

**Department of Business Operations and Partnerships**

**Director: Louise Pringle**

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

Phone: 0141 577 3000 Fax: 0141 577 3834

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

Date: 21 October 2022

When calling please ask for: Eamonn Daly (0141-577-3023)

e-mail: [eamonn.daly@eastrenfrewshire.gov.uk](mailto:eamonn.daly@eastrenfrewshire.gov.uk)

TO: Provost Montague; Deputy Provost Campbell; and Councillors Anderson, Bamforth, Buchanan, Convery, Cunningham, Devlin, Edlin, Ireland, Lunday, Macdonald, McLean, Merrick, Morrison, O'Donnell, Pragnell and Wallace.

**EAST RENFREWSHIRE COUNCIL**

A meeting of the East Renfrewshire Council will be held in the Council Chamber, Council Headquarters, Giffnock, on **Wednesday 26 October 2022 at 7.00 pm.**

The agenda of business is as listed below.

**Prior to the commencement of the meeting the Provost will make a statement that the meeting will be webcast live and recorded for later publicly accessible archive viewing.**

Yours faithfully

**Louise Pringle**

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DIRECTOR OF BUSINESS OPERATION AND PARTNERSHIPS

**PROGRAMME OF BUSINESS**

1. **Report apologies for absence.**
2. **Declarations of Interest.**
3. **Submit for approval as a correct record and signature the Minute of meeting of the Council held on 7 September 2022.**
4. **Submit for approval as a correct record the Minutes of meetings for the period 8 September to 25 October 2022.**

**5. Notices of Motion**

**Motion No.1**

***Defibrillators in all schools***

***Council notes that every year, over 3,000 people in Scotland, including children and young people, experience an out-of-hospital cardiac arrest (OHCA). Council notes that, unfortunately, only 1 in 10 people survive such an event.***

***Automated External Defibrillators (AEDs) can play a significant role in saving the lives of people who suffer heart attacks in public. It is estimated that a shock from an AED, alongside CPR treatment, increases survival rates to 75-80%.***

***Council notes that, although there are public defibrillators in various places across East Renfrewshire including some council premises and assets, there are gaps, especially in the provision of publicly accessible AEDs within or at our local schools.***

***Therefore, Council agrees to bring a report to Full Council no later than December 2022, detailing a plan to roll out more publicly accessible AEDs at all our primary and secondary schools.***

**Moved by Councillor Bamforth, seconded by Councillor Lunday.**

**Motion No.2**

***This Council will, as a matter of urgency, investigate the changes implemented to East Renfrewshire Council's Council Tax collection and the capacity in East Renfrewshire to establish repayment instalment schedules.***

***East Renfrewshire Council's Policy previously allowed payment arrangements to be made at Final Notice and this prevented customers having to go to Summary Warrant and paying an additional 10% Statutory Addition. The new system does not allow for arrangements at Final Notice stage. This is now accommodated by Sheriff Officers at Summary Warrant stage.***

***Council will investigate, and report back at the next Full Council meeting, how this system will be amended to accommodate the flexibility once given to customers for payment arrangements***

**Moved by Councillor Ireland, seconded by Councillor Convery.**

**6. Statements by Conveners/Representatives on Joint Boards/Committees.**

**7. Appointment of Replacement Member on East Renfrewshire Culture and Leisure Trust Board – Report by Director of Business Operations and Partnerships (copy attached, pages 5 - 6).**

**8. Provost's Engagements – Report by Director of Business Operations and Partnerships (copy attached, pages 7 - 8).**

9. **2021/22 Annual Accounts for the Council's Charitable Trusts and External Audit (International Standard on Auditing 260) Report – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 9 - 30).**
10. **2021/22 Annual Accounts and Draft Annual Audit Report for East Renfrewshire Council – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 31 - 226).**
11. **Chief Social Work Officer's Annual Report 2021/22 – Report by Interim Chief Social Work officer (copy attached, pages 227 - 272).**
12. **National Care Service Bill: Scottish Parliament Consultation response – Report by Chief Executive (copy attached, pages 273 - 280).**
13. **Scottish Government's Learning Estate Improvement Programme (LEIP) – Report by Director of Education (copy attached, pages 281 - 362).**
14. **Management Rules – East Renfrewshire Culture and Leisure Trust – Report by Director of Education (copy attached, pages 363 - 380).**
15. **Day of National Mourning – Report by Director of Business Operations and Partnerships (copy attached, pages 381 - 382).**
16. **Re-Establishment of Local Licensing Forum – Report by Director of Business Operations and Partnerships (copy attached, pages 383 - 386).**
17. **Netherlee and Stamperland Community Council – Requests for Amendments to Constitution – Report by Director of Business Operations and Partnerships (copy attached, pages 387 - 390).**
18. **Eastwood Leisure Centre/Theatre – Report by Chief Executive (copy attached, pages 391 - 394).**

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

This document can be explained to you in other languages and can be provided in alternative formats such as large print and Braille. For further information, please contact Customer First on 0141 577 3001 or email [customerservices@eastrenfrewshire.gov.uk](mailto:customerservices@eastrenfrewshire.gov.uk)



EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of Business Operations and PartnershipsAPPOINTMENT OF REPLACEMENT ON EAST RENFREWSHIRE CULTURE AND  
LEISURE TRUST BOARD**PURPOSE OF REPORT**

1. To consider the appointment of a replacement representative on the East Renfrewshire Culture and Leisure Trust Board following the resignation of Councillor Pragnell.

**RECOMMENDATION**

2. That the Council approve the appointment of Councillor Anderson as the replacement representative for Councillor Pragnell on the East Renfrewshire Culture and Leisure Trust Board.

**REPORT**

3. At the meeting of the Council on 25 May, Councillor Pragnell was appointed as one of the Council's 4 representatives on the East Renfrewshire Culture and Leisure Trust Board.

4. At that meeting, Councillor Pragnell had also been appointed as Convener for Community Services and Community Safety with a remit that included culture and leisure.

5. Following the recent review of governance structures and the removal of the role of Convener for Community Services and Community Safety, and with the creation of new Convener's portfolios, responsibility for Culture and Leisure now sits with Councillor Anderson as Convener for Education, Culture and Leisure. Consequently Councillor Pragnell has resigned her position on the Trust Board and a replacement needs to be appointed. In light of the transfer of responsibilities to Councillor Anderson it is proposed that he be appointed as the replacement for Councillor Pragnell on the Trust Board.

**Change of Convener Title**

6. When the review of remits was carried out, the title of Councillor Anderson's convenership was altered as above. To reflect the continuing importance of equalities, the convenership has been renamed Education, Equalities, Culture and Leisure.

**RECOMMENDATION**

7. That the Council approve the appointment of Councillor Anderson as the replacement representative for Councillor Pragnell on the East Renfrewshire Culture and Leisure Trust Board.

Local Government (Access to Information) Act 1985

Report Author

Eamonn Daly Democratic Services Manager (577 3023)  
e-mail [eamonn.daly@eastrenfrewshire.gov.uk](mailto:eamonn.daly@eastrenfrewshire.gov.uk)

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EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of Business Operations and PartnershipsPROVOST'S ENGAGEMENTS**PURPOSE OF REPORT**

1. To advise the Council of the civic engagements carried out by Provost Montague and Deputy Provost Campbell since the meeting of the Council in September.

**RECOMMENDATION**

2. That the report be noted.

**REPORT**

3. Since the meeting in September Provost Montague has carried out the following civic engagements:

11 September – Attended the Sheriff Principal Proclamation for the new King Charles III, Renfrewshire House, Paisley

12 September – Attended a Service for HM The Queen Elizabeth, St Giles' Cathedral, Edinburgh

20 September – Met with Rabbi Jacobs and others in advance of Rosh Hashona, Giffnock

30 September – Attended a MacMillan Coffee Morning in Barrhead Foundry

1 October – Attended a Service for HM The Queen Elizabeth, Paisley Abbey, Paisley

2 October – Attended a Tarang Dance Academy Event - Celebrate Bollywood Garba, Pollokshaws, Glasgow

6 October – Attended the Launch of new Walking and Cycling Route, A77 Active Corridor, Maidenhill

6 October – Hosted a Civic Event for the 125<sup>th</sup> Anniversary of Giffnock Bowling Club, Eastwood House, Giffnock

13 October – Attended a Giffnock Primary School Church Gathering, Orchardhill Parish Church, Giffnock

**RECOMMENDATION**

5. That the report be noted.

Report Author

Eamonn Daly, Democratic Services Manager 07584 116619

[eamonn.daly@eastrenfrewshire.gov.uk](mailto:eamonn.daly@eastrenfrewshire.gov.uk)

Background papers - None

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EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

26 October 2022

Report by Head of Accountancy (Chief Financial Officer)

2021/22 ANNUAL ACCOUNTS FOR THE COUNCIL'S CHARITABLE TRUSTS AND  
EXTERNAL AUDIT (ISA 260) REPORT

### **PURPOSE OF REPORT**

1. The audited 2021/22 Annual Accounts for the seven charitable trusts that the Council acts as trustee for, have been amalgamated into one document and a copy is now submitted for consideration by the Audit and Scrutiny Committee. In addition, the External Auditor has prepared a report in respect of the Trusts, which is in compliance with the International Standard on Auditing (ISA) 260, for consideration.

