing requests, health &amp; safety etc.)</li> </ul>	3	

Principle B: ensuring openness and comprehensive stakeholder engagement			
Supporting principle 1: openness		Evaluation	Further action required
Requirement	Examples of supporting evidence		
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> <li>• Council website</li> <li>• Council Standing Orders</li> <li>• Annual Complaints report</li> <li>• Fol annual report and requests</li> <li>• Communications Strategy and media reporting</li> <li>• Programme reporting &amp; governance</li> </ul>	3	
B1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	<ul style="list-style-type: none"> <li>• Council meetings and webcasts</li> <li>• Council Standing Orders</li> <li>• Audit and Scrutiny Committee</li> <li>• Scheme of Administration</li> <li>• Scheme of Delegated Functions</li> </ul>	3	
B1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> <li>• Scheme of Administration</li> <li>• Call-in procedure</li> <li>• Scheme of Delegated Functions</li> <li>• Committee Minutes and reports</li> <li>• Reporting arrangements</li> <li>• Council Standing Orders</li> </ul>	2	<b>Ongoing</b>  Complete the review of the Council's Standing Orders (Democratic Services Manager, Autumn 2025).

			<b>Ongoing</b>  Conduct a review of the Council's Schemes of Administration and Delegated Functions (Democratic Services Manager, Autumn 2025).
B1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<ul style="list-style-type: none"> <li>• Community Plan (A Place to Grow)</li> <li>• Community Planning Partnership</li> <li>• Online Citizen Engagement Tool</li> <li>• Budget Engagement</li> <li>• Community Benefits Wish List</li> <li>• HSCP Strategic Planning Group</li> <li>• HSCP Participation and Engagement Strategy</li> <li>• HSCP Strategic Commissioning Plan</li> <li>• Consultation through Equality, Fairness and Rights Risk Assessments.</li> </ul>	3	



Supporting principle 2: engaging comprehensively with institutional stakeholders		Evaluation	Further action required
Requirement	Examples of supporting evidence		
B2.1 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	<ul style="list-style-type: none"> <li>Community Planning Partnership arrangements</li> <li>Key Council strategies</li> <li>Locality Planning - targeted and joint approaches to improving outcomes in specific communities</li> <li>HSCP Strategic Planning Group</li> <li>HSCP Participation and Engagement Strategy</li> <li>HSCP Strategic Commissioning Plan</li> </ul>	3	
B2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> <li>Revised Community Planning Partnership arrangements</li> <li>Terms of reference</li> <li>Notes of key partnership meetings</li> <li>HSCP Strategic Planning Group</li> <li>Alcohol and Drug Partnership</li> <li>HSCP Participation and Engagement Strategy</li> <li>Stakeholder engagement via Integration Joint Board and Performance and Audit Committee</li> </ul>	3	<b>Ongoing</b>  Review community planning governance structures aligned to a Place to Grow (Head of Communities & Transformation, November 2025).
B2.3 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> <li>Budget Consultation/Engagement research outputs</li> <li>Community Planning Partnership</li> </ul>	3	

	<ul style="list-style-type: none"> <li>Voluntary organisations and Community Groups database</li> <li>HSCP Participation &amp; Engagement Network</li> </ul>		
B2.4 Ensuring that partnerships are based on: trust, a shared commitment to change, a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit	<ul style="list-style-type: none"> <li>Community Planning Partnership</li> <li>Integration scheme for ER HSCP</li> <li>ERCLT – Transfer of Services Agreement/ articles of Association</li> </ul>	3	
<b>Supporting principle 3: engaging stakeholders effectively, including individual citizens and service users</b>		<b>Evaluation</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	<ul style="list-style-type: none"> <li>Community Planning Partnership arrangements</li> <li>Participatory Budgeting</li> <li>HSCP Participation &amp; Engagement Network</li> <li>Equality and Human Rights Mainstreaming report including equality outcomes</li> <li>HSCP Strategic Planning Group</li> </ul>	3	
B3.2 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	<ul style="list-style-type: none"> <li>Online Citizen engagement tool</li> <li>Communications Strategy</li> <li>Citizens' panel</li> <li>Community engagement training</li> <li>Equality and Human Rights Mainstreaming report including equality outcomes</li> <li>HSCP Participation &amp; Engagement Network</li> </ul>	3	

B3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<ul style="list-style-type: none"> <li>• Citizens' panel research</li> <li>• Online Citizen engagement tool</li> <li>• Budget Engagement</li> <li>• Equality and Human Rights Mainstreaming report including equality outcomes</li> <li>• Consultation through Equality, Fairness and Rights Risk Assessments.</li> <li>• Non-residential charging policy – public engagement</li> </ul>	3	
B3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	<ul style="list-style-type: none"> <li>• Online Citizen engagement tool</li> <li>• Social Media Strategy &amp; Protocol</li> <li>• Citizens' Panel reports and newsletters</li> <li>• Locality Planning</li> <li>• HSCP Participation and Engagement Group</li> <li>• HSCP Strategic Planning Group</li> </ul>	3	
B3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> <li>• Online Citizen engagement tool</li> <li>• Social Media Strategy &amp; Protocol</li> <li>• Locality Planning</li> <li>• HSCP Participation and Engagement Group</li> <li>• Consultation through Equality, Fairness and Rights Risk Assessments.</li> <li>• </li> </ul>	3	
B3.6 Taking account of the interests of future generations of tax payers and service users	<ul style="list-style-type: none"> <li>• Budget Engagement</li> <li>• Place to Grow Strategy</li> <li>• Financial Planning including resilience</li> <li>• HSCP Needs Assessment</li> <li>• Consultation through Equality, Fairness and Rights Risk</li> </ul>	3	

	Assessments with focus on Children's Rights <ul style="list-style-type: none"><li>• Youth Rights Association and Champions Board engagement</li></ul>		
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Principle C: defining outcomes in terms of sustainable economic, social, and environmental benefits			
Supporting principle 1: defining outcomes		Evaluation	Further action required
Requirement	Examples of supporting evidence		
C1.1 Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> <li>• Community Plan / Place to Grow</li> <li>• Key Council strategic plans (e.g. Locality plans)</li> <li>• Public Performance reporting</li> <li>• HSCP Strategic Plan</li> </ul>	3	
C1.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none"> <li>• Organisational Health Check</li> <li>• Place to Grow</li> <li>• Communications Strategy</li> <li>• Locality Planning</li> <li>• Budget setting process (including public engagement)</li> <li>• HSCP Strategic Plan</li> <li>• HSCP Annual Performance Report</li> </ul>	3	
C1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> <li>• Annual updates on Place to Grow</li> <li>• Annual report and accounts</li> <li>• Council Report – Financial Planning</li> <li>• HSCP Annual Performance Report</li> </ul>	3	
C1.4 Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> <li>• Strategic, Departmental and other risk registers</li> <li>• Audit and Scrutiny and CMT risk monitoring</li> <li>• Risk Management Strategy &amp; monitoring</li> <li>• IJB Risk Management Strategy</li> </ul>	3	<b>New Action</b>  Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'Place to Grow'

			– accompanied with risk management training for Elected Members (Resilience Coordinator, December 2025).
C1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> <li>• Public performance reporting</li> <li>• 3 Year Budget consultation exercise.</li> <li>• Participatory budgeting (PB)</li> <li>• Outcome Participation Request policy and process.</li> <li>• HSCP Strategic Plan</li> <li>• HSCP Annual Performance Report</li> </ul>	3	
<b>Supporting principle 2: sustainable economic, social and environmental benefits</b>		<b>Evaluation</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
C2.1 Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	<ul style="list-style-type: none"> <li>• Capital Investment Strategy</li> <li>• City Deal</li> <li>• Procurement strategies and policies</li> <li>• Budget Strategy Group</li> <li>• Climate Impact Assessments</li> <li>• Implementation of Consumer Duty</li> </ul>	3	

C2.2 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"> <li>• Capital Investment Strategy</li> <li>• Budget Strategy Group and annual &amp; multi-year budget process</li> <li>• Strategic Risk Register monitoring</li> </ul>	3	
C2.3 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> <li>• Council Standing Orders and Scheme of Administration</li> <li>• Budget consultation exercise</li> <li>• Main Issues Report &amp; Local Development Plan</li> </ul>	3	
C2.4 Ensuring fair access to services.	<ul style="list-style-type: none"> <li>• Integrated Impact Assessment (Equality, Fairness and Rights)</li> <li>• Equality Outcomes Mainstreaming Plan and Report</li> <li>• Fairer Scotland Duty</li> </ul>	2	<b>Ongoing</b>  Implement a proportionate response to the new Consumer Duty (Director of Business Operations & Partnerships, March 2026).



Principle D: determining the interventions necessary to optimise the achievement of the intended outcomes			
Supporting principle 1: determining interventions		Evaluation	Further action required
Requirement	Examples of supporting evidence		
D1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> <li>Options appraisals process</li> <li>Council Standing Orders</li> <li>Agendas, reports and minutes of meetings</li> <li>Corporate template - options</li> </ul>	3	
D1.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resource available including people, skills, land and assets and bearing in mind future impacts	<ul style="list-style-type: none"> <li>Financial planning and financial management</li> <li>Budget setting process (including Strategy group and public engagement)</li> <li>Using online community engagement tool</li> <li>Citizens' Panel</li> <li>HSCP Participation and Engagement Network</li> <li>Non-residential charging policy – public engagement</li> <li>Consultation through Equality, Fairness and Rights Risk Assessments.</li> <li>Climate Impact Assessments</li> </ul>	3	

Supporting principle 2: planning interventions		Evaluation	Further action required
Requirement	Examples of supporting evidence		
D2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> <li>Annual Cabinet work plan</li> <li>Audit &amp; Scrutiny Committee Work plan</li> <li>Mid and end-year performance reporting</li> </ul>	3	
D2.2 Considering and monitoring risks facing each partner when working collaboratively including shared risks	<ul style="list-style-type: none"> <li>Community Planning Partnership Risk Management Strategy</li> <li>Strategic Risk Register</li> </ul>	3	
D2.3 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> <li>Performance Management Framework</li> <li>Evaluative approach to Service Improvement Planning</li> <li>Place to Grow Delivery Plan &amp; Organisational Health check</li> <li>HSCP Strategic Plan</li> <li>HSCP Implementation plan</li> </ul>	3	<b>New Action</b>  Review strategic performance management framework and reports to align with 'Place to Grow' (Head of Communities & Transformation , June 2026).
D2.4 Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> <li>Performance Management System</li> <li>Mid and end-year performance reporting</li> <li>Analysis and reporting of Local Government Performance Framework</li> <li>HSCP Annual Performance Report</li> </ul>	3	

D2.5 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	<ul style="list-style-type: none"> <li>Financial planning and management</li> <li>Budget Strategy Group</li> <li>HSCP Strategic Plan</li> <li>HSCP Implementation plan</li> </ul>	3	
<b>Supporting principle 3: optimising achievement of intended outcomes</b>		<b>Evaluation</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
D3.1 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> <li>CMT budget planning</li> <li>Budget Strategy Group</li> <li>Capital Investment Strategy</li> <li>Treasury Management Strategy</li> <li>Participatory budgeting (PB)</li> </ul>	3	
D3.2 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	<ul style="list-style-type: none"> <li>Asset Management Plans</li> <li>Capital Project Appraisal Forms</li> <li>Revenue Savings Templates</li> <li>Corporate Resource Planning</li> <li>Treasury Management Strategy</li> </ul>	3	
D3.3 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	<ul style="list-style-type: none"> <li>Financial Planning and management</li> <li>Workforce planning</li> <li>Get to Zero plan</li> </ul>	3	
D3.4 Ensuring the achievement of 'social value' through service planning and commissioning	<ul style="list-style-type: none"> <li>Place to Grow Delivery Plan</li> <li>Community Benefits Wish List</li> <li>Corporate procurement</li> <li>Alternative models of service delivery - Care Reform</li> </ul>	3	

Principle E: developing the entity's capacity, including the capability of its leadership and the individuals within it			
Supporting principle 1: developing the entity's capacity		Evaluation	Further action required
Requirement	Examples of supporting evidence		
E1.1 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> <li>• Procurement Strategy</li> <li>• Option appraisals</li> <li>• Participation in benchmarking groups &amp; Local Government Benchmarking Framework</li> </ul>	3	
E1.2 Recognising the benefits of partnerships and collaborative working where added value can be achieved	<ul style="list-style-type: none"> <li>• COSLA, SOLACE and Improvement Service engagement</li> <li>• Community Planning Partners</li> <li>• City Deal</li> <li>• Clyde Valley arrangements</li> <li>• Shared Civil Contingencies Service</li> </ul>	3	
E1.3 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> <li>• Workforce Plan</li> <li>• Planning for the Future staff profile</li> <li>• A Place to Grow</li> <li>• People Strategy and associated action plan</li> <li>• HSCP Workforce Plan</li> </ul>	3	
Supporting principle 2: developing the capability of the entity's leadership and other individuals		Evaluation	Further action required
Requirement	Examples of supporting evidence		
E2.1 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> <li>• Scheme of delegated functions and Scheme of Administration</li> <li>• Elected member inductions</li> <li>• Codes of Conduct for Employees &amp; Members</li> </ul>	3	
E2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<ul style="list-style-type: none"> <li>• Scheme of Delegated Functions</li> <li>• Scheme of Administration</li> </ul>	3	

	<ul style="list-style-type: none"> <li>• Council and Contract Standing Orders</li> </ul>		
E2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	<ul style="list-style-type: none"> <li>• Scheme of Delegated Functions</li> <li>• Quality Conversations</li> <li>• Six monthly corporate performance reporting and departmental reviews</li> </ul>	3	
E2.4 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks	<ul style="list-style-type: none"> <li>• A Place to Grow</li> <li>• Briefings to Members and Development Plans</li> <li>• Quality Conversations Framework</li> <li>• Learning and development leadership sessions</li> </ul>	3	<b>Ongoing</b>  Review elected member training and development, including provision of Equality, Fairness and Rights Impact assessment training and ensuring coverage of mandatory cyber essentials training (Head of HR & Corporate Services, March 2026).
E2.5 Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> <li>• Citizens' Panel</li> <li>• Online engagement tools</li> <li>• Participatory budgeting</li> <li>• Community Councils and Tenant group support</li> <li>• HSCP Strategic Plan</li> </ul>	3	

	<ul style="list-style-type: none"> <li>HSCP Participation &amp; Engagement Network</li> </ul>		
E2.6 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> <li>Chief Executive and Member meetings</li> <li>Member Training and Development Plans</li> <li>Leadership training</li> <li>Inspection regimes</li> </ul>	3	
E2.7 Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> <li>Quality Conversations</li> <li>Learning and Development Plans</li> <li>Chief Executive and Member meetings</li> <li>People Strategy and associated action plan</li> </ul>	3	
E2.8 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> <li>HR and Health and Safety policies</li> <li>Employee counselling provision and Occupational Health provision</li> <li>Stress risk assessment</li> <li>People Strategy and associated action plan</li> <li>Investment in Employee Wellbeing &amp; Development fund</li> </ul>	3	

Principle F: managing risks and performance through robust internal control and strong public financial management			
Supporting principle 1: managing risk		Evaluation	Further action required
Requirement	Examples of supporting evidence		
F1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> <li>• Scheme of Administration and Scheme of Delegated Functions</li> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register, Department Risk Registers and other operational risk registers</li> <li>• Data Protection Impact Assessment Framework</li> </ul>	3	<b>New Action</b>  Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'Place to Grow' – accompanied with risk management training for Elected Members (Resilience Coordinator, December 2025).
F1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• IJB Risk Management Strategy</li> </ul>	3	
F1.3 Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Audit and Scrutiny Committee role</li> <li>• Strategic Risk Register, Department Risk Registers and other operational risk registers</li> <li>• IJB Performance and Audit Committee</li> </ul>	3	



Supporting principle 2: managing performance		Evaluation	Further action required
Requirement	Examples of supporting evidence		
F2.1 Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	<ul style="list-style-type: none"> <li>• Strategic planning and performance arrangements (A Place to Grow and Organisational Health Check)</li> <li>• Performance Management Framework</li> <li>• Digital Transformation programme governance</li> </ul>	3	
F2.2 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<ul style="list-style-type: none"> <li>• Member Support team</li> <li>• Corporate report format guidance</li> <li>• Council Minutes and Committee reports</li> </ul>	3	
F2.3 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	<ul style="list-style-type: none"> <li>• Scheme of Administration and Scheme of Delegated Functions</li> <li>• Internal Audit / External scrutiny arrangements</li> <li>• Audit and Scrutiny Committee and Reports</li> <li>• IJB Performance and Audit Committee</li> </ul>	3	
F2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> <li>• Directors' 1:1s with Convenors</li> <li>• Corporate Management Team briefings</li> <li>• Performance management framework</li> </ul>	3	
F2.5 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements )	<ul style="list-style-type: none"> <li>• Contract Standing Orders</li> <li>• Financial planning and management</li> <li>• Annual Report and Accounts</li> </ul>	3	

Supporting principle 3: robust internal control		Evaluation	Further action required
Requirement	Examples of supporting evidence		
F3.1 Aligning the risk management strategy and policies on internal control with achieving objectives	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register</li> <li>• Internal audit plan and reports</li> <li>• Risks linked to outcomes in key plans</li> </ul>	3	<b>New Action</b>  Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'Place to Grow' – accompanied with risk management training for Elected Members (Resilience Coordinator, December 2025).
F3.2 Evaluating and monitoring risk management and internal control on a regular basis	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Budget monitoring arrangements</li> <li>• Internal Audit plan and reports</li> </ul>	3	
F3.3 Ensuring effective counter fraud and anticorruption arrangements are in place	<ul style="list-style-type: none"> <li>• Fraud, Bribery &amp; Theft Policy (updated April 2022)</li> <li>• Compliance with the Code of practice on managing the risk of fraud and corruption</li> <li>• Anti-Money Laundering Policy</li> <li>• Fraud Response Statement</li> </ul>	3	

F3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> <li>Annual Report and Accounts</li> <li>Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks</li> <li>Regular Internal Audit review of risk management &amp; corporate governance embedded in audit plan</li> </ul>	3	
F3.5 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, that its recommendations are listened to and acted upon	<ul style="list-style-type: none"> <li>Audit and Scrutiny Committee chaired by non-Administration councillor</li> <li>Audit and Scrutiny Committee oversight of Internal /External Audit and Strategic Risks</li> <li>Audit and Scrutiny Committee – Report Activity</li> <li>IJB Performance and Audit Committee</li> <li>Clinical and Care Governance Group</li> </ul>	3	
<b>Supporting principle 4: managing data</b>		<b>Evaluation against code (1– not; 2– partial; 3– fully)</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
F4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> <li>Codes of Conduct for Members and Employees</li> <li>Fraud, Bribery &amp; Theft Policy (updated April 2022)</li> <li>Information Governance Framework (includes policies, procedures &amp; training)</li> </ul>	3	<b>New Action</b>  Submission of the Council's amended Records Management

	<ul style="list-style-type: none"> <li>• Corporate Information Asset Register</li> <li>• Records Management Plan</li> <li>• Fraud Response Statement</li> </ul>		Plan for the approval of the Keeper of the Records of Scotland (Head of Legal, May 2025).
F4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> <li>• Data Loss Prevention programme</li> <li>• Data protection Policy</li> <li>• Information Sharing Protocols and Data-sharing agreements</li> <li>• Corporate Information Asset Register</li> </ul>	3	
F4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> <li>• Performance Management Framework</li> <li>• Mid and end year reporting and review meetings</li> <li>• Local Government Benchmarking Framework analysis</li> <li>• Internal Audit plan and reports</li> </ul>	3	
<b>Supporting principle 5: strong public financial management</b>		<b>Evaluation</b>	<b>Further action required</b>
<b>Requirement</b>	<b>Examples of supporting evidence</b>		
F5.1 Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> <li>• Financial planning and management arrangements</li> <li>• Capital Investment Strategy</li> <li>• Treasury Management Strategy</li> </ul>	3	
F5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks & controls	<ul style="list-style-type: none"> <li>• Budget monitoring reports</li> <li>• Annual report and accounts</li> <li>• Finance Business Partner Approach</li> </ul>	3	<b>New Action</b>  Servitor system is coming to end of life, a data review is ongoing to

			identify risks due to duplication. Furthermore, a Digital Improvement Strategy has commenced within the Housing Repairs Service, which will replace Servitor and see introduction of all jobs being raised on Integra. (Director of Environment, April 2026)
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Principle G: implementing good practices in transparency, reporting, and audit to deliver effective accountability			
Supporting Principle 1: implementing good practice in transparency		Evaluation	Further action required
Requirement	Examples of supporting evidence		
G1.1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> <li>• Council website – information should adhere to Government Digital Service (GDS) standards and meet accessibility requirements</li> <li>• Corporate Reporting Format guidance</li> <li>• Communications strategy</li> <li>• Social Media Strategy &amp; Protocol</li> <li>• Internal promotion of updated Plain English guide</li> </ul>	3	
G1.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> <li>• Annual Public Performance Report</li> <li>• Council website - performance pages - information should adhere to Government Digital Service (GDS) standards and meet accessibility requirements</li> <li>• Evaluation of public performance reporting arrangements</li> </ul>	3	

Supporting principle 2: implementing good practises in reporting		Evaluation	Further action required
Requirement	Examples of supporting evidence		
G2.1 Reporting at least annually on performance, value for money and the stewardship of its resources.	<ul style="list-style-type: none"> <li>Annual report and accounts</li> <li>Annual Public Performance Report</li> <li>Local Government Benchmarking Framework and report</li> <li>Strategic mid and end year reporting</li> <li>Annual External Audit work on Best Value</li> <li>HSCP Annual Performance Report</li> </ul>	3	
G2.2 Ensuring members and senior management own the results	<ul style="list-style-type: none"> <li>Discussion at Council/Cabinet/Committees/CMT</li> <li>Chief Executive review meetings</li> <li>Chief Executive's 'Quality Conversation'</li> </ul>	3	
G2.3 Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance	<ul style="list-style-type: none"> <li>Annual governance statement</li> <li>Code of Corporate Governance improvement actions published online</li> </ul>	3	
G2.4 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> <li>Annual governance statement-included in annual accounts and publicly available</li> </ul>	3	
G2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	<ul style="list-style-type: none"> <li>Recent review of annual account format to improve accessibility</li> </ul>	3	



Supporting principle 3: assurance and effective accountability		Evaluation	Further action required
Requirement	Examples of supporting evidence		
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> <li>Recommendations made by external audit acted upon</li> <li>Audit Scotland Annual Audit Report to Members and the Controller of Audit</li> <li>East Renfrewshire Best Value reports</li> <li>IJB Performance and Audit Committee</li> </ul>	3	
G3.2 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	<ul style="list-style-type: none"> <li>Compliance with CIPFA's statement on the role of the head of internal audit</li> <li>Compliance with public sector internal audit standards</li> <li>Audit and Scrutiny Committee</li> <li>Internal Audit Charter</li> </ul>	3	
G3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> <li>Recommendations made by peer reviews/inspections/regulatory and bodies considered and included in plans for implementation e.g. thematic review cycle in schools</li> </ul>	3	
G3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> </ul>	3	

<p>G3.5 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<ul style="list-style-type: none"> <li>• Community Planning Partnership governance arrangements</li> <li>• Ongoing approach to community engagement, participation and feedback on decisions</li> </ul>	<p>3</p>	<p><b>Ongoing</b></p> <p>Review community planning governance structures aligned to a Place to Grow (Head of Communities &amp; Transformation, November 2025).</p>
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## Evidence Matrices Guide

The following evidence matrices correspond to the coding in the previous tables. Principles are labelled alphabetically and supporting principles are labelled numerically. The requirements/evidence continue with the numerical labelling system. For example, B3.6 refers to core principle B - supporting principle 3 - engaging stakeholders effectively, including individual citizens and service users and requirement 3.6 - Taking account of the interests of future generations of tax payers and service users

### Evidence Matrix

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Adherence to Local Government in Scotland Act			✓												✓						
Adopting recommendations included in External Audit Reports and inspections															✓						✓
Alcohol and Drug Partnership					✓																
Alternative models of service delivery - Care Reform											✓										
Annual Cabinet work plan										✓											
Annual Governance Statement															✓	✓				✓	✓

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Annual Report & Accounts							✓								✓	✓		✓		✓	
APSE benchmarking reports												✓									
Asset Management Plans											✓				✓						
Audit & Scrutiny Reports	✓						✓								✓	✓					
Audit and Scrutiny Committee	✓	✓		✓										✓		✓					✓
Budget Consultation and accompanying Report				✓	✓	✓	✓	✓			✓										
Budget Engagement					✓																
Budget planning and monitoring							✓	✓	✓	✓	✓					✓		✓			
Business Continuity Planning							✓			✓				✓							
Call-in procedure			✓	✓											✓	✓					
Capital Investment Strategy							✓	✓			✓							✓			
Capital Project appraisal forms											✓										
Change & Investment programmes								✓			✓										
Chief Executive and Member meetings													✓							✓	

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Chief Executive performance review meetings		✓																			
Chief Social Work Officer Annual Report				✓																	
Citizens' Panel research/ reports	✓			✓	✓	✓			✓				✓								
City Deal								✓				✓									
Climate Impact Assessment								✓	✓												
Clinical and Care Governance Group																	✓				
Codes of Conduct for Members & Employees	✓	✓	✓										✓		✓		✓				
Commissioner for ethical standards in public life Scotland	✓																				
Committee minutes and reports				✓											✓					✓	
Communications Strategy and media reporting	✓			✓	✓	✓	✓												✓		
Community and voluntary organisations mapping database					✓																

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Community Benefits Wish List				✓							✓										
Community Councils and Tenant group support													✓								
Community Councils support													✓								
Community engagement & participation (FairER/ Participatory Budgeting)					✓	✓	✓				✓		✓								✓
Community Plan (& FairER) performance reports	✓					✓	✓														
Community Plan (Place to Grow)				✓	✓	✓	✓														
Community Planning Partnership				✓	✓	✓	✓			✓		✓									✓
Complaints Procedure and reports	✓			✓																	
Compliance with CIPFA statement on role of Chief Financial Officer and head of Internal Audit			✓																		✓
Consultation through Equality, Fairness and				✓		✓			✓												

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Rights Risk Assessments																					
Contract Standing Orders		✓	✓						✓				✓		✓						
Corporate Information Asset Register																	✓				
Corporate Management Team briefings															✓						
Corporate Management Team monitoring														✓							
Corporate Procurement Strategy		✓						✓			✓	✓									
Corporate Reporting Format guidance															✓				✓		
Corporate Resource Planning											✓										
COSLA, SOLACE and Improvement Service engagement												✓									
Council meetings and webcasts				✓																	
Council Standing Orders	✓	✓	✓	✓				✓					✓		✓						
Council Values	✓	✓	✓	✓			✓														
Council website – information should adhere to Government	✓			✓		✓		✓											✓		



Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Digital Service (GDS) standards and meet accessibility requirements																					
Customer Care Standards	✓			✓		✓															
Data Loss Prevention programme																	✓				
Data Protection Governance Report																✓					
Data Protection Policy	✓	✓		✓										✓			✓				
Declaration/Register of Employee Interests	✓		✓																		
Digital Transformation Strategy and Programme				✓			✓		✓	✓					✓			✓			
Directors' 1:1's with Convenors															✓						
Discipline & Grievance procedures		✓																			
Economic Forecasts/Benchmarking							✓														
Employee Counselling													✓								
Equality & HR Mainstreaming report						✓															

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
including equality outcomes																					
Equality Mainstreaming Plan								✓													
ERCLT – Transfer of Services Agreement and Articles of Association		✓			✓							✓									
Fair Working Practices											✓										
Finance Business Partner Approach																		✓			
Financial Planning Report						✓	✓	✓	✓	✓	✓				✓			✓			
Financial Regulations			✓								✓										
Fol annual report and requests				✓																	
Fraud Response Statement	✓															✓	✓				
Fraud, Bribery & Theft Policy (updated April 2022)	✓												✓		✓	✓	✓				
General conditions of purchase		✓																			
Get to Zero plans											✓										
H&S ICT system Core Systems development													✓								

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Health and Well-being Strategy and Action Plan													✓								
HR policies and procedures e.g. discipline and grievance, Dignity at Work	✓	✓											✓								
HSCP & CPP Needs Assessments						✓															
HSCP and Locality networks and groups				✓	✓	✓															
HSCP Annual Performance Report							✓			✓									✓		
HSCP Implementation Plan										✓											
HSCP Participation and Engagement Group						✓															
HSCP Participation & Engagement Network					✓	✓			✓				✓								
HSCP Participation and Engagement Strategy			✓	✓																	
HSCP Strategic Commissioning Plan				✓	✓																
HSCP Strategic Plan				✓			✓			✓			✓								

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
HSCP Strategic Planning Group				✓	✓	✓															
HSCP Workforce Plan												✓									
hubWest												✓									
IJB Performance and Audit Committee															✓						
IJB Risk Management Strategy							✓							✓							
Implementation of Consumer Duty								✓													
Inductions and training				✓		✓							✓				✓				
Information Governance Framework																	✓				
Information Governance Officer																	✓				
Information Governance policies and frameworks	✓	✓		✓										✓			✓				
Information Sharing Protocols																	✓				
Inspection regimes													✓								✓
Integrated Equalities, Fairness and Rights Impact Assessment (EFRIA)				✓				✓													

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Integration scheme for ER HSCP		✓			✓																
Internal Audit Charter																					
Internal Audit plan reports															✓	✓					✓
Internal promotion of updated Plain English guide																			✓		
Investment in Employee Wellbeing & Development fund													✓								
Job Descriptions			✓										✓								
Leadership Competencies	✓	✓																			
Leadership training													✓								
Learning and Development Plans													✓								
Learning and development leadership sessions													✓								
LGBF Benchmarking Report				✓						✓		✓					✓			✓	
Local Development Plan 3 development								✓	✓		✓										
Locality Planning					✓	✓	✓														

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Management & Leadership Development Programmes													✓								
Meeting Agenda and Minutes	✓	✓					✓	✓	✓						✓					✓	
Member support team													✓		✓						
Members' Induction Programme	✓	✓											✓								
Modern Slavery Charter		✓																			
Monitoring Officer	✓		✓																		
National Care Service Bill											✓										
Non-residential charging policy – public engagement						✓			✓												
Online citizen engagement tool				✓		✓			✓				✓								
Options appraisal guidance and training				✓					✓			✓									
Organisational Development Board													✓								
Participation Requests Framework						✓															

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Partnership networks (inc. COSLA, IS, LG Digital Partnership, Clyde Valley, hubWest, VAER)												✓									
People Strategy and associated action plan		✓																			
Performance Management Framework										✓					✓		✓			✓	
Place to Grow	✓			✓	✓	✓	✓				✓	✓	✓								
Planning for the Future				✓		✓						✓									
Procurement Contract Register											✓										
Public Performance Report				✓		✓	✓												✓	✓	
Quality Conversations framework	✓	✓										✓	✓							✓	
Records Management Plan				✓													✓				
Recruitment Code of Practice		✓															✓				
Register of Interests	✓														✓		✓				
Risk Management Strategy				✓			✓			✓				✓		✓					

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Regular Internal Audit review of risk management & corporate governance embedded in audit plan																✓					
Risk Monitoring							✓							✓		✓					
Scheme of Administration	✓	✓	✓	✓				✓					✓	✓	✓						
Scheme of Delegated functions	✓	✓	✓	✓									✓	✓	✓						
Scoping citizen engagement software									✓												
Service Improvement Plans															✓						
Service/User design as part of change programme													✓								
Social Media Strategy & Protocol	✓					✓													✓		
Stakeholder engagement via Integration Joint Board and Performance and Audit Committee					✓																
Statutory provision and guidance (e.g. planning legislation, placing			✓					✓													



Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
requests, health & safety, etc.)																					
Strategic Performance Reports				✓		✓				✓			✓		✓		✓			✓	
Strategic Plan, Non-residential Charging Policy engagement						✓															
Strategic planning & performance arrangements (A Place to Grow/Organisational Health Check)			✓				✓								✓						
Strategic Risk Register							✓	✓		✓				✓		✓					
Stress risk assessment													✓								
Supporting community groups													✓								
Third Sector Interface via Voluntary Action East Renfrewshire					✓																
Three capabilities - prevention, digital change and empowering communities)							✓														
Treasury Management Strategy							✓	✓			✓							✓			

Principle	A			B			C		D			E		F					G		
Supporting principle	1	2	3	1	2	3	1	2	1	2	3	1	2	1	2	3	4	5	1	2	3
Evidence	1.1 - 1.4	2.1 - 2.4	3.1 - 3.4	1.1 - 1.4	2.1 - 2.3	3.1 - 3.6	1.1 - 1.5	2.1 - 2.4	1.1 - 1.2	2.1 - 2.5	3.1 - 3.4	1.1 - 1.3	2.1 - 2.8	1.1 - 1.3	2.1 - 2.5	3.1 - 3.5	4.1 - 4.3	5.1 - 5.3	1.1 - 1.2	2.1 - 2.5	3.1 - 3.5
Unacceptable Actions Policy	✓			✓																	
Workforce Plan											✓	✓									
Youth Rights Association and Champions Board engagement						✓															

## Annex 2: ANNUAL GOVERNANCE STATEMENT 2024-25

East Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. We ensure that public money is safeguarded and properly accounted for and that our resources are used economically, efficiently and effectively.

In discharging this accountability, our elected members and senior officers are responsible for putting in place proper arrangements for the governance of our business and the stewardship of our resources and assets. As part of this responsibility, we review and adopt a Code of Corporate Governance annually.

The Code is built around these seven principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

An update on progressing the actions from the previous version of the Code of Corporate Governance has been undertaken and was considered at the Audit & Scrutiny Committee at the meeting of the 20 June 2024. An update on the actions and related documentation is available on the Council website or via these links

[https://www.eastrenfrewshire.gov.uk/media/10322/CoCG-actions-23-24/pdf/CoCG\\_Updates\\_3.pdf?m=1718295494470](https://www.eastrenfrewshire.gov.uk/media/10322/CoCG-actions-23-24/pdf/CoCG_Updates_3.pdf?m=1718295494470) and

[https://www.eastrenfrewshire.gov.uk/media/10476/Code-of-Corporate-Governance-2024-to-2025/pdf/Code\\_of\\_Corporate\\_Governance\\_24-25\\_for\\_website.pdf?m=1718972832703](https://www.eastrenfrewshire.gov.uk/media/10476/Code-of-Corporate-Governance-2024-to-2025/pdf/Code_of_Corporate_Governance_24-25_for_website.pdf?m=1718972832703)

The Council has also established various subsidiaries and associates to deliver services more effectively. While these organisations are required to implement their own organisational governance and management arrangements and structures, they also form part of the overall governance environment of the Council 'family'.

### Compliance

This statement outlines East Renfrewshire Council's level of compliance with the Code of Practice on Local Authority Accounting in the UK, based on International Financial Reporting Standards which detail the requirements for an Annual Governance Statement.

In line with CIPFA's Financial Management Code, which assists Councils in validating their financial sustainability by following a series of principles, the Head of Finance has completed an assessment demonstrating the Council's compliance with the code and noting that the

position is unchanged from that reported in the Annual Governance Statement last year. The assessment validates that the Council has strong foundations to:

- Financially manage the short, medium and long-term finances of the Council;
- Manage financial resilience to meet unforeseen demands on services; and
- Manage unexpected shocks in the organisation's financial circumstances.

Further reviews of compliance with the code will be carried out yearly and any outstanding matters or areas of improvement will be included in the action plan within this statement.

The Council's committee structure in terms of the number of committees, their composition and their terms of reference is set out in the Scheme of Administration. The Council made full use of remote meetings technology during the year and committees met in accordance with the meetings calendar.

### **The purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values by which we control our processes and engage with our residents and communities. It enables us to monitor the progress we have made towards achieving our strategic outcomes and to consider whether those outcomes have led to the delivery of appropriate, cost-effective services.

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness. Our system of internal control is based on an ongoing process designed to identify and prioritise the risks to achieving our outcomes, 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.

Our system of internal financial control is based on a well-established framework of regular management and performance information, financial regulations, administrative procedures, management supervision, and a system of delegation and accountability. Regular reviews of information and systems within this framework are undertaken by our managers.

The system includes –

- A clear strategic direction set out in the 3 pillars of 'A Place to Grow', supported by a set of 3 values and 3 organisational capabilities (amended by Council from 5 capabilities in June 2023).
- Sound financial management arrangements which comply with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- Clear roles and responsibilities for the Corporate Management Team (CMT) and elected members, with well-defined delegation arrangements.
- A statutory section 95 officer and a Chief Financial Officer for East Renfrewshire Health and Social Care Partnership (HSCP) Integration Joint Board.

- An Audit and Scrutiny Committee which provides a robust and effective level of scrutiny and challenge.
- High standards of budgeting, monitoring and reporting.
- Regular reviews of periodic and annual financial reports, which indicate both financial performance and actual expenditure against forecasts
- Clearly defined capital expenditure guidelines.
- Matching of asset base to Council objectives in terms of suitability and sustainability, and supported by appropriate asset management plans overseen by the Corporate Asset Management Group.
- Well embedded and systematic approach to risk management.
- Well-developed corporate performance management arrangements, with regular reports to the Corporate Management Team, Committees and Council. Performance management reports are also published on the Council's website.
- Procedures in place to help members and employees comply with relevant codes of conduct and policies.
- The provision of extensive training and development opportunities for all elected members and employees.

A governance framework has been in place at East Renfrewshire Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

### **Review of effectiveness**

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of the 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 Internal Auditor's annual report, and comments made by external auditors and other scrutiny agencies, regulators and inspectorates.

Internal Audit is our independent appraisal function established for the review of the internal control system as a service to the organisation. The service objectively examines, evaluates and reports on the adequacy of our internal control as a contribution to the proper, economic, efficient and effective use of the Council's resources.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and have adopted the new Global Internal Audit Standards (GIAS) from the effective date of their introduction on 1 April 2025. The service undertakes an annual programme of work approved by the Audit and Scrutiny Committee based on a five-year strategic plan. The strategic plan is based on a formal risk-based audit needs assessment which is revised on an ongoing basis to reflect evolving risks and changes within the Council. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

All our elected members and officers are committed to the concept of sound governance and the effective delivery of services. The Audit and Scrutiny Committee perform an effective scrutiny and challenge role in relation to the application of the Code of Corporate Governance and regularly monitor the performance of the Council's Internal Audit service and strategic risk management arrangements.

The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption (2014) by supporting its Anti-Fraud, Bribery and Theft Strategy 2022-2027, approved by the Corporate Management Team. This strategy outlines the measures taken by the Council to protect itself against malpractice through either fraud or corrupt practices. The strategy is supported by Council policies & procedures including the Whistleblowing Policy, Anti-Money Laundering Policy, Guidance on Gifts and Hospitality and Register (Probity Register), information on a declaration of interest, Code of Conduct for Elected Members, Code of Conduct for Employees and the Information and Cyber Security Policy. The identification of risk is carried out in line with the Council's Risk Management Framework 2023-2025.

Using tools made available by the Chartered Institute of Public Finance and Accountancy (CIPFA) for a review on what is accepted as best practice for local authority audit committees, the Committee progressed a self-assessment of its effectiveness at the end of 2021 and start of 2022. In June 2022, the Committee endorsed the self-evaluation recommendations made by the Audit and Scrutiny Committee prior to the Local Government Elections that year.

Self-evaluations continue to be considered useful by the Committee, such as for analysing performance and enhancing its practices. It was intended to pursue a mid-Administration self-evaluation towards the end of 2024 and start of 2025. Due to staff turnover, commencement of the review was delayed slightly to the start of 2025, when updated CIPFA Best Practice guidance was distributed to Audit & Scrutiny Committee Members, together with a self-evaluation questionnaire for their completion. A related review meeting was organised to consider the feedback and development of an Action / Improvement Plan. Work on the review is ongoing, and it is anticipated that the review will be completed and related recommendations will be approved by the Committee prior to the 2025 summer recess.