### **RECOMMENDATION**

2. The Committee is invited to: -
- Consider the report by External Audit;
  - Note and comment on the content of the 2021/22 amalgamated Annual Accounts for the seven charitable trusts that the Council acts as trustee for; and
  - Remit the report to the Council for consideration.

### **REPORT**

3. The external audit of the 2021/22 Annual Accounts for the seven charitable trusts that the Council acts as trustee for has now been completed and the Council has been awarded an audit certificate for the amalgamated accounts, which has no qualifications. A copy of the Accounts is attached as Appendix 1.

### **ANNUAL AUDIT REPORTS**

4. A copy of the Annual Audit Report, which provides an overview of the main issues arising from the 2021/22 Audit of the Trust Accounts has been prepared. The Committee is invited to consider the document. The External Auditors will be attending the Audit and Scrutiny Committee meeting to speak to and discuss the report.

### **RECOMMENDATION**

5. The Committee is invited to: -
- Consider the report by External Audit ;

- Note and comment on the content of the 2021/22 amalgamated Annual Accounts for the seven charitable trusts that the Council acts as trustee for; and
- Remit the report to the Council for consideration.

## REPORT AUTHOR

Head of Accountancy - Margaret McCrossan  
Chief Accountant - Barbara Clark Tel 0141 577 3068  
E-mail. [Barbara.Clark@EastRenfrewshire.gov.uk](mailto:Barbara.Clark@EastRenfrewshire.gov.uk)  
Report Date - 12 October 2022

## BACKGROUND PAPERS

This report refers to the 2021/22 amalgamated Annual Accounts for the seven charitable trusts that the Council acts as trustee for (Lieutenants Duff Memorial Institute, Newton Mearns Benevolent Association, Janet Hamilton Memorial Fund, John Pattison Memorial Fund, Hugh & Janet Martin Memorial Fund, Netherlee School 1937 Endowment, Endowment for Talented Children and Young People) and the External Auditor's 2021/22 ISA 260 report in respect of the trusts.

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[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



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## Trustees

26 October 2022

### East Renfrewshire Council Trusts Audit of 2021/22 annual accounts

#### Independent auditor's report

1. The East Renfrewshire Council Trust Funds consist of the following charities:

- Lieutenants Duff Memorial Institute
- Newton Mearns Benevolent Association
- Hugh & Janet Martin Memorial Fund
- John Pattison Memorial Fund
- Janet Hamilton Memorial Fund
- Netherlee School 1937 Endowment
- Endowment for Talented Children & Young People.

2. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 26 October 2022 (the proposed report is attached at [Appendix A](#)).

#### Annual audit report

3. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit and Scrutiny Committee's consideration our draft annual report on the 2021/22 audit.

4. This report will be issued in final form after the annual accounts have been certified.

#### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

## **Fraud, subsequent events and compliance with laws and regulations**

7. In presenting this report to the Audit and Scrutiny Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

## **Representations from Section 95 Officer**

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

## **Significant findings from the audit**

10. In our view the following issues require to be brought to your attention regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties.

11. Dormant Trusts: There are four Trust Funds that have not incurred any expenditure in 2021/22. Two of the trusts have not incurred expenditure in recent years and could therefore be considered dormant. The trusts considered to be dormant are as follows:

- Lieutenants Duff Memorial Institute
- Endowment for Talented Children and Young People

### Resolution:

**Lieutenants Duff Memorial Institute** - Some improvement works have been underway at the premises, and we expect to make a contribution from the fund towards the costs.

**Endowment for Talented Children and Young People** - Due to staff changes, we have recently amended the Trustees for this fund. Now that this has been completed, we expect to utilise the remaining small balance of funds over the coming year and then close down this trust.

## Appendix A: Proposed Independent Auditor's Report

### Independent auditor's report to the trustees of East Renfrewshire Council Trusts and the Accounts Commission

#### Reporting on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of East Renfrewshire Council Trusts for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2022 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on other requirements

### Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

### Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charity Accounts (Scotland) Regulations 2006.

## **Matters on which I am required to report by exception**

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

## **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Louisa Yule CPFA  
Audit Scotland  
4th Floor, 8 Nelson Mandela Place,  
Glasgow, G2 1BT

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

## Appendix B: Letter of Representation (ISA 580)

Louisa Yule, Senior Audit Manager  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear Louisa

### East Renfrewshire Charitable Trusts Annual Accounts 2021/22

1. This representation letter is provided about your audit of the annual accounts of East Renfrewshire Charitable Trusts for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements properly present the receipts and payments of the charities for the year ended 31 March 2022 and their statement of balances at that date and are prepared in accordance with the financial reporting framework, and for expressing other opinions on the trustees annual report.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the trustees of the trust funds, the following representations given to you in connection with your audit of East Renfrewshire Charitable Trusts' annual accounts for the year ended 31 March 2022.

#### General

3. East Renfrewshire Council (as the administering authority) and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by East Renfrewshire Charitable Trusts have been recorded in the accounting records and are properly reflected in the financial statements.

4. I am not aware of any uncorrected misstatements.

#### Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of the Charities Accounts (Scotland) Regulations 2006.

#### Accounting Policies & Estimates

6. All significant accounting policies applied are as shown in the notes to the financial statements.

#### Going Concern Basis of Accounting

7. I have assessed East Renfrewshire Charitable Trusts' ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any



material uncertainties that may cast significant doubt on East Renfrewshire Charitable Trusts' ability to continue as a going concern.

## Assets

8. The cash fund and investments shown in the Statement of Balances at 31 March 2022 were owned by the registered charities. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements. There are no plans or intentions that are likely to affect the carrying value of classification of the assets within the financial statements.

## Fraud

9. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

## Laws and Regulations

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

## Trustees Annual Report

11. I confirm that the information within the Trustees Annual Report is consistent with the financial statements.

## Corporate Governance

12. I confirm that the East Renfrewshire Council (administering authority) has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

## Events Subsequent to the Date of the Balance Sheet

13. All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

14. This letter was considered by the Audit and Scrutiny Committee at the meeting held on 26 October 2022.

Yours sincerely

Head of Accountancy (Chief Financial Officer)

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**East Renfrewshire Council Trusts**

**Trustees' Annual Report and Financial Statements**

**For Year Ended 31 March 2022**

**East Renfrewshire Council**

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## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

### 1. INTRODUCTION

The Trustees present the annual report together with the financial statements and the Auditor's Report for the year ended 31 March 2022.

### ADMINISTRATION INFORMATION

<u>Charity Number</u>	<u>Charity Name</u>	<u>Charity Number</u>	<u>Charity Name</u>
SC005976	Lieutenants Duff Memorial Institute	SC019475	Janet Hamilton Memorial Fund
SC016641	Newton Mearns Benevolent Association	SC037293	Netherlee School 1937 Endowment
SC019473	Hugh & Janet Martin Memorial Fund	SC037925	Endowment for Talented Children & Young People
SC019474	John Pattison Memorial Fund		

**Contact Address**            East Renfrewshire Council  
 Accountancy Section  
 Rouken Glen Road  
 Glasgow G46 6UG

<u>Charity Name</u>	<u>Names of Charity Trustees during the year and to date of approval of Trustees' Annual Report</u>
Lieutenants Duff Memorial Institute	Margaret McCrossan
Newton Mearns Benevolent Association	Margaret McCrossan
Hugh & Janet Martin Memorial Fund	Margaret McCrossan
John Pattison Memorial Fund	Margaret McCrossan
Janet Hamilton Memorial Fund	Margaret McCrossan
Netherlee School 1937 Endowment	Margaret McCrossan, Yvonne Donaldson Julie Roberts Lynn Sweeny
Endowment for Talented Children & Young People	Margaret McCrossan, Mark Ratter

**Auditor**

Louisa Yule  
Senior Audit Manager  
Audit Scotland  
4<sup>th</sup> Floor  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

**Trust Deeds**

Copies of Trust Deeds are available for Lieutenants Duff Memorial, Netherlee School and Endowment for Talented Young People and can be obtained from:

East Renfrewshire Council  
Rouken Glen Road  
Glasgow G46 6UG

Deeds for other charitable trusts are unavailable.

## 2. STRUCTURE AND GOVERNANCE

East Renfrewshire Council Trust Funds are registered with the Office of the Scottish Charity Regulator (OSCR).

The trustee of all of the charities is the Chief Financial Officer of East Renfrewshire Council. For the Netherlee School 1937 Endowment, the Head, Depute Head and Principal Teachers also assume the role. The Director of Education, Head of Education Services and Chief Financial Officer are trustees for Endowment for Talented Children and Young People.

The Chief Financial Officer is the designated officer within East Renfrewshire Council with responsibility for the proper administration of the charitable trust's financial affairs. The Chief Financial Officer is responsible for keeping proper accounting records that are up to date and which ensure that financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

## 3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

The trustees rely on the expertise of East Renfrewshire Council to manage the investments to ensure the maximum return at the least risk to each charity. In this way, the income stream for the future benefit of each charity is protected.

The funds of each charity are deposited with East Renfrewshire Council (see note 5).

## 4. OBJECTIVES AND ACTIVITIES

The objectives of each trust are as follows:

<b>Charity Name</b>	<b>Purpose</b>
Lieutenants Duff Memorial Institute	Provision of a building to house the Busby School District library and fund repairs to the building as required.
Newton Mearns Benevolent Association	Provision of comforts for the needy of the parish of Mearns.
Hugh & Janet Martin Memorial Fund	Charitable and Educational purposes for the residents of Barrhead
John Pattison Memorial Fund	Assisting the deserving poor in Barrhead
Janet Hamilton Memorial Fund	Assisting the sick of Barrhead requiring nursing or hospital treatment.
Netherlee School 1937 Endowment	Advance the education of the pupils and former pupils of the school by the provision of financial assistance and support.
Endowment for Talented Children & Young People	For the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport having attended an East Renfrewshire School.

## 5. PERFORMANCE

Income comes from investment returns and any donations. Awards totalling £8,643 were made during the year to 31 March 2022, awards were disbursed as follows:

<u>Charity Name</u>	<u>Awards Disbursed during the year to 31 March 2022</u>
Lieutenants Duff Memorial Institute	No applications received and no disbursement of funds.
Newton Mearns Benevolent Association	2 Applications received. Payments totalling £317 were made.
Hugh & Janet Martin Memorial Fund	No applications received and no disbursement of funds.
John Pattison Memorial Fund	No applications received and no disbursement of funds.
Janet Hamilton Memorial Fund	5 Applications received. Payments totalling £1451 were made.
Netherlee School 1937 Endowment	1 Application received. Payments totalling £6875 were made.
Endowment for Talented Children & Young People	No applications received and no disbursement of funds.

## 6. FINANCIAL REVIEW

### Overview

In the year to 31 March 2022, Trust funds received income and held cash and bank balances as follows:

<u>Charity Name</u>	<u>Income from Investments</u> £	<u>Income from Donations</u> £	<u>Cash and Bank Balances</u> £
Lieutenants Duff Memorial Institute	15	0	12,176
Newton Mearns Benevolent Association	5	0	3,635
Hugh & Janet Martin Memorial Fund	20	0	16,546
John Pattison Memorial Fund	12	0	9,710
Janet Hamilton Memorial Fund	63	0	51,633
Netherlee School 1937 Endowment	23	8,789	18,948
Endowment for Talented Children & Young People	0	0	577



## **Reserves Policy**

Reserves are held by East Renfrewshire Council on behalf of each Trust and revenue income, generated from capital that has not been disbursed at 31 March each year, is invested in East Renfrewshire Council's Loans Fund.

## **7. DECLARATION**

This report was signed on behalf of the Trustees on 26 October 2022 by:

Margaret McCrossan  
Head of Accountancy  
(Chief Financial Officer)  
East Renfrewshire Council



**INDEPENDENT AUDITORS' REPORT**

## STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Statement of Receipts and Payments, as required by the Charities Accounts (Scotland) Regulations 2006, provides an analysis of the incoming and outgoing cash and bank transactions for the year.

If applicable, this Statement would also show any cash movements in relation to fixed assets. There are no such transactions for the current period.

### Period ended 31 March 2022

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>	<u>Talented Children/ Young People</u>
	£	£	£	£	£	£	£
Note	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>RECEIPTS</b>							
Donations	0	0	0	0	0	8,789	0
Income from Investments	15	5	20	12	63	23	0
<b>Total Receipts</b>	<b>15</b>	<b>5</b>	<b>20</b>	<b>12</b>	<b>63</b>	<b>8,812</b>	<b>0</b>
<b>PAYMENTS</b>							
Charitable Activities- Grants	0	317	0	0	1,451	6,875	0
<b>Total Payments</b>	<b>0</b>	<b>317</b>	<b>0</b>	<b>0</b>	<b>1,451</b>	<b>6,875</b>	<b>0</b>
<b>Surplus/(Deficit) for the Year</b>	<b>15</b>	<b>(312)</b>	<b>20</b>	<b>12</b>	<b>(1,388)</b>	<b>1,937</b>	<b>0</b>

### Period Ended 31 March 2021

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>	<u>Talented Children/ Young People</u>
	£	£	£	£	£	£	£
	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>RECEIPTS</b>							
Donations	0	0	0	0	0	0	0
Income from Investments	56	18	77	45	249	78	3
<b>Total Receipts</b>	<b>56</b>	<b>48</b>	<b>77</b>	<b>45</b>	<b>249</b>	<b>78</b>	<b>3</b>
<b>PAYMENTS</b>							
Charitable Activities- Grants	0	300	286	80	1,059	0	0
<b>Total Payments</b>	<b>0</b>	<b>300</b>	<b>286</b>	<b>80</b>	<b>1,059</b>	<b>0</b>	<b>0</b>
<b>Surplus/(Deficit) for the Year</b>	<b>56</b>	<b>(282)</b>	<b>(209)</b>	<b>(35)</b>	<b>(810)</b>	<b>78</b>	<b>3</b>

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### STATEMENT OF BALANCES AS AT 31 MARCH 2022

The Statement of Balances, as required by the Charities Accounts (Scotland) Regulations 2006, reconciles the cash and bank balances at the start and end of the financial year, with any surpluses shown in the Statement of Receipts and Payments.

The Statement of Balances also shows the final closing balances at the end of the year.

	<u>Lieutenants Duff</u>	<u>Newton Mearns Benevolent</u>	<u>Hugh &amp; Janet Martin</u>	<u>John Pattison</u>	<u>Janet Hamilton</u>	<u>Netherlee School</u>	<u>Talented Children/ Young People</u>
Note	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
<b>Bank and Cash in Hand</b>							
Opening Balance	12,161	3,947	16,526	9,698	53,021	17,011	577
Surplus/(Deficit) for the year	15	(312)	20	12	(1,388)	1,937	0
<b>Closing Balance</b>	<b>12,176</b>	<b>3,635</b>	<b>16,546</b>	<b>9,710</b>	<b>51,633</b>	<b>18,948</b>	<b>577</b>
<b>Investments</b>							
Market Value at 31 March 2022	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The unaudited financial statements were issued on 12 May 2022 and the audited financial statements were authorised for issue by the Head of Accountancy on 26 October 2022.

Margaret McCrossan  
Head of Accountancy (Chief Financial Officer)  
East Renfrewshire Council

## NOTES TO THE ACCOUNTS

### 1. Basis of Accounting

The financial statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are designed to give a true and fair view of the financial performance and position of each Trust for the financial year.

### 2. Taxation

East Renfrewshire Council Trusts are not liable to income or capital gains tax on its activities. Irrecoverable VAT is included in the expense to which it relates.

### 3. Trustee Remuneration, Expenses and Related Party Transactions

- a) No remuneration or expenses were paid to the trustees or any connected persons during the year 2021/22;
- b) The Trusts received interest totalling £138 from East Renfrewshire Council at 31 March 2022 and all transactions incoming and outgoing are made via the Council's bank accounts;
- c) The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.
- d) No Trustee or other person related to the trusts had any personal interest in any contract or transaction entered into by the charity during the year.

### 4. Grants

There were grants awarded totalling £8,643 during 2021/22.

### 5. Cash and Bank Balances

During the year the trust's balances were held by East Renfrewshire Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trust for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

### 6. Investments

No investments are held.

### 7. Audit Fee

The audit fee of £1,075 for the year was borne by East Renfrewshire Council.

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE26 October 2022Report by Head of Accountancy (Chief Financial Officer)2021/22 ANNUAL ACCOUNTS AND DRAFT ANNUAL AUDIT REPORT FOR EAST  
RENFREWSHIRE COUNCIL**PURPOSE OF REPORT**

1. The Audit of the Council's Annual Accounts for 2021/22 has been completed and a copy of the Accounts is now submitted for consideration by the Audit and Scrutiny Committee. In addition, the draft Annual Audit Report to the Council and the Controller of Audit for 2021/22 has been prepared by the External Auditors making reference to the International Standard on Auditing (ISA) 260 report to those charged with governance.

**RECOMMENDATION**

2. The Committee is invited to: -
- Consider the draft 2021/22 Annual Audit Report to the Council and the Controller of Audit and related ISA 260 report;
  - Note and comment on the content of the Council's Annual Accounts for 2021/22; and
  - Remit the report to Council for consideration.