### Progress against actions from last year's plan

The improvement activities noted in the previous Annual Governance Statement were progressed as follows:

ACTIVITY	PROGRESS	RESPONSIBLE OFFICER
Review elected member training and development, including provision of Equality and Fairness Risk assessment training and ensuring coverage of mandatory cyber essentials training	Ongoing - Elected Members received additional bespoke training. This training focussed on best practice guidance and the role of Elected Members in relation to mainstreaming, equality outcomes, policy development and scrutiny. Elected Members have recently been reminded to complete the newly updated mandatory 'Information & Cyber Security' online course.	Democratic Services Manager
A review of the Community Council Scheme of Establishment will be undertaken to incorporate new national guidance	Complete - The Community Council Scheme of Establishment has been reviewed in light of the new national guidance, and no changes are necessary at this time. The Scheme will continue to be kept under review, and	Head of Human Resources and Corporate Resources

	any modifications will be reported to Council as required.	
Complete the review of the Council's Standing orders	Ongoing - An initial review of the Standing Orders has been conducted by the Democratic Services Team. A Member/Officer Working Group has been formed to undertake a more formal review of the Standing Orders and provide recommendations to the full Council. Any proposed amendments will be submitted to the Council by autumn.	Democratic Services Manager
Conduct a review of the Council's Schemes of Administration and Delegated Functions	Ongoing - An initial review of the Schemes of Administration and Delegation has been conducted by the Democratic Services Team. A Member/Officer Working Group is being formed to undertake a more formal review of these governance documents and provide recommendations to the full Council. Any proposed amendments will be submitted to the Council by autumn.	Democratic Services Manager
Review the Council's strategic and community planning frameworks to align with A Place to Grow	Complete – 'A Place to Grow' delivery plan, including new Council 'Organisational Health-check' section (to replace former Customer, Efficiency, People section of the Outcome Delivery Plan) was approved by Council in April 2025. There will be ongoing alignment of all other council plans and strategies to 'A Place to Grow' over time in line with natural refresh periods.	Head of Human Resources and Corporate Resources
Review community planning governance structures	Ongoing – as part of the 'A Place to Grow' vision planning and delivery plan, we have completed a mapping of all current partnership groups and how these align to the three vision pillars. With the vision and delivery plan approved the next stage will be to strengthen the community planning governance structures to oversee the delivery of the vision.	Head of Human Resources and Corporate Resources
Accelerate development of an interface between Housing's Servitor system and the Council's Integra financial system	Ongoing	Director of Environment
Continue with manual checks by Procurement of all Housing invoices or certificated payments over	Process changed - certificates are now checked within Integra so no offline work is required	Chief Procurement Officer

£50k until the new Servitor/Integra interface is in place		
Implement a proportionate response to the new <u>Consumer Duty</u>	Ongoing – National guidance on the new Consumer Duty arrived later than expected, in February 2025. Councils have not been given additional resource to implement this duty so a proportionate response, implemented over time, will be appropriate. We are assessing the merits of embedding this new duty into the Equality & Fairness & Rights Assessment process (EFRIA) as part of a broader review process.	Director of Business Operations and Partnerships
Engage in further scoping and development with community partners and local residents, with a view to a broader review of outcomes and the ‘golden thread’ of strategic planning for 2024/25	Complete - ‘A Place to Grow’, the Community Planning Partnership’s long-term vision for 2040 as approved by Council in September 2024 and publicly launched in December, with the Delivery Plans approved by Council in April 2025. A ‘Place to Grow’ community conference was held on 26 April 2025 and attended by over 100 local groups and organisations and staff.	Director of Business Operations and Partnerships

#### Other key developments during 2024/25

Responses made to Second Review of Scottish Parliament Boundaries, e.g. Council, April 2024.
Declaration of a local Housing Emergency at Council, September 2024.
Annual Procurement Report 2023/24 and Annual update to the Procurement Strategy 2023-26 considered by Cabinet, October 2024.
Agreement to form a Board to oversee delivery of The Promise in East Renfrewshire, Council, October 2024.
Accounts Commission published East Renfrewshire Council’s Controller of Audit Report for Best Value in February 2025.
New Medium Term Financial Strategy 2025-30 approved by Council, February 2025.
Updated Civic Event Protocol (Incorporating Flag Flying Protocol) approved by Council, February 2025.
Trading Under Best Value report considered by Cabinet, March 2025.
Equality & Human Rights Mainstreaming Report, including new Equality Outcomes for 2025-29 considered by Council, April 2025.



**Key actions planned relating to governance for 2025/26**

ACTIVITY	RESPONSIBLE OFFICER	TARGET DATE
Submission of the Council's amended Records Management Plan for the approval of the Keeper of the Records of Scotland.	Head of Legal	May 2025
Update of the Council's Strategic Risk Framework and Strategy into a single document, aligned to 'A Place to Grow' – accompanied with risk management training for Elected Members.	Chief Executive	November 2025
Review strategic performance management framework and reports to align with 'A Place to Grow'.	Head of Communities & Transformation	June 2026
Finalise Community Planning Governance Structures aligned to 'A Place to Grow'.	Head of Communities and Transformation	November 2025

**Certificates of Assurance for Internal Financial Control**

The Chief Executive, Directors of each Department and the Chief Executive of the Culture and Leisure Trust have all signed Certificates of Assurance for Internal Control and have confirmed that to the best of their knowledge, corporate governance arrangements and financial controls in their Department have been, and are, working well and there are no new significant matters arising which would require to be raised specifically.

**Statement on the role of the Chief Financial Officer in Local Government**

Under the Code we are required to state whether we comply with the CIPFA statement on the role of the Chief Financial Officer in Local Government and, if not, to explain how our governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- Is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Council's financial strategy; and
- Must lead the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.

The Council considers that it is fully compliant with the above statement.

**Assurance**

We consider that the governance and internal control environment operating during 2024/25 provided reasonable and objective assurance that any risks impacting on the achievement of our strategic outcomes were identified, and appropriate actions were taken.

Looking ahead well-established systems remain in place to review our governance and internal control environment. We will continue to review our corporate governance arrangements and closely monitor progress on the key improvement actions to support our ultimate aim: making people's lives better in East Renfrewshire.

Cllr Owen O'Donnell  
Leader of the Council

Steven Quinn  
Chief Executive  
On behalf of East Renfrewshire  
Council

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Council

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE19 June 2025Report by ClerkNATIONAL EXTERNAL AUDIT REPORTA REVIEW OF HOUSING BENEFIT OVERPAYMENTS 2018/19 TO 2021/22:A THEMATIC STUDY**PURPOSE OF REPORT**

1. To provide information on an Audit Scotland report on a *Review of Housing Benefit Overpayments 2018/19 to 2021/22: A Thematic Study*.

**RECOMMENDATION**

2. It is recommended that the Committee note the report.

**BACKGROUND**

3. A copy of the Audit Scotland report [A Review of Housing Benefit Overpayments 2018/19 to 2021/22: A Thematic Study](#), published in February 2025, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Member leading the review of this particular report is Councillor Macdonald.
4. The Director of Business Operations and Partnerships has provided comments on the report. A copy of that feedback is attached (Appendix refers).

**RECOMMENDATION**

5. It is recommended that the Committee note the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)  
e-mail: [linda.hutchison@eastrenfrewshire.gov.uk](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

Background Papers:-

Audit Scotland report [A Review of Housing Benefit Overpayments 2018/19 to 2021/22: A Thematic Study](#)

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External Audit Report – A Review of Housing Benefit Overpayments 2018/19 to  
2021/22

Comments for Audit & Scrutiny Committee on 19 June 2025

Prepared by Director of Business Operations & Partnerships and Senior Revenues Manager

May 2025

**INTRODUCTION**

1. This paper aims to provide high level comments on the Council's position regarding the External Audit report on the national review of Housing Benefit (HB) Overpayments 2018/19 to 2021/22.

**BACKGROUND**

2. Audit Scotland have reported on HB Overpayments within Scotland through responses to a questionnaire which was completed by 26 out of 32 councils. East Renfrewshire Council were unable to participate for operational reasons, which was communicated to Audit Scotland and acknowledged in their report.
3. The purpose of this paper is to provide the Audit and Scrutiny Committee with comments on the paper and to update the Committee on progress within East Renfrewshire Council's HB Service.

**COMMENTS**

Summary of Audit Scotland's report

4. Between 2018/19 and 2021/22, over 260,000 households in Scotland received HB of £5.4 billion, supporting some of the most vulnerable in our communities. Accurate and timely processing of HB ensures customers receive the right amount of benefit at the right time, and minimises overpayments and the cost of recovery.
5. In 2021/22 £137m of HB overpayments were outstanding, a decrease of 10% from £153m in 2018/19. However, the overall level of HB overpayment debt has increased by 8% from 2008/09 when this area was last reviewed by Audit Scotland. Audit Scotland state that councils have failed to discharge their statutory duty to ensure that HB overpayments are recovered efficiently and effectively by not having sufficient data to give a robust assessment of performance or by using all available options. Performance in the four year review period in Scotland was below England and Wales.
6. Several recommendations were made, which can be summarised as relating to resources, accuracy, methods of recovery, HB Debt Service, repayment arrangements and monitoring & performance reporting.
7. Data relating to East Renfrewshire shows an improving trend during this period, with a 43% reduction in the amount of outstanding overpayments. Percentage of overpayments recovered by East Renfrewshire Council improved to 19% in 2021/22, compared to the Scottish average of 13% (England 19%, Wales 21%).

### East Renfrewshire Council – Update on Progress

8. East Renfrewshire Council has one of the smallest HB services in Scotland. Annual caseload in 2021/22 was 2,500 (i.e. around 1% of caseload in Scotland) and this has now reduced to 1,700. The reducing caseload reflects the gradual phasing out of HB as a result of the implementation of Universal Credit (UC). Annual HB expenditure reduced from £14.8m in 2018/19 to £12.4m in 2021/22 and is expected to be around £10m in 2025/26. There is an eventual national goal to retain only those of pension age and a few complex or specific cases on HB, with the latest expectation from the Department for Work & Pensions (DWP) that the managed migration process will be completed by March 2026. However, there have been ongoing national delays in the UC implementation which has made planning of resources in recent years a particular challenge.

9. Accurate and timely processing of HB data has been a focus throughout the period reviewed by Audit Scotland, however this was impacted at times by the implementation of a new Council Tax and Benefits ICT system in December 2020. As previously reported, performance dipped during that time, with the system change coinciding with increased workloads due to administration of Covid-19 Self Isolation Support Grants and increased demand for support through Scottish Welfare Fund (SWF) Crisis Grants. Speed of HB processing in recent years has generally been improving, with HB change of circumstance processing ranking 13<sup>th</sup> in 2022/23 and 17<sup>th</sup> in 2023/24, while HB new claims processing ranked 15<sup>th</sup> in 2022/23 and 28<sup>th</sup> in 2023/24 (new claims in 2023/24 impacted by delays in data due to the implementation of the new Housing system). Both indicators have improved in 2024/25, and we would anticipate that ranking will increase for this year. Accuracy has continued to improve, with 94.3% achieved in 2022/23, 96.0% achieved in 2023/24, and 97.8% in 2024/25, against a target of 95%.

10. These improvements are delivering financial benefits to the Council, at the same time as the delivery of cost savings through a full restructure of the team in 2024, to support the Council's budgetary challenges. Balancing the competing demands is an ongoing requirement, with increased resiliency managed through an external contract, where processing resource can be called off and paid for as required (Welfare Contingency funding is used to supplement revenue funding in this area). Automation and digitisation are key enablers: from 2022 to 2024, various online services have been implemented, including Benefits online, which went live in October 2024. This allows HB customers to apply online using a new application form, supporting the Council's digital aspirations, improving processing times and an enhanced customer experience.

11. Historic HB Overpayment data and processes were reviewed as part of the implementation of the change of Council Tax and Benefits system, with data examined and migrated. The Debt Recovery Policy was updated and approved at Cabinet in March 2023 to ensure it was fit for purpose and aligned debt recovery procedures with supporting actions that can be taken in extenuating circumstances to support people experiencing severe financial hardship.

12. HB Overpayment recovery has been, and continues to be, a focus for East Renfrewshire Council and is reported regularly to the Audit & Scrutiny Committee (2020, 2021, 2022 & 2023). The level of outstanding HB Overpayments in 2021/22 was £879k (0.7% of the debt in Scotland at that time) and this reduced to £691k by 2023/24. As highlighted by Audit Scotland total recovery for East Renfrewshire Council in 2021/22 improved to 19% (with in year recovery 79%). Targets for total recovery are 20%, while in year recovery target is 95%. More recent data shows total recovery of 10% in 2022/23 and 20% in 2023/24 (in year recovery of 91% and 79% in the respective years). The fluctuation in recovery levels reflects

the challenge to collect this debt, with customers on low incomes while collection challenges are exacerbated by the move to UC.