**BACKGROUND**

3. The external audit of the Council's Annual Accounts for 2021/22 has now been completed and the Council has been awarded an audit certificate which has no qualifications. A copy of the Accounts is attached as Appendix 1.

**REPORT**

4. The financial position of the Council continues to be satisfactory. In particular, the Accounts show that: -
- The Council affairs have been managed within its operational budget with Directors again taking action to avoid non-essential spend during 2021/22, to give the Council more flexibility to address the significant financial difficulties in coming years. Effective management of in-year expenditure allowed us to contribute £102k to the non-earmarked general fund reserve and the budgeted £3,750k draw on reserves was not required. This represents an improvement of £3,852k against the original budget set in February 2021.

- The Council's Non-Earmarked General Fund reserve has increased by £102k resulting in a balance of £11,772k as at 31 March 2022 (4.4% of the annual budgeted net revenue expenditure). This is slightly above the Council's most prudent target level of 4%, however it should be noted that £5,253k of this has already been committed in balancing the 2022/23 budget.
- The Council's General Fund reserve balances as at 31 March 2022 total £46,189k. This is a decrease of £1,075k from last year and is mainly due to the utilisation of the Modernisation fund and a decrease in unspent grants.
- Significant Covid spend of £14,474k has been incurred during the year of which £6,390k was funded from the reserve set up at the end of the 2020/21. Further funding was also received during the year allowing additional contributions to the covid reserve resulting in a year-end balance of £14,085k, an in year increase of £1,270k.
- Capital Expenditure of £35,901k was invested.
- There has been an operating deficit of £354k on the Housing Revenue Account, this decreasing the accumulated surplus balance to carry forward 1,867k.

## **DRAFT ANNUAL AUDIT REPORT AND RELATED ISA 260 REPORT**

5. A copy of the draft Annual Audit Report, which provides an overview of the main issues arising from the 2021/22 Audit of the Council, has been prepared along with the associated ISA 260 report to those charged with governance. The Committee is invited to consider the documents. The External Auditors will be attending the Audit and Scrutiny Committee meeting to speak to and discuss these. The finalised Annual Audit Report will be circulated to members in due course.

## **RECOMMENDATION**

6. The Committee is invited to: -
- Consider the draft 2021/22 Annual Audit Report to the Council and the Controller of Audit and related ISA 260 report;
  - Note and comment on the content of the Council's Annual Accounts for 2021/22; and
  - Remit the report to Council for consideration.

## **REPORT AUTHOR**

Head of Accountancy - Margaret McCrossan  
Chief Accountant - Barbara Clark Tel 0141 577 3068  
E-mail. [Barbara.Clark@EastRenfrewshire.gov.uk](mailto:Barbara.Clark@EastRenfrewshire.gov.uk)  
Report Date - 12 October 2022



**BACKGROUND PAPERS**

This report refers to the Council's Annual Accounts for 2021/22 and the External Auditor's Annual report to the Council and the Controller of Audit for 2021/22.

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## Audit and Scrutiny Committee

26 October 2022

### East Renfrewshire Council Audit of 2021/22 annual accounts

#### Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to the satisfactory conclusion of the outstanding matters referred to later in this letter and receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 26 October 2022 (the proposed report is attached at [Appendix A](#)).

#### Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit and Scrutiny Committee's consideration our draft annual report on the 2021/22 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

#### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

#### Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Audit and Scrutiny Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

**Representations from Section 95 Officer**

**8.** As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

**9.** A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

**Outstanding matters**

**10.** There are some areas where we still require additional information and completion of audit procedures. These are identified below:

- Information from the professional valuer and management around the valuation and measurement of assets valued at depreciated replacement cost not valued in year.
- Explanations of movements in figures within the RSG reconciliation and how these agree to Scottish Government Finance Circulars.
- Assurances relating to the Non-Domestic Rate disclosures from Renfrewshire Council external auditors.
- Final audit quality file review from engagement lead.

**11.** Subject to completion of these procedures, we anticipate final issuing of our independent auditor's report on 26 October 2022.

## Appendix A: Proposed Independent Auditor's Report

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

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Renfrewshire Council and its group for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, and the National Non Domestic Rate Account, Common Good Fund and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the council and its group as at 31 March 2022 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 26 September 2022. The period of total uninterrupted appointment is one year. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of

the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Head of Accountancy (Chief Financial officer) and the Council for the financial statements**

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

In preparing the financial statements, the Head of Accountancy (Chief Financial Officer) is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The Council is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the council and its group is complying with that framework;
- identifying which laws and regulations are significant in the context of the council and its group;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on other requirements

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

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Head of Accountancy (Chief Financial Officer) is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

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

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

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

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

and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

## **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

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

## **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Boyd, CPFA  
Audit Director  
Audit Scotland  
4<sup>th</sup> Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT



## Appendix B: Letter of Representation (ISA 580)

John Boyd, Audit Director  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear John

### East Renfrewshire Council Annual Accounts 2021/22

1. This representation letter is provided about your audit of the annual accounts of East Renfrewshire Council and its group for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Chief Executive and Corporate Management Team, the following representations given to you in connection with your audit of East Renfrewshire Council and its group annual accounts for the year ended 31 March 2022.

#### General

3. East Renfrewshire Council and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by East Renfrewshire Council and its group have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

#### Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of East Renfrewshire Council and its Group at 31 March 2022 and the transactions for 2021/22.

## Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to East Renfrewshire Council circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

## Going Concern Basis of Accounting

9. I have assessed East Renfrewshire Council and its group ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on East Renfrewshire Council and its group ability to continue as a going concern.

## Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2022 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

11. I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2022.

13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

## Liabilities

15. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2022 of which I am aware where the conditions specified in the 2021/22 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2022. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2022 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

18. The accrual recognised in the financial statements for holiday untaken by 31 March 2022 has been estimated on a reasonable basis.

19. The pension assumptions made by the actuary in the IAS 19 report for East Renfrewshire Council have been considered and I confirm that they are consistent with management's own view.

20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Contingent liabilities**

21. There are no significant contingent liabilities, other than those disclosed in Note 41 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and IAS 37.

22. With specific reference to equal pay claims I can confirm that it is not possible to quantify the contingent liability.

### **Fraud**

23. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

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

### **Related Party Transactions**

25. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all the East Renfrewshire Council's related parties and all the related party relationships and transactions of which I am aware.

### **Remuneration Report**

26. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

### **Management commentary**

27. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

### **Corporate Governance**

28. I confirm that the East Renfrewshire Council has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices

set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

**29.** I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

### **Group Accounts**

**30.** I have identified all the other entities in which East Renfrewshire Council has a material interest and have classified and accounted for them in accordance with the 2021/22 accounting code. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

### **Common Good Fund**

**31.** I confirm, to the best of my ability, that all material common good assets have been identified and correctly accounted for within the common good financial statements. Where appropriate those common good assets used operationally by the council are recognised as finance leases.

### **Events Subsequent to the Date of the Balance Sheet**

**32.** All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Section 95 Officer

# East Renfrewshire Council

2021/22 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for the Members of East Renfrewshire Council and the Controller of Audit

October 2022



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# Key messages

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## 2021/22 annual accounts

- 1 We expect to issue unmodified opinions on the annual accounts of the council, its group, and the seven section 106 charities administered by the council.

## Financial management and sustainability

- 2 The council has appropriate and effective financial management. An underspend of £3.852 million was reported against budget in 2021/22 after a decision to restrict non-essential expenditure. Covid-19 pressures were met through Scottish Government funding.
- 3 Systems of internal control operated effectively in 2021/22 with some scope for improvement noted.
- 4 The financial consequences of Covid-19 are continuing to be uncertain. Further financial challenges are emerging around inflationary pressures. The council will need to continue to refine the medium-term financial plan as more clarity on the impacts of these pressures becomes evident.

## Governance and transparency

- 5 The council has appropriate governance arrangements in place and these operated effectively. Following the local council elections in May, a new Administration was formed between Labour and Independent Members. In addition, there was a significant turnover in members. Officers have implemented induction and support arrangements for new and returning Members.
- 6 The council demonstrates its commitment to conducting its business in an open and transparent manner through the recording of committee meetings and availability of information through the council website.

## Best Value

- 7 The council has an appropriate and effective best value framework in place.
- 8 Best value work on partnership working and collaboration has concluded that strong partnership working arrangements are in place with shared visions around recovery and renewal.



- 9 The council continue to perform strongly in comparison to other councils. However, service performance levels in 2021/22 were impacted by Covid-19.