13. In terms of recommendations from Audit Scotland, the responses for East Renfrewshire Council are as follows:

Audit Scotland recommendation	East Renfrewshire response
<p><b>Resources</b></p> <p>Integrating Housing Benefit overpayment recovery staff within the council's benefit service has been correlated with higher overpayment recovery rates: •Councils with Housing Benefit overpayment recovery staff located outside the benefit service should consider integrating recovery staff within the benefit service.</p>	<p>The Housing Benefit Recovery staff are within Revenues, rather than Benefits. The team was recently restructured to bring Revenues and Benefits together reporting to a Senior Revenues &amp; Benefits Officer. The teams are co-located, within one area. This structure was developed to manage ongoing operational requirements, enhance the control environment and customer experience, while delivering cost reductions to support budgetary challenges faced by the Council. There are no plans at this time to make any further structural changes within the team.</p>
<p><b>Accuracy</b></p> <p>Conducting accuracy checks after a payment has been made increases the risk of fraud and error and incurs costs associated with recovering avoidable Housing Benefit overpayments: •Where possible, accuracy checks should be conducted before payment to minimise the risk of fraud and error, reducing the costs of recovering avoidable Housing Benefit overpayments, and enhancing the customer experience.</p>	<p>It is recognised that conducting accuracy checks prior to payment is best practice, and the majority of our accuracy checks do take place prior to the payment being made, to minimise the risk of fraud and error.</p>
<p><b>Methods of recovery</b></p> <p>Councils are not fully utilising all available recovery options to recover Housing Benefit overpayments: •Councils should employ all available options to recover Housing Benefit overpayments. This will ensure customers are treated fairly and equitably, reduce financial losses and help deter future non-compliance.</p>	<p>The majority of recovery options are already utilised to recover Housing Benefit Overpayments. We have been reviewing DWP Payment Deduction Programme and Direct Earnings Attachment, with a view to implementing these methods, if feasible, during 2025/26. Any new method would require to meet a business case prior to implementation.</p>
<p><b>Housing Benefit Debt Service</b></p> <p>The Department for Work and Pensions' Housing Benefit Debt Service is underutilised leading to missed opportunities for councils to recover dormant Housing Benefit debt: Councils should consider integrating the use of the</p>	<p>The National Housing Benefit Debt Service has been used to gather data and facilitate decision making re recovery of debt. We will review its use going forward, to assess if it could be further utilised, including any ongoing reporting requirements.</p>

service into their Housing Benefit debt recovery strategy and maintain detailed records of outcomes to enable reporting to senior management and elected members on the effectiveness and impact of its use.	
<b>Repayment arrangements</b> Councils are not regularly reviewing Housing Benefit overpayment repayment arrangements to ensure that the amount being recovered is set at an optimal rate: •Councils should review Housing Benefit overpayment repayment arrangements set at a reduced rate at least every six months to ensure the recovery rate remains optimal.	Repayment arrangements are reviewed 6 times per year, with a further annual review where the rate is at a reduced rate.
<b>Monitoring and performance reporting</b> There is a lack of Housing Benefit overpayment recovery targets and performance reporting to elected members: •Councils should establish targets for the recovery of Housing Benefit overpayments and maintain detailed records to monitor the effectiveness and impact of recovery efforts, enabling performance to be reported to senior managers and elected members.	As outlined at para 12, there has been regular reporting to elected member via the Audit & Scrutiny Committee. Targets are set and progress monitored through monthly Key Performance Indicator reporting to our teams and senior management. This data is also included within the Business Operations & Partnerships end year report to Cabinet.

## CONCLUSIONS

14. Benefits is a complex and frequently-changing area, with a nationally driven landscape and a range of different agencies involved. National delays in UC implementation have meant maintenance of HB caseloads for far longer than predicted. Against a background of reducing DWP funding, wider pressures on council budgets and with the challenges brought by Covid-19 and the cost of living crisis, the period under review by Audit Scotland was a challenging one for service delivery. Audit Scotland's report on HB Overpayments reflects those challenges and the impact on outstanding HB Overpayment debt across Scotland.

15. East Renfrewshire Council continue to focus on collecting this debt, recognising it is one of the most challenging to collect, due to customers being on low incomes with collection challenges exacerbated by the move to Universal Credit. The Covid-19 pandemic, the change of Council Tax & Benefit System, and more recently the change of Housing system, had a substantial impact on the performance results for East Renfrewshire Council during the period of the Audit Scotland review. However, performance has improved, with collection performance above average in Scotland and more comparable with England and Wales. Prevention of this debt is a key objective, and this is being delivered with improved accuracy and timeliness of HB processing. We already follow the majority of best practice identified by Audit Scotland and will review and implement Audit Scotland recommendations where feasible, within resourcing constraints. The ICT system is providing a platform to drive modernisation, automation, process improvement and change, allowing East Renfrewshire



Benefits teams to continue to deliver improved performance and customer/residents expectations.

Further information is available from Alison Ballingall, Senior Revenues Manager,  
Alison.ballingall@eastrenfrewshire.gov.uk

### **BACKGROUND REPORTS**

- [Audit Scotland - A Review of Housing Benefit Overpayments 2018/19 to 2021/22](#)
- Audit and Scrutiny Committee Report – Housing Benefits, the impact of Covid 19 May 2023
- Debt Recovery Policy March 2023

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**EAST RENFREWSHIRE COUNCIL****AUDIT AND SCRUTINY COMMITTEE****19 June 2025****Report by Chief Auditor****INTERNAL AUDIT ANNUAL REPORT 2024/25****PURPOSE OF REPORT**

1. To submit to Members an annual report on the activities of internal audit during 2024/25 and to provide an independent audit opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control systems based on work undertaken in 2024/25.

**BACKGROUND**

2. The internal audit service is an autonomous unit within the Chief Executive's Office. The service objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of the council's resources. Independence is achieved through the organisational status of internal audit and the objectivity of internal auditors. The council's financial regulations require that an annual report containing an assurance statement and summarising internal audit's activities during the year is submitted to the Audit and Scrutiny Committee.

**ANNUAL REPORT 2024/25**

3. The 2024/25 strategic audit plan was approved by the Audit and Scrutiny Committee in March 2024. Due to some additional time spent on consultancy work, one audit in the plan was deferred. All remaining audits were completed within the financial year apart from five which were in progress as at 31 March 2025. The attached annual report (Appendix 1) summarises the audit work carried out during the year. The internal audit annual statement of assurance is contained within appendix A of the report. This concludes that reasonable assurance can be placed upon the adequacy and effectiveness of the council's governance, risk management and internal control systems in the year to 31 March 2025.

**RECOMMENDATION**

4. The Committee is asked to note:

- the annual statement of assurance on the adequacy of governance, risk management and internal control systems; and
- the contents of internal audit's annual report 2024/25.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.

M Blair, Chief Auditor  
23 May 2025

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## APPENDIX 1

## INTERNAL AUDIT ANNUAL REPORT 2024/25

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Chief Auditor  
23 May 2025



## INTERNAL AUDIT ANNUAL REPORT 2024/25

### 1. INTRODUCTION

- 1.1 The responsibilities and duties of Internal Audit are summarised in the Council's Financial Regulations, approved by Council in June of 2023, which state:  
*'The primary role of Internal Audit is to provide assurance to the Council on the adequacy of its control environment. Internal Audit will carry out independent examinations of financial and related systems of the Council to ensure the interests of the Council are protected.'*
- 1.2 Internal Audit's purpose, authority and responsibilities are set out in more detail in the Audit Charter which was revised in September 2024. The Charter sets out the mission of internal audit as being *"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight"*
- 1.3 Internal Audit activity during the year was based on the planned work contained in the Annual Audit Plan initially approved by the Audit and Scrutiny Committee in March 2024. The Annual Plan, derived from the 5 year rolling Strategic Audit Plan, is revised annually. In preparing the plan, members of the corporate management team and elected members were consulted to ensure that current and developing risks were appropriately considered and included. The corporate strategic risk register and Community Planning Partnership vision "A Place to Grow" were also reviewed to ensure that key identified areas of risk were also included.
- 1.4 There are five established posts within the audit service (4.7FTE) of which four employees (3.7 FTE) hold a relevant professional qualification.
- 1.5 The service operates in compliance with the Public Sector Internal Audit Standards (PSIAS) which first came into effect on 1 April 2013 and were revised in 2017. These standards will be replaced by the Global International Auditing Standards from April 2025.
- 1.6 The assistance afforded by council staff to Audit during the course of work carried out in 2024/25 is gratefully acknowledged and senior management and elected members are thanked for the due regard given to the work of internal audit.

### 2. INTERNAL CONTROL FRAMEWORK

- 2.1 In order to ensure the proper conduct of its business, the Council has a responsibility to develop and implement systems of internal control. This also helps to ensure that its operations are directed in such a way that the Council's strategic objectives as set out in "A Place to Grow" are achieved. The presence of an effective internal audit function contributes towards, but is not a substitute for, effective controls and it remains primarily the responsibility of line management to ensure that internal controls are in place and are operating effectively. A sound control system will help safeguard assets, ensure records are reliable, promote operational efficiency and ensure adherence to Council policy, procedures and strategic direction. Such systems of internal control can provide only reasonable and not absolute assurance against loss.
- 2.2 As part of its Standing Orders and in order for the business of the council to be dealt with in an efficient manner, the council has in place both a Scheme of Administration and Scheme of Delegated Functions. The former indicates the business to be dealt with by the various bodies of the council, whilst the latter gives details of the authority delegated to officers by the council. In addition to this, a comprehensive set of approved Financial Regulations (last reviewed June 2023) are in place. The financial

Regulations are an integral part of the stewardship of Council Funds helping to ensure that all financial transactions of the Council are conducted in a manner of openness, integrity and transparency. They incorporate the requirement that an Annual Audit Report showing the activity of the Internal Audit service and progress achieved against the plan shall be presented to the Audit and Scrutiny Committee each year. Contained within this report shall be an assurance statement to the Council on the adequacy of controls. Whilst audit work is also carried out on behalf of the Integration Joint Board and the East Renfrewshire Culture and Leisure Trust, fundamental responsibility is to the management of the Council should there be any potential conflict.

- 2.3 The Audit and Scrutiny Committee's terms of reference require it to evaluate the internal control environment and provide an annual statement to the Council. To assist with this evaluation, Internal Audit is required to provide the Audit and Scrutiny Committee with an annual statement on the adequacy and effectiveness of internal control.

### 3. ACHIEVEMENT OF ANNUAL AUDIT PLAN

- 3.1 Internal audit activity during the year was undertaken in accordance with the annual internal audit plan with only one audit being deleted as it overlapped with other work carried out. All remaining audits were completed within the financial year apart from three which have yet to be issued, however most of fieldwork is complete.

The results of internal audit's progress against the annual plan has been reported to Audit and Scrutiny Committee quarterly and is summarised in Appendix C.

The original 2024/25 plan provided 641 (594 2023/24) direct audit days (i.e. excluding 278 days for planning, reporting, administration, training, consultancy work, seminars, secondments, induction and meetings) spread across various audit activities and council departments. The actual number of audit days achieved was 698. Details of audit work carried out analysed by type of audit is shown in table 1 below.

**Table 1 – Audit Work by Type of Audit**

Type of Audit	Original Planned Days 2024/25	Actual Days 2024/25	Variance in days (Planned to actual)
Systems and Regularity	406	460	(54)
Contract	50	36	14
Computer	10	15	(5)
General and Fraud Contingency	90	100	(10)
Follow up of previous year	50	43	7
Trust	20	40	(20)
IJB	15	4	11
<b>Total</b>	<b>641</b>	<b>698</b>	<b>(57)</b>

- 3.2 Internal audit issued 20 Council reports and memos relating to 2024/25 audit work which contained in excess of 220 recommendations in total, of which 22 were designated high risk. Details of reports issued were included in the quarterly progress reports during the year once the departmental responses had been received. Satisfactory responses have now been received for all audit reports relating to 2024/25 where the due date has passed.

- 3.3 Details of medium and high recommendations have been included in previous quarterly progress reports and considered by the Audit and Scrutiny Committee, except where reports are circulated directly to all members of the committee.
- 3.4 Internal audit's approach always attempts to be constructive and this appears to have been welcomed by departments. A good working relationship exists between internal audit and the council's appointed external auditors.

#### 4. SUMMARY OF AUDIT ACTIVITIES 2024/25

- 4.1 Internal Audit carried out a range of activities throughout the year, however systems and regularity based reviews continue to represent two of the main elements of planned activity. Systems reviews focus on identifying, assessing and testing the adequacy and effectiveness of controls in place to ensure the underlying objectives of the system are met whereas regularity focuses more on compliance testing. The key systems and regularity audits carried out were as follows:

- |                           |   |
|---------------------------|---|
| • Housing Benefits        | • Council Tax – Reduction and liability |
| • Commercial Rent         | • Housing Allocations                   |
| • Cash Income and Banking | • Accounts Payable                      |
| • Highways Maintenance    | • Accounts Receivable                   |

- 4.2 Overall, the audit findings of these areas suggested that whilst some weaknesses were identified and some elements of control were only partially in place, when taken with other findings they did not significantly impair the overall systems of internal control in the areas reviewed.
- 4.3 Some other types of audit were also carried out such as contract and computer audit. Following each audit, a report detailing appropriate recommendations to address weaknesses in systems and procedures was issued. In general, audit results suggested that although errors and weaknesses were often noted they were not considered to be generally indicative of absent or inadequate controls and that broadly, the level of compliance was satisfactory.
- 4.4 **Follow-up audits:** An ongoing programme of follow-up audits is carried out to ensure that recommendations previously made by Internal Audit and accepted by management have been implemented. Six follow up audits were carried out in 2024/25 however one of these is yet to be issued. No responses are outstanding in relation to follow-up audit reports issued during the year. A copy of all follow up reports and the associated departmental responses have previously been circulated to Audit and Scrutiny Committee members as the year progressed.
- 4.5 **General contingency:** A number of requests for assistance were dealt with using general contingency during the year. These included work on payroll system calculations, a review of stores, support around Housing Benefit subsidy work, review of council tax accounts with unusual payment patterns and a review of Council Tax refund processes to provide assurance after a significant fraud in another Local Authority. Reports were issued to management as appropriate detailing the findings from this audit work, including recommendations where appropriate to strengthen the internal controls in place.
- 4.6 **Fraud contingency:** Internal Audit also has responsibility for investigating as appropriate all alleged frauds and irregularities which are brought to audit's attention in accordance with the Council's Anti-Fraud, Bribery and Theft Strategy. The number



of frauds and irregularities and the level of resources required to investigate them are always difficult to estimate. No potentially fraudulent matters were brought to Audit's attention during the year.