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# Introduction

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1. This report summarises the findings arising from the 2021/22 audit of East Renfrewshire Council (the council) and its group. The group consists of: the Common Good and Charitable Trusts; East Renfrewshire Culture and Leisure Trust; Strathclyde Partnership for Transport; Strathclyde Concessionary Travel Scheme Joint Committee; Renfrewshire Joint Valuation Board; and, East Renfrewshire Integration Joint Board.
2. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the 7 April 2022 meeting of the Audit and Scrutiny Committee. This report comprises the findings from:
  - an audit of the annual accounts; and,
  - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) namely, financial management, financial sustainability, governance and transparency and value for money.
3. The main elements of our audit work in 2021/22 have been:
  - an audit of the annual accounts of the council and its group including the statement of accounts of the seven section 106 charities administered by the council and the issue of independent auditor's reports setting out our opinions;
  - audit work covering the council's arrangements for securing best value relating to partnership and collaborative working; and,
  - consideration of the four audit dimensions.

## Adding value through the audit

4. We add value to the council through the audit by:
  - Regularly meeting with management to discuss current issues and share knowledge and insights from the wider public sector;
  - identifying and providing insight on significant risks, and making clear and relevant recommendations;
  - sharing intelligence and good practice through our national reports ([Appendix 4](#)) and good practice guides;
  - providing training to members on the role of external audit on 11 August; and,

- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Responsibilities and reporting

5. The council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are prepared in accordance with proper accounting practices.

6. The council is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

8. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the council's performance management arrangements;
- the suitability and effectiveness of corporate governance arrangements, and financial position;
- the arrangements for securing financial sustainability; and,
- Best Value arrangements.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

10. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

## Auditor Independence

12. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the

professional accountancy bodies. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £241,420 for the council and £1,075 for the charitable trusts as set out in our Annual Audit Plan remains unchanged. John Boyd was appointed as engagement lead part way through the year. Following his appointment, a retrospective review of the audit planning and audit approach were undertaken. As the audit progress, key areas of audit focus, areas of risk of material misstatement and audit work undertaken to obtain the relevant assurances were reviewed by the engagement lead. We are not aware of any relationships that could compromise our objectivity and independence.

13. This report is addressed to both the council and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

### **Audit appointment from 2022/23**

14. The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

15. The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Ernst & Young LLP will be the appointed auditor for East Renfrewshire Council. We are working closely with the new auditors to ensure a well-managed transition.

16. A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

17. There are several significant changes introduced by the new Code, namely the integration of Best Value work into wider scope audit work and the audit of Best Value across the Integration Joint Boards.

18. We would like to thank Council members, Audit and Scrutiny Committee members, Directors, and other staff, particularly those in finance for their co-operation and assistance over the last six years.

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# 1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

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## Main judgements

We expect to issue unmodified opinions on the annual accounts of the council, its group and the seven section 106 charities administered by the council are unmodified.

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### Our audit opinions on the annual accounts are unmodified

19. The accounts for East Renfrewshire Council and its group for the year ended 31 March 2022 were approved by the Audit and Scrutiny Committee on 26 October 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework; and,
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance

### The annual audit report and accounts were submitted in line with our agreed audit timetable

20. Submission dates for the audited annual accounts and the annual audit report for 2019/20 and 2020/21 were deferred in line with the later dates for producing the annual accounts because of the impact of Covid-19. Audit Scotland set target dates for 2021/22 which transition to more regular timescales. For 2021/22, the target date for the audited annual report and accounts is 31 October 2022.

21. The unaudited annual report and accounts and working papers were received in line with our agreed audit timetable on 17 June 2022. Finance staff provided good support to the audit team and all working papers were provided electronically. Working arrangements with officers continued to be reviewed and in-person meetings with officers were re-introduced when social distancing restrictions were lifted. This supported the delivery of an efficient and effective audit that meets our quality standards.

## Our audit opinions on Section 106 charities were unmodified

22. Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charities legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity where members of East Renfrewshire Council are sole trustees, irrespective of the size of the charity.

23. We noted that there are two charitable trusts that did not disburse any funds in 2021/22 or on the preceding seven years – The Lieutenants Duff Memorial Institute and The Endowment for Talented Children and Young People.

24. The Lieutenants Duff Memorial Institute was set up for the provision of a building to house the Busby School District library and fund repairs to the building as required. Last year we were advised that planned expenditure from this trust fund had been delayed due to covid. Work has recently been undertaken at the Duff Memorial Hall. However, no request for grant funding from this trust fund has been received.

25. The Endowment for Talented Children and Young People was established for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport who have attended an East Renfrewshire Council school. There are limited funds within this charitable trust and the council are investigating whether the principal funds can be authorised for spend prior to any decisions being taken around the future use of this fund.

26. Our audit opinions on the Section 106 charities are unmodified and confirm that the 2021/22 financial statements present a true and fair view of the financial activities of the Section 106 charities.

27. We received the charities' accounts in line with the agreed timetable and after completing our audit we reported in the independent auditor's report that:

- the financial statements give a true and fair view of the section 106 charity's financial position and are properly prepared in accordance with charities legislation
- the trustees' annual report is consistent with the financial statements and prepared in accordance with proper accounting practices.

28. These were approved by the Council on 26 October and subsequently signed. This is before the statutory deadline of 30 November and a month earlier than in the prior year.

## There were no objections raised to the annual accounts

29. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The council complied with the regulations. There were no objections to the 2021/22 accounts.

## **The assurance statement on the Whole of Government Accounts has been submitted and no issues raised**

30. Whole of Government Accounts (WGA) is the consolidated financial statements for all components of government in the UK. Most public bodies are required to submit returns for the preparation of WGA. The returns are consolidated into WGA by HM Treasury. WGA is audited at a UK level by the National Audit Office (NAO), who issue Group Audit Instructions.

31. Appointed auditors in Audit Scotland are required by the Code of Audit Practice, as part of their audit appointment, to examine and report on WGA returns prepared by Scottish audited bodies. Auditors are required to report the results of their examination in an Assurance Statement. The examination and reporting process performed by auditors is therefore described as auditor assurance.

32. The process for 2020/21 is running significantly late. HM Treasury issued its guidance for preparers on 27 April 2022 and the NAO issued its Group Audit Instructions on 14 July. The OSCAR II system has been open for 2020/21 submissions since April.

33. Treasury and the NAO set a date for certified returns of 31 August 2022 which the Scottish Government agreed to for Scottish bodies. The deadline was then subsequently moved to 30 September.

34. Treasury has set an increased threshold for auditor assurance for bodies in England (£2 billion). Professional Support has agreed the same threshold for Scottish bodies. In accordance with the Whole of Government Accounts (WGA) guidance, the council submitted a consolidation pack for the WGA audit on 30 August 2022. We completed the required assurance statement and submitted to the National Audit Office (NAO) by the 30 September 2022 deadline.

## **Overall materiality is £6.4 million for the council and £6.7 million for the group**

35. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatement on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values.

36. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the annual accounts. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

37. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

## Exhibit 1

### Materiality values

Materiality level	Council	Group
Overall materiality	£6.4 million	£6.7 million
Performance materiality	£3.8 million	£4.0 million
Reporting threshold	£250 thousand	£250 thousand

Source: Audit Scotland

## We have significant findings to report on the audited annual accounts

38. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have reported several issues from the work done. These relate to the detail and documentation included within the valuers report and the underlying records and processes around identifying related parties for disclosure within the annual accounts. These are included in the action plan at Appendix 1.

39. The significant findings from the audit are summarised in [Exhibit 2](#).

## Exhibit 2

### Significant findings from the audit of financial statements

Issue	Resolution
<p><b>1. Property, plant and equipment valuations</b></p> <p>The Code of Practice on Local Authority Accounting requires authorities to revalue property, plant and equipment with sufficient regularity to ensure the carrying amount does not differ materially from current value, being the value that would have been obtained if revalued. Property, plant and equipment valuations within the annual accounts is supported by workings from valuers, using a rolling programme of revaluations. The valuation process could be enhanced through greater documentation of the annual valuation report and management scrutiny over the report including:</p>	<p>We recommend that a valuation report is prepared by the council's valuer on an annual basis outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme. There should be clear evidence of how officers have challenged and scrutinised the valuation to ensure the accounts are free from material misstatement.</p> <p><b>Recommendation 1</b></p> <p>(Refer <a href="#">Appendix 1</a>, action plan point 1)</p>



Issue	Resolution
<ul style="list-style-type: none"> <li>• The assets revalued in year and the methodology applied in the valuation exercise;</li> <li>• Key assumptions and estimates made in the valuation;</li> <li>• The total valuation amount reflected within the annual accounts; and</li> <li>• Details of compliance with industry standards</li> <li>• In addition, there should be clear assurances around how those assets not subject to revaluation would not be materially understated.</li> </ul>	
<p><b>2. Related parties</b></p> <p>As part of our audit work in relation to related parties we inspected the record of Officers interests. We identified instances where information recorded could have been enhanced to support officers in identifying any relevant transactions.</p> <p>While we are satisfied there are no undisclosed material related party transactions, we also noted that processes to consider and identify relevant relationships and transactions that require to be disclosed within the annual accounts could be enhanced.</p>	<p>We recommend that a review of controls and processes around related parties is undertaken. This will include the documentation of member and officer interests as well as the processes in place to identify the relevant disclosures for inclusion in the financial statements.</p> <p><b>Recommendation 2</b></p> <p>(Refer <a href="#">Appendix 1</a>, action plan point 2)</p>

Source: Audit Scotland

40. We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 3

#### Significant risks of material misstatement in the financial statements identified in the annual audit plan

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by the management override of controls</b></p>	<p>Assess the design and implementation of controls over journal entry processing.</p>	<p><b>Results &amp; Significant Judgements:</b></p> <p>We assessed the design and implementation of controls</p>

Audit risk	Assurance procedure	Results and conclusions
<p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</p> <p>Test journals at the year-end and post-closing entries and focus on significant risk areas.</p> <p>Evaluate significant transactions outside the normal course of business.</p> <p>Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements.</p> <p>Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</p> <p>Focussed testing of accounting accruals and prepayments.</p>	<p>over journal entry processing and did not identify any issues.</p> <p>Inquiries were made of individuals involved in the financial reporting process around inappropriate or unusual activity relating to journal entries and no issues were identified.</p> <p>Substantive testing of journal entries, where we considered increased risk of fraud, including those material transactions at the year-end, and did not identify any issues.</p> <p>A review of related party transactions and the controls around identifying and disclosing related party transactions in the financial statements was undertaken. We have recommended strengthening of the controls around documenting related parties and the subsequent review of disclosures for the financial statements.</p> <p>A review of the accounting estimates and judgements within the annual accounts was undertaken and no issues were identified.</p> <p>We tested a sample of transactions taken from both pre and post year end to confirm expenditure and income and been accounted for in the correct financial year. No issues were identified from this testing.</p> <p>We tested a sample of accruals and prepayments and evaluated significant transactions that were outside the normal course of</p>

Audit risk	Assurance procedure	Results and conclusions
		<p>business. No issues were identified through this testing.</p> <p><b>Conclusion:</b> Our testing did not identify any evidence of management manipulating accounting records or overriding controls. We did however, identify some strengthening of controls and documentation around the recording and reporting of related parties.</p>

41. We continue to assess the potential risk of material misstatement throughout our audit. We reviewed our audit approach prior to the financial statements audit identifying a further significant risk around the valuation of property, plant and equipment. We considered the movements in market and construction price indices and the impact this could have on those assets valued at depreciated replacement cost that had not been subject to the revaluation exercise in year. On this basis we re-assessed the risk of material misstatement on the valuation and measurement of buildings not revalued in year to a significant risk of material misstatement. In [Exhibit 4](#) below we have outlined the planned audit procedures and the outcome of these.

## Exhibit 4

### Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p><b>2. Risk of material misstatement on the valuation and measurement of assets valued at depreciated replacement cost not revalued in year</b></p> <p>Market and construction price indices have been rising due to current market conditions including rising inflation. The carrying value of assets valued at depreciated replacement cost which have not been revalued in year could be materially misstated.</p>	<p>Make inquiries of management around how they are satisfied that assets not subject to revaluation in year are free from material misstatement;</p> <p>Review Management / valuer's assessment of assets not subject to revaluation to determine if this is consistent with auditor knowledge or other similar property valuation movements.</p> <p>Consider the sufficiency of Management's assessment</p>	<p><b>Results &amp; Significant Judgements:</b> The Council has concluded that assets not subject to valuation in year are not materially misstated in the accounts. Following audit challenge in this area, the Council's valuer undertook an exercise to evidence the conclusion reached that assets not subject to valuation in year are held at a value that would not be materially different to current value.</p>

Audit risk	Assurance procedure	Results and conclusions
	of assets not subject to revaluation in year and the extent to which this has considered independent valuation advice and market movements.	<b>Conclusion:</b> Subject to conclusion of audit procedures, we are satisfied that property, plant and equipment has been valued in accordance with the code and is free from material misstatement.

42. We will conclude on the results of our audit procedures relating to the significant risk of material misstatement for the valuation and measurement of assets valued at depreciated replacement cost not valued in year when the information is provided by the professional valuer and management and when we have concluded our audit procedures.

### East Renfrewshire Council revaluation programme has been amended to ensure coverage of each class of assets annually

43. Following a prior year audit recommendation the non-current asset revaluation programme has been refined to ensure that a minimum of 20% of assets in each class of assets has been included. As referenced in [Exhibit 4](#) price and construction indices have been rising significantly and thus impact on the valuation of assets valued at depreciated replacement cost and this led to a significant risk of material misstatement. Management have provided assurances around the carrying value of buildings valued at depreciated replacement cost which were not revalued in year.

### Statutory override adopted for the disclosure of infrastructure assets

44. Across the UK, a technical accounting issue has been identified covering infrastructure assets, which we have considered as part of our audit this year.

45. Infrastructure assets typically include highways, footpaths, bridges and culverts and are included at historical cost in the accounts (£45.510 million at East Renfrewshire Council). A replaced component of an asset has to be de-recognised and at some councils the records of additions were not detailed enough to comply with accounting code requirements. A failure to de-recognise assets correctly would have resulted in double-counting and an overstatement of the gross book value; accumulated depreciation and potentially the net book value of the assets.

46. CIPFA/LASAAC considered the matter and proposed amendments to the 2021/22 accounting code to allow a reasonable assumption that the net book value of replaced parts of infrastructure assets are £nil and a temporary adaptation to remove the requirement to disclose gross book value and accumulated depreciation in the financial statements. The Scottish Government has issued Finance Circular 9/2022 to implement these changes.

47. At East Renfrewshire Council, management considered the detailed records available to support infrastructure additions since 2010 and concluded that the above statutory overrides were required and have amended the infrastructure disclosures in the audited accounts, this is explained at Note 15.

### Other areas of audit focus

48. We identified in our 2021/22 Annual Audit Plan areas where we considered there to be other risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks. The areas of specific audit focus were:

- Measurement and judgements applied to the valuation of pension liabilities: East Renfrewshire Council recognised a net liability of £119.443 million relating to its share of Strathclyde Pensions Fund at 31 March 2021. There is a significant degree of subjectivity in the measurement and valuation of the pension fund liability. The valuation is based on specialist assumptions and estimates, and changes in these can result in material changes to the valuation.

### Identified misstatements were adjusted in the annual audited accounts

49. Total misstatements identified in the accounts are outlined at [Appendix 2](#) of the report. These mainly related to non-current asset adjustments:

- Capital expenditure on common good asset recognised through non-current asset additions and revaluations in unaudited accounts but accounting treatment corrected to a capital grant to the common good and the asset being reflected through the common good account;
- technical accounting change was required to the capital adjustment account to recognise the historic element of depreciation only.
- Correction of accounting treatments for Alternative Certification Funding income and HSCP £500 bonus payment from principal to agency in line with guidance.

50. Adjustments have been made within the accounts for all of these. These did not impact on the net expenditure in the Comprehensive Income and Expenditure Statement or the net asset position in the Statement of Financial Position. Details of these adjustments are shown in Appendix 2.

51. Within [Appendix 2](#) we have also outlined presentational and misclassification adjustments made to the accounts and disclosure amendments we recommended.

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## 2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

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### Main judgements

The council has appropriate and effective financial management. An underspend of £3.852 million was reported against budget was reported in 2021/22 after a decision to restrict non-essential expenditure. Covid-19 pressures were met through Scottish Government funding.

Systems of internal control operated effectively in 2021/22 with some scope for improvement noted.

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### The council reported a surplus but the Covid-19 pandemic had a significant impact on the 2021/22 financial year

52. The council approved its 2021/22 budget alongside the financial planning 2021-27 report in March 2021. The budget was set to provide for net expenditure of £258.808 million including £5.054 million of unidentified savings and the utilisation of £3.465 million of reserves in year.

53. There were additional cost pressures in-year as a consequence of the Covid-19 pandemic. The council spent £14.47 million during the year on Covid-19 related costs. These included staff costs and other measures to address the Covid-19 pandemic which were funded by the Scottish Government.

54. At the year-end there was an underspend of £3.852 million. This position was achieved through managing staff vacancies, improved income generation, additional Scottish Government grants including unutilised covid funding and underspends on supplies and services as Directors avoided all non-essential expenditure.

55. In addition, the council administered the distribution of £11.1 million of Covid-19 support grants to local businesses and residents. These included business support grants, self-isolation support and low-income pandemic payments. There was an agency arrangement between the council and Scottish Government in the administration of these grants.

## Usable reserves decreased slightly but remained relatively stable

56. One of the key measures of the financial health of a body is the level of reserves held. The level of usable reserves held by the body decreased slightly from £60.3 million in 2020/21 to £58.9 million in 2021/22.

57. The level of usable reserves held by the council was relatively stable between 2018/19 and 2019/20 with a slight increase of £0.5 million. The usable reserve position increased significantly in 2020/21 from £44.2 million to £60.5 million. This was largely due to the impact of the Covid-19 pandemic and the receipt of £12.815 million of covid grants that were unspent at the year end.