- 4.7 Frauds and irregularities included in Audit Scotland's quarterly Fraud Digests were also considered in relation to practices within the Council, to proactively try and identify potential weaknesses and ensure that appropriate measures have been taken or are in place to prevent these happening within East Renfrewshire as highlighted in the assurance work undertaken around Council Tax refunds.

## **5. COMPLIANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)**

- 5.1 In 2023/24, an external assessment of PSIAS was carried out and submitted to the Audit and Scrutiny Committee in January 2024. The results of that review confirmed that the Internal Audit function generally complies with the main requirements of PSIAS.
- 5.2 A Quality Assurance and Improvement Plan (QAIP) was prepared as part of the most recent external assessment in 2024 and this is included in Appendix D. Progress against implementing the recommendations is detailed within this plan. Six recommendations were made, one recommendation remains outstanding and a revised target for implementing this has been set for September 2025 at the latest.
- 5.3 One of the requirements of the PSIAS is that the internal audit service must be free from interference in determining the scope of internal auditing, performing work and communicating results. I can confirm that during 2024/25, the internal audit service has operated without any such interference.
- 5.4 Another requirement of PSIAS is that the internal audit function is adequately resourced. The Internal Audit team is now adequately and fully resourced with no vacant posts.

## **6. INTERNAL AUDIT PERFORMANCE INDICATORS**

- 6.1 A range of key performance indicators are used to measure Internal Audit's performance. Some of these indicators have been reported to the Audit and Scrutiny Committee on a quarterly basis, whereas it is only appropriate to report others on an annual basis.
- 6.2 A summary of all the indicators is given in Appendix B with the targets and actual achievement for the full year. Three of the targets were not met;
- 2.3 measures the percentage of planned contingency time used
  - 5.2 measures the time taken to complete an audit.
  - 5.3 measures the average time taken to issue reports.

The factors that impacted Internal Audit's ability to meet its performance targets included:

- higher than normal use of contingency, this work is prioritised over other audit work.
- two new staff on steep learning curves and extra file reviews being carried out as part of induction/training.
- holiday/absence periods impacting responses times alongside staffing pressures within areas being audited.

**7. ANNUAL INTERNAL AUDIT OPINION**

- 7.1 There is a formal requirement for the Chief Auditor to prepare an annual report which contains an assurance statement on the adequacy of governance, risk management and internal control systems. Such systems need to be monitored so that management and Members may be sure that they continue to be effective. Monitoring of controls is done at a number of levels, for example, assessment by line management, internal audit and external audit review and subsequent reporting to management of identified weaknesses and recommendations, and monitoring by the Audit and Scrutiny Committee. If monitoring of control is to be effective, then senior management must continue to foster an environment where internal control is the responsibility of all staff.
- 7.2 The Internal Audit Annual Statement of Assurance is included in Appendix A. The evaluation of the control environment is informed by a number of sources as detailed in the appendix.
- 7.3 In reviewing these different sources of evidence, consideration has to be given as to whether any key controls are absent or ineffective and when taken together with other findings, would lead to the conclusion that the overall system of control has been significantly impaired as a result.
- 7.4 Based on the information available, the formal annual statement of assurance did not lead me to conclude that the Council's overall systems of governance, risk management and internal control were significantly or materially impaired during 2024/25.

**8. CONCLUSION**

- 8.1 The 2024/25 audit year was successful for Internal Audit as the audit plan was substantially completed allowing an opinion to be given in the annual statement of assurance.

## APPENDIX A

**INTERNAL AUDIT ANNUAL STATEMENT OF ASSURANCE FOR 2024/25**

As Chief Auditor of East Renfrewshire Council, and in line with the revised Public Sector Internal Audit Standards (PSIAS), I am pleased to present my annual statement on the overall adequacy and effectiveness of the governance, risk management and control systems of the Council for the year ended 31 March 2025.

**Respective Responsibilities of Management and Internal Audit in relation to Governance, Risk Management and Internal Control**

It is the responsibility of the Council's senior management to establish appropriate and sound systems of governance, risk management and internal control and to monitor the continuing effectiveness of these systems.

It is the responsibility of the Chief Auditor to provide an independent annual overall assessment of the robustness of governance, risk management and internal control.

**The Council's Framework of Governance, Risk Management and Internal Controls**

The main objectives of the Council's framework of governance, risk management and internal control are:

- To ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- To safeguard assets and that public money is safeguarded and used economically, efficiently and effectively.
- To ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- To ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the effectiveness of its systems of governance, risk management and internal control.

**The work of Internal Audit**

Internal Audit is an independent appraisal function established by the Council for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control in all service areas as a contribution to the proper, economic, efficient and effective use of the Council's resources.

During 2024/25, the internal audit service operated in accordance with the revised Public Sector Internal Audit Standards (PSIAS). In particular, the service operated free from interference in determining the scope of internal audit, performing work and communicating results. At the last external peer assessment carried out by South Lanarkshire Council presented to the Audit and Scrutiny Committee in January 2024, it was concluded that the internal audit section generally conforms with the PSIAS.

The service undertakes an annual programme of work approved by the Audit Committee based on a five year strategic plan. The strategic plan is based on a formal risk based audit needs assessment which is revised on an ongoing basis to reflect evolving risks and changes

within the Council, including reflecting the audit work needed to underpin its strategic objectives detailed in its vision “A Place to Grow”

All internal audit reports identifying system weaknesses and/or non-compliance with expected controls are brought to the attention of management and include appropriate recommendations. It is management’s responsibility to ensure that proper consideration is given to internal audit reports and that an appropriate action plan is provided in response to audit recommendations. Internal Audit is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Key matters arising from internal audit work are reported to the Chief Executive and the Council’s Audit and Scrutiny Committee. Follow up work is carried out by Internal Audit to ensure that recommendations previously accepted by management have been implemented. Copies of these reports are circulated to members of the Audit and Scrutiny Committee.

### **Basis of Opinion**

My evaluation of the control environment is informed by a number of sources:

- The audit work undertaken by Internal Audit during the year to 31 March 2025 and material findings since the year end
- The audit work undertaken by Internal Audit in previous years and follow up work to assess implementation of agreed actions
- The assessment of risk completed during the preparation of the strategic audit plan
- Assessments of the general control environment within individual departments as completed by each director
- Reports issued by the Council’s external auditors and other review and inspection agencies
- Knowledge of the Council’s governance, risk management and performance monitoring arrangements
- Any other items brought to the attention of internal audit staff by whatever means which may warrant further investigation.

### **Opinion**

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council’s framework of governance, risk management and internal control for the year ended 31 March 2025.

Michelle Blair FCA  
Chief Auditor

23 May 2025

## Internal Audit Performance Indicators 2024/25

Indicator	Definitions (where required)	Target (where applicable)	Actual 2024/25	Actual 2023/24	Actual 2022/23
<b>1. Cost</b>					
1.1 Cost of Internal Audit per productive day.	Productive days are those spent on direct audit activities.	-	£447	£554	£479
<b>2. Audit Coverage</b>					
2.1 Actual direct audit days as a % of planned direct audit days per the plan.	Planned direct audit days as detailed in the strategic audit plan.	100%	108%	64%	71%
2.2 Actual direct audit days as a percentage of total days available.	Days available exclude public holidays, annual leave and sickness absence.	75%	75%	71%	78%
2.3 Number of requests for assistance/ queries raised by departments outwith planned audit work.	This will generally include most items met from general and fraud contingency. This is contextual information only.	-	7	2	8
2.4 Percentage of planned contingency time used.	Actual contingency time used as a percentage of total planned contingency time. This is mainly for contextual information.	<100%	111%	13%	47%
<b>3. Quality</b>					
3.1 Number of questionnaires issued during the year. (Note: questionnaire sent electronically so this now records the number of responses)			0	0	0
3.2 Percentage of customer questionnaires with overall rating of satisfactory or better.		90%	n/a	n/a	n/a
3.3 Percentage of established audit posts (FTE) at year end filled by staff with relevant professional qualification.		45%	79%	57%	37%
<b>4. Achievement of Plan</b>					
4.1 No of audits achieved as a percentage of all audits planned during the year.	Total number of audits defined as number per strategic annual plan. Number achieved defined as number of audits from plan which were started during the year.	90%	96%	70%	80%
<b>5. Issue of Reports</b>					
5.1 Number of audit reports issued		-	24	18	26
5.2 Average time in weeks from start of fieldwork to issue of report.	Start of fieldwork defined as when auditor starts gathering information or preparing file. Initial phone call to set up the audit would not be counted as start of fieldwork.	12 weeks	15.4 weeks	15.8 weeks	16 weeks
5.3 Average time taken to issue report (working days).	Speed of issue of report is measured from date file is handed to Chief Auditor for review to date of issue of report. GENERAL Average weeks calculated as working days divided by 5. Working days exclude weekends, public holidays, annual leave, training and sickness absence.	10 working days	14.8 working days	9.7 working days	10 working days

**EAST RENFREWSHIRE COUNCIL**  
**Internal Audit Section**  
**ACHIEVEMENT OF ANNUAL AUDIT PLAN FOR 2024/25**

Department	Title	Audit Number	Original No. of days	Status
Chief Executives				
Business	Accounts Payable	1	12	Complete
Operations & Partnerships	Accounts Receivable	2	12	Complete
	Cash Income and Banking	3	22	Complete
	Council Tax – Reductions and Liabilities	4	24	Complete
	Housing Benefits/UC – Assessment	5	30	Complete
	Overtime	6	25	<b>DELETED</b>
Education	Cashless Catering and Parentpay	7	30	Complete
	Early Learning and Childcare Payments	8	25	Complete
	Schools cluster	9	40	Complete
Environment	City Deal	10	15	Complete
	Commercial Rent	11	20	Complete
	Energy and Fuel	12	25	Complete
	Highways Maintenance	13	20	Complete
	Project Management of Capital Projects	14	25	<b>In progress</b>
Housing	Housing Allocations	15	28	Complete
HSCP	Bonnyton House	16	10	Complete
	St Andrews House	17	12	Complete
	Payments to Care Providers	18	25	<b>In progress</b>
Computer Audit	Environmental Controls – General	19	10	Complete
Other Bodies	IJB	20	15	Complete
	Culture and Leisure Limited Trust	21	20	Complete
Various	Contract and Supply Management	22	25	Complete
	Fraud contingency	23	50	Complete
	General Contingency	24	40	Complete
	Follow up	25	50	<b>In progress</b>
	Previous year audits	26	31	Complete
				641

**DELETED** – this audit was deleted from the 2024/25 plan (Audit and Scrutiny Committee 20/02/2025)

## QUALITY ASSURANCE IMPROVEMENT PLAN – EXTRACT FROM EXTERNAL ASSESSMENT

No.	Recommendation	Management Response	Responsible Officer / Agreed Completion Date	Comment on Progress
1	The Charter should be updated to reflect the revised PSIAS (2017) and reviewed to: include a statement regarding the Mission of Internal Audit and to provide a definition of the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation.	Agree to update Charter to reflect requirements as stated in PSIAS	Chief Auditor June 2024	<b>Completed</b> Revised Charter submitted to September 2024 Audit and Scrutiny Committee
2	The audit plan should incorporate a strategic high-level statement of how the internal audit service will be delivered in accordance with the Internal Audit Charter.	Agreed	Chief Auditor June 2024	<b>Completed</b> – a high level statement was included in the plan submitted to committee in March 2024.
3	An assurance mapping exercise of how the Internal Audit Plan links to the organisation's strategic and organisational top risks should be completed and presented along with the Annual Plan each year.	Consideration will be given to providing narrative on how the internal audit plan links to the organisation's strategic top risks where appropriate.	Chief Auditor June 2024	<b>Completed</b> – a comment on link to strategic risk register was included in the plan submitted to committee in March 2024.
4	Audit remits should be expanded to include the scope of work; resources allocated; risks relevant to the engagement along with further detail as to how audit work relates to the Council's risks, strategies and objectives.	Agree to extend audit remits to include scope, resources and risks. Will consider adding reference to Council's risks and strategies where relevant.	Chief Auditor June 2024	<b>Completed</b> - Audit engagement documents updated to reflect resource required and how each audit relates to the Councils strategic risks and objectives within "A Place to Grow" – April 2025.
5	Audit reports should record a formal audit opinion that align to the various classifications of audit opinion within the annual report.	Agreed, I will implement this for 2024/25 audits.	Chief Auditor April 2024	<b>Not yet implemented</b> – revised target date of September 2025 at latest.
6	The timing of the presentation of the Internal Audit Annual Report should be aligned to that of the Committee receiving the Council's draft unaudited accounts so that the Chief Auditor's opinion, for the relevant financial year, is captured within the draft Annual Governance Statement (AGS).	The Chief Auditor will aim to submit the Internal Audit Annual Report to the June meeting of the Audit and Scrutiny Committee each year where possible.	Chief Auditor June 2024	<b>Completed</b> 2024/25 annual report was submitted to June 2025 meeting.