58. Exhibit 5 shows usable year end reserve balances from 2018/19 to 2021/22. This illustrates the movement of reserves over the past four years and shows the significant increase in reserve totals during 2020/21.

### Exhibit 5

#### Movements in useable reserves 2018/19 to 2021/22

	31 MARCH 2019 £m	31 March 2020 £m	31 March 2021 £m	31 March 2022 £m
General Fund (Non-earmarked)	(10.554)	(9.643)	(11.670)	(11.772)
General Fund (Earmarked)	(19.049)	(21.818)	(35.594)	(34.417)
<b>General Fund (Total)</b>	<b>(29.603)</b>	<b>(31.461)</b>	<b>(47.264)</b>	<b>(46.189)</b>
Housing Revenue Account	(1.718)	(2.316)	(2.221)	(1.867)
Capital Reserve	(3.835)	(2.656)	(2.668)	(2.671)
Capital Grants and Receipts Unapplied Account	-	-	(1.920)	(2.628)
Repairs and Renewal Fund	(6.581)	(5.829)	(4.236)	(3.647)
Insurance Fund	(1.950)	(1.960)	(1.969)	(1.903)
<b>Total</b>	<b>(43.687)</b>	<b>(44.222)</b>	<b>(60.278)</b>	<b>(58.905)</b>

Source: Audited Accounts 2020/21

59. As shown in Exhibit 5, the general fund reserve is the largest reserve, with a balance of £46.189 million. Although the general fund has no restrictions on its use, £34.417 million of the balance is earmarked for future expenditure plans. From review of the earmarked reserves at 31 March 2022 it is noted that £14.085 million of the total general fund earmarked reserve balance relates to unspent covid-19 grants.

60. The council's reserve strategy considers the level of non-earmarked general fund reserves as a percentage of the annual budgeted net revenue expenditure. At 31 March 2022, the balance of £11.772 million of reserves is 4.4% of the annual budgeted net revenue expenditure. This is broadly in line with the council's target of 4%.

61. In previous audit reports we have recommended improvements to budgeting and forecast reporting arrangements within the council due to consistent underspends against budget. An underspend was achieved in 2021/22 and planned utilisation of reserves was not required due to the impact of decisions made to constrain expenditure levels as outlined at paragraph 54. This was reported through budget monitoring arrangements.

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### Recommendation 3

As part of the budget process the council should continue to assess the reasonableness of service budgets and ensure that these reflect planned expenditure as these inform the level of planned spend and required council tax rates to support this expenditure. The adequacy of reserve levels should also be assessed and members should be given adequate information to make choices around the utilisation of monies including previously unused balances.

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### Housing revenue account reported a deficit in year

62. The council is required by legislation to maintain a separate housing revenue account and to ensure that rents are set a level which will at least cover the costs of its social housing provision.

63. In February 2021, council agreed to raise rent by 1% from April 2021. Members were advised that there has been increased void rent losses and rent arrears over the period of the Covid-19 pandemic and that there was a projected deficit of £0.606 million for 2021/22.

64. Income and expenditure reported in the HRA was in line with these projections and a budget deficit of £0.354 million was recorded in year. We have not identified any issues with our audit testing over HRA.

### Capital expenditure was lower than planned in 2021/22 and plans were re-phased during the year

65. General fund and housing capital expenditure were approved by the council as part of the budget setting process in March 2021. These outlined a general fund capital budget of £41.286 million and a housing capital budget of £18.499 million for 2021/22.

66. A report recommending cost variations and re-phasing of the 2021/22 capital programme was approved by Cabinet on 25 November 2021. The report provided an update on a number of projects and the impact of Covid-19, increased energy and fuel prices and the emerging impact of the crisis in



Ukraine. These factors have had a significant impact on the market and have resulted in shortages of labour and material as well as associated cost pressures. The increased prices and longer lead times are expected to continue to be experienced across construction projects.

67. The total capital expenditure in 2021/22 was £35.901 million of which £22.851 million related to general services and £13.050 million to the housing revenue account.

68. Council revised the capital plan in September 2022 to more accurately reflected planned activity. The capital group have decided that no new in-year projects will be added to the plan and that no further borrowing will be made to meet new emerging inflationary costs. Instead, capital projects will either be re-profiled or reduced specification/activity will be planned on existing projects.

69. Whilst the council have taken positive action to re-phase the capital plan to reflect planned activity it will be important for the Council to continue to monitor the impact of the revised plan and consider any revenue implications of deferring capital investment.

### **Financial systems of internal control operated effectively**

70. Our management letter presented to the Audit Committee on 29 September 2022 concluded our findings from the review of systems of internal controls. We concluded that the controls tested were operating effectively.

71. Whilst our audit testing did not identify any significant control weaknesses, we did identify and report some less significant issues. In response to these findings, the audit team undertook additional substantive testing to gain the required assurances for the financial statements audit.

### **Internal audit**

72. Each year we review the council's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit. We have taken cognisance of the findings of internal audit's work, but we did not place direct reliance.

73. The council's internal audit function regularly report progress to the Audit and Scrutiny Committee. Throughout 2021/22 these reports outlined continuing capacity and resourcing challenges and difficulties in auditing remotely. This led to eight audits being deleted from the plan in quarter four of the year, resulting in a reduction of audit days from 661 days to 518 days. Internal audit completed the revised planned work. They were able to undertake sufficient work to provide assurances however, the chief auditor recognises that further work is required to ensure planned internal audit activity is deliverable.

## Arrangements for the prevention and detection of fraud and error were appropriate

74. East Renfrewshire Council is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, it is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

75. The risk profile of public bodies during 2021/22 has been significantly affected by the Covid19 pandemic. This is likely to have increased the risk of fraud and error as control environments and internal controls have had to change to allow for services to operate effectively and respond to issues in a timely manner. We have concluded that there are appropriate arrangements for the prevention and detection of fraud, error and irregularities.

## Arrangements for preventing fraud and corruption in the procurement function are appropriate.

76. The consideration of financial management includes evaluating the arrangements in place for fraud and corruption. Instances of fraud and corruption are particularly prevalent in the procurement function. We carried out an assessment of the arrangements in place at the council to prevent fraud and corruption in the procurement function.

77. We reported in our 2019/20 Annual Audit Report that "instances of fraud and corruption can be particularly prevalent in the procurement function. As reported in the Annual Audit Plan, we used the work of Internal Audit in this area. Their report, Procurement Red Flags, provides coverage of many aspects of Audit Scotland's *Red Flags in Procurement*. Further audit work was undertaken by external audit by 2021/22 to ensure full coverage of the controls identified within this report". This included reviewing staff training arrangements and the recording of gifts and hospitality.

78. Our review confirmed that each department is responsible for managing and maintaining their own register for gifts and hospitality. The procurement team maintain a central contract register. This is going to be held online going forward to make visibility easier across the council. The procurement team also undertake an annual creditor spend review.

79. Training is not mandatory but is available on request. The council's procurement intranet page holds key information including videos such as 'Which Procurement route to take', 'Community Benefits', 'Contract and Supplier Management', 'Fair Work Practices', 'Sustainability', 'Quick Quote', 'Tenders', 'Important Documents - Spec Writing etc' and Standard Operating Procedures.

80. We have concluded that the council have arrangements in place to prevent fraud and corruption within the procurement function.

# 3. Financial sustainability

Financial sustainability looks forward to the medium and long term to consider whether the council is planning effectively to continue to deliver its services or the way in which they should be delivered

## Main judgements

The financial consequences of Covid-19 are continuing to emerge. Further financial challenges are emerging around inflationary pressures. The council will need to continue to refine the medium-term financial plan as more clarity on the impacts of these pressures becomes evident.

## We have obtained audit assurances over the wider audit dimension risks relating to Financial Sustainability identified in our 2021/22 Annual Audit Plan

81. [Exhibit 6](#) sets out the significant risks of material misstatement we identified in our 2021/22 audit plan, our assurance procedures and the results and conclusions from our work. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and informed where the efforts of the team were directed.