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EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE19 June 2025Report by ClerkAUDIT AND SCRUTINY COMMITTEE  
OUTCOME OF SELF-ASSESSMENT

1. To confirm the outcome of the Committee's most recent self-assessment, and seek final approval of the observations and recommendations made by the Committee arising from it.

**RECOMMENDATIONS**

2. It is recommended that the Committee:-
  - (a) approves the summary of observations and recommendations made arising from its self-assessment, and agrees that recommendations for improvement be implemented in accordance with the Action Plan in Appendix 2;
  - (b) reviews progress with implementation of the recommendations in due course; and
  - (c) notes that it is intended to complete a further self-assessment in late 2026/early 2027, prior to the Local Government elections in May 2027.

**SELF-ASSESSMENT**

3. In June 2022, the Committee endorsed self-assessment recommendations made by the Audit and Scrutiny Committee prior to the Local Government elections that year. This included accepting a recommendation to undertake two further self-assessments prior to the Local Government elections in 2027, one midway through the Administration and one towards the end of it, rather than completing one annually as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). Periodic self-assessments continue to be considered useful by the Committee, such as for analysing performance and enhancing its practices. However, as in 2022, the Committee's view remains that progressing these as frequently as annually is neither a necessary nor efficient use of its limited time.

4. It was intended to start the mid-Administration self-assessment towards the end of 2024. However, due to staff turnover within Democratic Services, unavoidably commencement of the review had to be postponed a little until the start of 2025.

5. Various self-assessment tools made available by CIPFA were used for the self-assessment in 2022, with an updated version of the CIPFA Guidance, the *2022 Guide on Audit Committees: Practical Guidance for Local Authorities and Police* and its related *Position Statement*, being central to the self-assessment completed between January and May 2025. In the first instance, a CIPFA *Good Practice Self-Assessment* template (Appendix 1 refers) was distributed to members of the Committee for completion individually, accompanied by related CIPFA guidance documents specifying best practice for such committees. This

allowed members of the Committee to complete a high-level, self-assessment review of the Committee which incorporated the key principles set out in the CIPFA Guidance. More Specifically, 40 questions were posed focussing on 4 key areas, the:-

- Committee's purpose and governance
- Functions of the Committee
- Membership and support
- Effectiveness of the Committee

6. CIPFA indicates that where an audit committee has a high degree of performance against the good practice principles, it is an indicator that it is soundly based and has in place a knowledgeable membership, these being regarded as essential factors for an effective committee. CIPFA's view is also that a regular self-assessment can support the planning of the audit committee's work programme and training plans, and inform an annual report.

7. As reflected in the questionnaire at Appendix 1, where there was not considered to be full compliance with an issue, 3 assessment options were available, allowing distinctions to be made between aspects where significant improvement was considered required and those only requiring minor changes. The weightings attributed to answers are in accordance with those specified by CIPFA. Members were also invited to provide any comments they considered appropriate in support of their assessment.

8. Following the collation of the ratings and comments made, these were discussed at an informal meeting on 27 March 2025 attended by members of the Committee, the Head of Finance (Chief Financial Officer), the Chief Auditor (Internal Audit), a Senior Internal Auditor and the Clerk to the Committee. A very wide range of views were expressed and issues were discussed in detail at that meeting, including improvements made since 2022, current good practice and related evidence, and where there was considered to be scope for further improvement. Ultimately consensus was reached at the meeting on the appropriate rating for each issue as referred to in Appendix 1, related comments, recommendations for improvement, and observations members of the Committee simply wanted to make and wished recorded. The Clerk subsequently circulated the final draft of the document to members of the Committee, and others involved in the discussions, for their review and any final comments.

9. To complement completion of that template, as agreed at the meeting on 27 March 2025, each member of the Committee was invited to complete a second CIPFA document, a *Knowledge and Skills Questionnaire*, focussing on core knowledge and skills required of those serving on such committees and their application. Issues covered included organisational knowledge, the Committee's roles and functions, Internal and External Audit, and risk and treasury management functions, and also areas of specialist knowledge, such as on questioning and constructive challenge, objectivity, and the management of meetings. As the purpose was to help members of the Committee determine if they had any unmet learning and development needs, they were requested to relay any feedback on this to the Clerk for action as appropriate. Reference to two issue where training is being organised is in Appendix 2.

10. As referred to previously, the outcome of the assessment, in terms of the ratings, is attached at Appendix 1, reflecting that there was considered to be full compliance on 27 issues reviewed. Only minor improvements were considered required regarding the remaining 13, regarding which recommendations were made by members of the Committee. The key observations made and recommendations where scope for further improvement was considered to exist, together with proposed actions, has been prepared (see Action Plan in Appendix 2).

11. A copy of the detailed comments made during the review, which are extensive, on the issues covered, is available from the Clerk on request. Some examples of these and key issues identified are provided below:-

#### Audit Committee Purpose and Governance

- Given the size of the authority, a single audit and scrutiny committee was considered to be the only viable option, whilst scrutiny was regarded as the responsibility of all Elected Members and committees.
- The Committee considers itself to have extensive Terms of Reference which allow it to look at a wide range of issues, including some of its choosing.
- As reflected in one of the recommendations made, the Committee reports directly to the Council on some issues (e.g. on treasury management). It does not consider there to be problems with the arrangements but, setting aside issues on which it routinely reports to the Council and the call-in arrangements, there was felt to be a lack of clarity on whether or not the Committee had flexibility to require any other matters of interest to it to be considered by the full Council.
- All of the Corporate Management Team (CMT) and Heads of Service were considered to have a wide appreciation of the role and functions of the Committee, including due to their professional background and knowledge. It was suggested that it would be useful to ask the CMT if it would consider a presentation on the governance and role and work of the Committee useful for it and/or Heads of Service.
- Resources available to the Committee to support its work are limited.
- As recommended by CIPFA, it has been proposed that a brief and succinct Annual Report is submitted to the Council annually, appending the completed Work Plan for the year. This would provide an opportunity for comments and questions on the Committee's work and performance. Reference to the outcome of any self-assessment done would be included when appropriate.

#### Functions of the Committee

- There was considered to be evidence of wide compliance regarding the Committee's Terms of Reference addressing core areas identified in CIPFA's Position Statement, with many issues addressed comfortably in its Terms of Reference.
- The Committee does not support annual self-assessments.
- It was noted that, with effect from June 2025 and taking account of views expressed by the External Auditor, the Committee will consider a report on the Annual Governance Statement separately from a report on the draft Annual Accounts.
- It was acknowledged, in the interests of effective use of officers' time, that all queries raised at formal meetings and subsequently (on initial clarification received and circulated by email) should be addressed before the feedback is summarised and reported to the Committee for noting only (*Recommendation made on this refers*).
- Some members of the Committee expressed the view that it had progressively fallen short of its scrutiny effectiveness through no fault of its own, attributing this to various factors, including the reduced number of councillors in the authority compared to when the Committee was first established, and ever increasing demands on individual Elected Members' time out with their commitment to the Committee.
- There are various reasons why the Committee has not progressed any detailed investigations of its own in recent years, either due to issues out with its direct control or access to resources to progress these.
- One of the recommendations made was that, rather than the Chair always meeting privately with the External Auditor, all members of the Committee should be invited to the meeting in August/September, prior to the Committee considering the final Annual Accounts and draft Annual Audit Report.

### Membership and Support

- The Committee is separate from the Cabinet, its membership has always comprised Administration and Opposition members, and it has always been chaired by an Opposition member.
- Not all such Committees in Scotland have appointed lay members, and it was not considered necessary by the Committee's current membership.
- It was commented that the option remains to invite another Elected Member, or another person or officer with particular expertise on an issue, to attend a meeting of the Committee if considered useful.
- Ideally, relevant knowledge, skills, experience and aptitude should be taken into account when appointing members to such Committees. However, it was acknowledged that this is not necessarily the basis on which Elected Members are appointed, with the Committee's membership largely determined based on political composition and as voted by members of the Council.
- Training and development was considered useful to address any knowledge and skills gaps, opportunities have been provided to identify and address these, and a range have already been offered (such as through the Members Induction Programme, including the Council's Scrutiny Training Programme).
- Further training on risk management and treasury management is already planned later in 2025.
- It was possible for the Committee to pursue more in-depth work when the temporary Scrutiny and Evaluation Officer was in post several years ago.
- A good working relationship has been developed and exists with key officers with whom the Committee interacts, including the Chief Internal Auditor, the External Auditor, and members of the CMT, some of whom regularly attend meetings.

### Effectiveness of the Committee

- External Audit has referred to a positive relationship with the Committee, but members of the Committee were not aware of any feedback on this from others interacting with it. With the exception of the meeting in March 2025 to discuss this self-assessment, comments on the Committee's performance, from those interacting with it, have not been sought actively (*see recommendation on submitting an Annual Report to the full Council*).
- Reports generally meet the Committee's needs, but additional information or assurances etc. are requested as necessary.
- An issue was raised on effective use of officers' time responding to queries raised, with a recommendation made that, as far as possible and more than at present, members of the Committee should alert the Chair or Clerk in advance to issues on which they intend to seek feedback at meetings, allowing officers to be alerted to these and prepare in the interests of transparency, efficiency and effectiveness.
- Meetings are considered to be well chaired in a professional manner, with there being a good level of engagement and discussion on issues.
- Members of the Committee will continue to be mindful of the need to maintain a non-political approach to discussions on issues.
- There is engagement with a wide range of officers on many issues, more officers attend meetings now than used to be the case, and some attend more regularly than others, including members of the CMT.
- Members of the Committee believe it adds value and pursues issues appropriately, asking questions on a range of issues, although this has not been formally evaluated which was not considered easy to do, other than through self-assessments.
- Self-Assessments are carried out, but doing these annually is not supported.

**CONCLUSION**

12. Following completion of the Committee's self-assessment in 2025, a list of observations and recommendations with related actions has been prepared for formal approval by the Committee. Progress on implementation of the action plan prepared will be reviewed by the Committee in due course. The Committee supports periodic self-assessments, albeit not as frequently as annually. It is intended to complete a further self-assessment in late 2026/early 2027, prior to the Local Government elections in May 2027.

**RECOMMENDATIONS**

13. It is recommended that the Committee:-

- (a) approves the summary of observations and recommendations made arising from its self-assessment, and agrees that recommendations for improvement be implemented in accordance with the Action Plan in Appendix 2;
- (b) reviews progress with implementation of the recommendations in due course; and
- (c) notes that it is intended to complete a further self-assessment in late 2026/early 2027, prior to the Local Government elections in May 2027.

Report Author: Linda Hutchison, Clerk to the Committee (0141 577 8788)  
E-mail address: [linda.hutchison@eastrenfrewshire.gov.uk](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

**Background Papers**

CIPFA Practical Guidance on Audit Committees for Local Authorities and Police (2022)

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**AUDIT AND SCRUTINY COMMITTEE SELF-ASSESSMENT OF GOOD PRACTICE****COLLATED RESULTS****GOOD PRACTICE QUESTIONS**

Where the Committee considered it did not fully comply with an issue in the template, 3 options were available to allow distinctions to be made between aspects where significant improvement was considered required and those only requiring minor changes. The weighting of answers in the template are as suggested in the CIPFA template.

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>AUDIT COMMITTEE PURPOSE AND GOVERNANCE</b>					
<b>1.</b> Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?					✓
<b>2.</b> Does the audit committee report directly to the governing body (full Council)?				✓	
<b>3.</b> Has the committee maintained its advisory role by not taking on any decision-making powers?					✓
<b>4.</b> Do the Terms of Reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					✓

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>AUDIT COMMITTEE PURPOSE AND GOVERNANCE (<i>Continued</i>)</b>					
<b>5.</b> Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				✓	
<b>6.</b> Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					✓
<b>7.</b> Does the governing body hold the audit committee to account for its performance at least annually?				✓	
<b>8.</b> Does the committee publish an annual report in accordance with the 2022 guidance, including:-					
<b>8.01</b> Compliance with the CIPFA Position Statement 2022?				✓	



	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>AUDIT COMMITTEE PURPOSE AND GOVERNANCE (<i>Continued</i>)</b>					
<b>8.02</b> Results of the annual evaluation, development work and planning improvements?				✓	
<b>8.03</b> How it has fulfilled its Terms of Reference and the key issues escalated in the year?				✓	
<b>FUNCTIONS OF THE COMMITTEE</b>					
<b>9.</b> Do the Committee's Terms of Reference explicitly address all the core areas identified in CIPFA's Position Statement as follows:-					
<b>9.01</b> Governance arrangements?				✓	
<b>9.02</b> Risk management arrangements?					✓
<b>9.03</b> Internal control arrangements, including: <ul style="list-style-type: none"> <li>○ financial management</li> <li>○ value for money</li> <li>○ ethnics and standards</li> <li>○ counter fraud and corruption?</li> </ul>					✓

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>FUNCTIONS OF THE COMMITTEE</b> <i>(Continued)</i>					
<b>9.04</b> Annual governance statement?					✓
<b>9.05</b> Financial reporting?					✓
<b>9.06</b> Assurance framework?					✓
<b>9.07</b> Internal audit?					✓
<b>9.08</b> External audit?					✓
<b>10.</b> Over the last year, has adequate consideration been given to all core areas?					✓
<b>11.</b> Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 Guidance?					✓
<b>12.</b> Has the committee met privately with the external auditors and head of internal audit in the last year?				✓	

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>MEMBERSHIP AND SUPPORT</b>					
<b>13.</b> Has the committee been established in accordance with the 2022 guidance as follows:-					
<b>13.01</b> Separate from the executive?					✓
<b>13.02</b> A size that is not unwieldy and avoids use of substitutes?					✓
<b>13.03</b> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation?					✓
<b>14.</b> Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?					✓
<b>15.</b> Has an evaluation of knowledge, skills and training needs of the chair and committee members been carried out within the last two years?				✓	

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>MEMBERSHIP AND SUPPORT</b> <i>(Continued)</i>					
<b>16.</b> Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?				✓	
<b>17.</b> Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				✓	
<b>18.</b> Is adequate secretariat and administrative support provided to the committee?					✓
<b>19.</b> Does the committee have a good working relationship with key people and organisations, including external audit, internal audit and the Chief Financial Officer (CFO)?					✓
<b>20.</b> Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?				✓	
<b>21.</b> Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					✓

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>EFFECTIVENESS OF THE COMMITTEE</b>					
<b>22.</b> Are meetings effective with a good level of discussion and engagement from all members?				✓	
<b>23.</b> Has the committee maintained a non-political approach to discussions throughout?					✓
<b>24.</b> Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					✓
<b>25.</b> Does the committee make recommendations for the improvement of governance, risk and control arrangements?					✓
<b>26.</b> Do audit committee recommendations have traction with those in leadership roles?					✓
<b>27.</b> Has the committee evaluated whether and how it is adding value to the organisation?					✓

	Does not Comply	Partially Complies and Extent of Improvement Needed			Fully Complies
	Major Improvement	Significant Improvement	Moderate Improvement	Minor Improvement	No Further Improvement
Weighting of Answers	0	1	2	3	5
<b>EFFECTIVENESS OF THE COMMITTEE</b>					
28. Does the committee have an action plan to improve any areas of weakness?					✓
29. Has this assessment been undertaken collaboratively with the audit committee members?					✓
<b>Subtotal Scores</b> (See guidance in each column on calculating these by adding up the <u>total</u> number of ticks and, in the case of columns 3 to 6, multiplying that by the weighting specified)	(*Total Number of ticks in column)	(*Total Number of ticks in column x 1)	(*Total Number of ticks in column x 2)	(*Total Number of ticks in column x 3) (13 x 3)	(*Total Number of ticks in Column (27 x 5)
<b>Maximum Possible Score</b> <b>200</b>  <b>TOTAL SCORE: 174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>135</b>

**AUDIT AND SCRUTINY COMMITTEE SELF-ASSESSMENT OF GOOD PRACTICE**  
**OBSERVATIONS AND RECOMMENDATIONS AND ACTION PLAN**

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<b>AUDIT COMMITTEE PURPOSE AND GOVERNANCE</b>				
<b>Question 2.</b> Does the audit committee report directly to the governing body (full Council)?	Partially Complies/ Minor Improvement Needed	<p><b><u>Recommendation</u></b></p> <ul style="list-style-type: none"> <li>• There is not considered to be any problem with the current arrangements. There are issues on which the Committee already reports routinely and directly to the Council. However, it is not clear to the Committee if it would have flexibility to require that any other matters of interest to it are considered by the full Council. It is recommended that clarity be sought and provided on this.</li> </ul>	Clerk in liaison with Director of Business Operations & Partnerships (Democratic Services Manager)	31 December 2025, <i>(Taking account of review of corporate governance documents to be progressed (see also Question 4 below))</i>
<b>Question 4.</b> Do the Terms of Reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	Fully Complies/ No Further Improvement Needed	<p><b><u>Observations</u></b></p> <ul style="list-style-type: none"> <li>• It was noted that a range of the Council's governance documents are to be reviewed in the forthcoming months as required once during the lifetime of the Administration, which will include a review of the Scheme of Administration.</li> <li>• The Committee's Terms of Reference make no reference to, and do not clarify, what the Committee's role is regarding partnership working between the Council and other bodies, such as ensuring they are working effectively.</li> </ul>	Not Applicable	Not Applicable

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
5. Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	Partially Complies/ Minor Improvement Needed	<p><b><u>Observation</u></b></p> <ul style="list-style-type: none"> <li>It is important that all leaders understand governance within the Council.</li> </ul> <p><b><u>Recommendation</u></b></p> <ul style="list-style-type: none"> <li>It is recommended that the CMT considers if a presentation on the governance and role and work of the Committee would be useful for it and/or Heads of Service.</li> </ul>	<p>Not Applicable</p> <p>Clerk in liaison with Head HR and Corporate Services and CMT</p>	<p>Not Applicable</p> <p>31 December 2025 <i>(To align with end of review of corporate governance documents (See also Question 2 Above))</i></p>
6. Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	Fully Complies/ No Further Improvement Needed	<p><b><u>Observation</u></b></p> <ul style="list-style-type: none"> <li>Members of the Committee observed that it is not currently possible for the Committee to do detailed work itself without additional resource. The time taken to do such work when the Scrutiny and Evaluation Officer was in post, and dedicated to completing these in liaison with members of the Committee and others as required, illustrated the significant time and resources needed for such work. It is acknowledged though that additional resource is not likely to be available, so a recommendation on this has not been made <i>(See Question 16 below also)</i>.</li> </ul>	Not Applicable	Not Applicable



Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<b>7.</b> Does the governing body hold the audit committee to account for its performance at least annually?	Partially Complies/ Minor Improvement Needed	<b><u>Recommendation</u></b> <ul style="list-style-type: none"> <li>It is proposed that a brief and succinct Annual Report is prepared and submitted to the Council, appending the completed Work Plan for the year in question, to provide an opportunity for comments to be made and questions to be asked on the Committee's work and performance (<i>See Question 8 also</i>). If agreed, a 5 year overview would not need to be prepared at the end of the Administration as before, avoiding duplication.</li> </ul>	Clerk in liaison with Chair and Democratic Services Manager	30 September 2025
<b>8.</b> Does the committee publish an annual report in accordance with the 2022 guidance, including:- <ul style="list-style-type: none"> <li><b>8.01</b> Compliance with the CIPFA Position Statement 2022</li> <li><b>8.02</b> Results of the annual evaluation, development work and planning improvements</li> <li><b>8.03</b> How it has fulfilled its Terms of Reference and the key issues escalated in the year?</li> </ul>	Partially Complies/ Minor Improvement Needed	<b><u>Recommendations</u></b> <ul style="list-style-type: none"> <li>See Recommendation at Question 7 (<i>see above</i>) on preparation of brief and succinct Annual Report.</li> <li>Allied to this, it is recommended that when any self-evaluation has been completed, reference is included to the outcome in the Annual Report.</li> </ul>	See Question 7 above  Clerk in liaison with Chair and Democratic Services Manager	See Question 7 Above  30 September 2025

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<p>9. Do the Committee's Terms of Reference explicitly address the core areas identified in CIPFA's Position Statement as follows:-</p> <ul style="list-style-type: none"> <li>• <b>9.01</b> Governance arrangements</li> </ul>	<p>Partially Complies/ Minor Improvement Needed</p> <p><i>(There was considered to be full compliance regarding the other core issues listed under Question 9, with no further improvement needed)</i></p>	<p><b><u>Observation</u></b></p> <ul style="list-style-type: none"> <li>• It has been noted that, with effect from 2025 and taking account of views expressed by the External Auditor, the Committee will consider a report on the Annual Governance Statement (as part of the report on the Code of Corporate Governance), separately from the draft Annual Accounts.</li> </ul> <p><b><u>Recommendation</u></b></p> <ul style="list-style-type: none"> <li>• It is recommended, in the interests of the most effective use of officers' time, that all queries raised at formal meetings and subsequently (on initial clarification received and circulated by email) are addressed before the feedback is summarised and reported to the Committee, which would be for noting.</li> </ul>	<p>Not Applicable</p> <p>Clerk in liaison with members of the Committee and officers as appropriate</p>	<p>Not Applicable</p> <p>30 June 2025</p>
<b>FUNCTIONS OF THE COMMITTEE</b>				
<p>10. Over the last year, has adequate consideration been given to all core areas?</p>	<p>Fully Complies/ No Further Improvement Needed</p>	<p><b><u>Observation</u></b></p> <ul style="list-style-type: none"> <li>• It was noted that there are various reasons why the Committee has not progressed any detailed investigations of its own in recent years, either due to issues out with its direct control or access to resources to progress these.</li> </ul>	<p>Not Applicable</p>	<p>Not Applicable</p>

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
12. Has the committee met privately with the external auditors and head of internal audit in the last year?	Partially Complies/ Minor Improvement Needed	<p><b><u>Recommendations</u></b></p> <ul style="list-style-type: none"> <li>• It is recommended that all members of the Committee are invited to attend the private meeting with the External Auditor that takes place around August or September, prior to the Committee considering the final Annual Accounts and draft Annual Audit Report.</li> <li>• It is also recommended that it is clarified if an individual member of the Committee may approach the External Auditor directly, if they wish.</li> </ul>	<p>Clerk in liaison with External Auditor</p> <p>Clerk in liaison with Director of Business Operations and Partnerships (Democratic Services Manager) and External Auditor</p>	<p>25 September 2025</p> <p>31 August 2025</p>

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<b>MEMBERSHIP AND SUPPORT</b>				
<b>13.</b> Has the committee been established in accordance with the 2022 guidance as follows:- <ul style="list-style-type: none"> <li>• <b>13.01</b> Separate from the executive;</li> <li>• <b>13.02</b> A size that is not unwieldy and avoids use of substitutes; and</li> <li>• <b>13.03</b> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation</li> </ul>	Fully Complies/ No Further Improvement Needed	<u><b>Observation</b></u> <ul style="list-style-type: none"> <li>• Although the Committee does not fully comply with CIPFA's view, no further improvement is considered required or recommended.</li> </ul>	Not Applicable	Not Applicable
<b>14.</b> Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	Fully Complies/ No Further Improvement Needed	<u><b>Observation</b></u> <ul style="list-style-type: none"> <li>• Although the Committee does not fully comply with CIPFA's view, no further improvement is considered required or recommended on top of the arrangements currently in place.</li> </ul>	Not Applicable	Not Applicable

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<b>15.</b> Has an evaluation of knowledge, skills and training needs of the chair and committee members been carried out within the last two years?	Partially Complies/ Minor Improvement Needed	<b><u>Recommendation</u></b> <ul style="list-style-type: none"> <li>It was recommended at the March 2025 meeting on this self-assessment that members of the Committee each complete the <i>CIPFA Knowledge and Skills Questionnaire</i> relevant to such committees. <i>(This was circulated, with Members invited to advise the Clerk of learning &amp; development needs identified to be reflected in this template and raised as appropriate (See Question 16 also))</i></li> </ul>	Clerk in liaison with members of the Committee and officers as required	Complete
<b>16.</b> Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Partially Complies/ Minor Improvement Needed	<b><u>Recommendation</u></b> <ul style="list-style-type: none"> <li>Although there is considered to be full compliance, it is recommended that appropriate learning and development opportunities continue to be put in place and promoted as necessary <i>(Training on Risk Management and Treasury Management is already planned within the next 6 months (See Question 15 above also)).</i></li> </ul>	Clerk in liaison with appropriate Officers; and other officers as appropriate on an ongoing basis	Ongoing
<b>17.</b> Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	Partially Complies/ Minor Improvement Needed	See Recommendations at Questions 15 & 16 above regarding learning and development opportunities	See Questions 15 & 16 above	See Questions 15 & 16 above
<b>18.</b> Is adequate secretariat and administrative support provided to the committee?	Fully Complies/ No Further Improvement Needed	<b><u>Observation</u></b> <ul style="list-style-type: none"> <li>It was possible for the Committee to pursue more in-depth work when the temporary Scrutiny and Evaluation Officer was in post <i>(See Question 6 above also)</i></li> </ul>	Not Applicable	Not Applicable

Self-Assessment Question	Current Level of Compliance and Extent of Improvement Needed	Recommendation or Observation	Officer Responsible	Proposed Timescale for Completion
<b>20.</b> Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	Partially Complies/ Minor Improvement Needed	<b><u>Recommendation</u></b> <ul style="list-style-type: none"> <li>It is recommended that, as far as possible and more than at present, members of the Committee alert the Chair or Clerk in advance to issues on which they intend to seek feedback at meetings. This will allow relevant officers to be alerted to these queries and prepare adequately in the interests of transparency, efficiency and effectiveness.</li> </ul>	Clerk in liaison with members of the Committee and officers as appropriate	30 June 2025
<b>EFFECTIVENESS OF THE COMMITTEE</b>				
<b>22.</b> Are meetings effective with a good level of discussion and engagement from all members?	Partially Complies/ Minor Improvement Needed	<b><u>Recommendation</u></b> <ul style="list-style-type: none"> <li>See recommendations at Questions 9 and 20 on only reporting back to the Committee on clarification sought on issues after all issues have been addressed; and alerting officers in advance to issues to be raised at meetings, as far as possible.</li> </ul>	Clerk in liaison with members of the Committee and officers as appropriate	30 June 2025
<b>23.</b> Has the committee maintained a non-political approach to discussions throughout?	Fully Complies/ No Further Improvement Needed	<b><u>Observation</u></b> <ul style="list-style-type: none"> <li>Members of the Committee will continue to be mindful of the need to maintain a non-political approach to discussions on issues.</li> </ul>	Not Applicable	Not Applicable