## Exhibit 6

### Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>Financial sustainability</b></p> <p>Councils continue to face significant financial pressures on funding and increasing demand on services. East Renfrewshire Council approved a one-year 2022/23 budget in March 2022. The budget shortfall was calculated at £9.5 million. The council plan to balance this through a savings target of £2.2 million, by using £5.2 million from reserves and through increasing council tax</p>	<ul style="list-style-type: none"> <li>Assessment of the adequacy of the council's longer term financial management arrangement and plans reported to members.</li> <li>Review of the council's financial position through budget monitoring reports presented to members.</li> </ul>	<p><b>Results &amp; Significant Judgements:</b></p> <p>From review of the monitoring reports and year end outturn position we noted that the council reported an underspend in 2021/22. This was achieved through a combination of Director's actions to avoid non-essential spend, along with improved income generation and additional Scottish Government grants which resulted in a contribution of</p>

Audit risk	Assurance procedure	Results and conclusions
<p>by 3.5%. In the short to medium term the council will continue to face a number of uncertainties and pressures that may have a financial impact on the council. As a result, there is a risk to financial sustainability.</p>		<p>£0.107 million being made to non-earmarked reserves. This represents an improvement of £3,857 million on the budget set on 15 March 2021.</p> <p><b>Conclusion:</b> The council demonstrates a clear focus of prudent financial management. However, the council should review budgets and savings plans to ensure these accurately reflect planned activity.</p> <p>If relevant, cross refer to an action in Appendix 1 Action Plan Point 3</p>

## The council face increasing financial pressures

82. The financial impact of the pandemic on the council is likely to extend across several years and could include a reduction in income from business rates and council tax non-payments as well as a reduction in fees and charges. Bodies may also face increased costs such as higher staff costs to cover the delivery of services.

83. The council have started to experience financial pressures from increasing utility cost and rising inflation. The impact of these wider financial factors on local residents may increase demand for some council services including, entitlement to free school meals or uniform clothing grants as well as reduced council tax collection rates.

84. The 2022/23 revenue budget was approved by Council on 3 March 2022. The budget outlined departmental non-Covid spending plans of £275.181 million, including contributions to the Integration Joint Board and East Renfrewshire Culture and Leisure Trust. The council plan to drawdown reserves during the year of £5.253 million. Saving requirements of £2.176 million across council directors have been set and sufficient savings options to address this gap have been identified.

85. A cross party Budget Strategy Group for the 2023/24 – 2025/26 budget has been established. The group has been presented with financial information and forecasts and have been given an early indication of the 2022/23 year-end reserve position.

86. Local government finances are under increasing pressures from inflationary pressures across pay and non-pay expenditure to pressures on services as the council continues to support covid-19 recovery. COSLA are exploring various

financial flexibilities with the Scottish Government to support authorities. At a local level, the Budget Strategy Group are considering temporary flexibilities, including reviewing the repayment profile on service concession arrangement debt.

### **Medium and longer-term financial plans are updated annually to reflect the changing environment the council are operating within**

87. It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the council's operational strategies. The council has various long term financial planning documents including the Capital Investment Strategy, General Fund and Housing Capital Plans and Financial Planning report.

88. The council adopted a multi-year budget approach in March 2018 when the 2018/19 budget and indicative budgets for 2019/20 and 2020/21 were approved. Due to the impact of Covid-19 and the late confirmation of UK and Scottish budgets, single year budgets have been set in 2021/22 and 2022/23. However, departmental modelling of the council's financial position will continue internally for the three years 2022/23 to 2024/25 in support of the council's Outcome Delivery Plan.

89. Multi-year budget setting will resume from 2023/24 after the Scottish Spending Review in May 2022 when multi-year settlement information should be provided by the Scottish Government.

90. As part of the annual budget setting process, the council present their long-term financial plan, covering the period 2022 - 2028. The financial plan demonstrates the council's awareness of the long-term pressures they face, including demand pressures and changes to legislation of government priorities. The plan reflects changing demands on council services and provides commentary on wider political, societal and economic changes including Covid-19, the independent review of adult social care and the impact of the UK's withdrawal from the European Union.

91. Due to the additional challenges presented by Covid-19, rising inflation and increased utility costs and the medium to longer term impact this may have on planned public sector spending across the UK and Scotland, the council's existing financial outlook plan is subject to significantly greater uncertainty.

92. It is likely that further decisions and announcements by the UK and Scottish Government will impact and influence the council's financial outlook in the short, medium and longer term.

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## **Recommendation 4**

**The council should develop a revised financial strategy incorporating new or temporary financial flexibilities and assess how the total balances available are**

best utilised to support the financial sustainability of the council over the medium term.

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

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# 4. Governance and transparency

The effectiveness of scrutiny and oversight and transparent reporting of information

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## Main Judgements

The council's governance arrangements operated effectively during the year. Following the local council elections in May, a new Administration was formed between Labour and Independent Members. In addition, there was a significant turnover in members. Officers have implemented induction and support arrangements for new and returning Members.

The council demonstrates its commitment to conducting its business in an open and transparent through the recording of committee meetings and availability of information through the council website.

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## Governance arrangements operating throughout the Covid-19 pandemic have been appropriate and operated effectively

93. The council introduced emergency measures in response to the Covid-19 pandemic in March 2020. These included the suspension of delegations to committees, with the exception of the Emergencies committee and delegated authority granted to the Chief Executive, all directors and heads of service and the Chief Officer – Legal and Procurement. Following the 2020 summer recess, committee meetings reconvened and emergency measures were lifted.

94. All meetings continued to be held virtually until June 2022. Full council meetings are now being held in-person and standing committees are either in person or using hybrid arrangements. The council records all its main Council and committee meetings and this is available on the council's YouTube Channel.

95. Most items on committee agendas are covered in open session at meetings rather than in private. The council's website allows members of the public to access a wide range of information including the committee minutes and papers, the register of members' interests, how to make a complaint and various performance and strategic reports.

## New administration

96. In May 2022 the Scottish Local Authority elections were held. Eighteen councillors were elected and a new administration was formed between Labour and the Independent members. There was a significant turnover in members.

97. One of the recommendations from the Best Value Assurance Report in 2017 was for councillors to take a more transparent and active role in scrutiny and to have greater oversight of the transformation of the council. In response to this recommendation, a new programme of essential scrutiny skills training for elected members was developed and delivered.

98. Following the elections in May an induction programme for new elected members was established. This covered Leadership and Decision Making, Standards in Public Life and the Councillors Role, Introduction to Council Departments & Partner Organisations, Budgets, Finance and Funding, Strategies for the Future and Introduction to Our Community Planning Partners. The new administration and committee membership is still new and evolving and it is too early to comment on the effectiveness of arrangements.

### **Audit and Scrutiny Committee**

99. Audit committees provide independent assurance to those charged with governance on the adequacy of the risk management framework, the internal control environment and the financial reporting and governance processes.

100. CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2018 outline how committees can effectively discharge its responsibilities by:

- Meeting regularly and having a clear policy around what items are taken in public and private
- Being able to meet privately and separately with the external auditor and with the head of internal audit
- Including, as regular attendees the chief finance officers, chief executive, head of internal audit and the appointed external auditor. These officers should be able to access the committee, or the chair as required
- Having the right to call any other officer as required
- Reporting regularly on its work to those charged with governance, and at least annually reporting an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities.

101. The audit and scrutiny committee reported in April 2022 the outcome of their self-assessment review which reflected on the committee over the five-year period of the last administration. The review was undertaken using tools made available by the Chartered Institute of Public Finance and Accountancy (CIPFA).

102. The audit and scrutiny committee has subsequently been formed and has a new membership following the local government elections. While there were



no significant issues raised within the self-assessment, the audit and scrutiny committee should consider the conclusions and recommendations from the self-assessment exercise and draw on the good practice and lessons learned. Good practice would be to annually self-assess the committee. This will support the development of the committee. The review should focus on how effective the committee perceives itself to be in delivering its business and not on the activities it undertakes.

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## Recommendation 5

Establish an annual self-assessment of the audit and scrutiny committee to assess and challenge the effectiveness of the committee and to identify areas for development.

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## Risk Management

103. The audit and scrutiny committee have oversight of the risk register and risk management strategy. This is appropriate given their oversight and scrutiny function and the role they have in directing and approving internal audit plans. However, the scheme of administration states that the committee make recommendations to Cabinet on the introduction and development of appropriate risk management arrangements across the Council. Furthermore, from attendance at the committee further clarity is required around the committee's responsibilities with regard to risks management.

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# 5. Best Value

Using resources effectively and continually improving services.

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## Main judgements

The council has an appropriate and effective best value framework in place.

Best value work on partnership working and collaboration has concluded that strong partnership working arrangements are in place with shared visions around recovery and renewal.

The council continue to perform strongly in comparison to other councils. However, service performance levels in 2021/22 were impacted by Covid-19.

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## The council is making good progress in securing Best Value

104. Best value is assessed over the audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council has been considered by the Accounts Commission at least once in this period. The BVAR report for the council was published in November 2017.

105. The BVAR concluded that the council has a clear vision and strategic direction which reflects its understanding of the local area and is supported by Councillors, officers and the council's partners. A framework of strategic priorities underpins this vision.

106. We also highlighted key areas where the council should focus its improvement activities going forward. The report made five recommendations for further development including:

- councillors having a more transparent and active role in scrutiny
- a more strategic and co-ordinated approach to planning and managing corporate resources and the transformation programme
- identify why revenue budgets are consistently underspent and introducing realising budgeting policies
- enhanced engagement with communities and partners
- use of a wider variety of option appraisals as part of transformation and service review.

107. The council prepared an action plan to address the recommendations and progress was reported annually to Cabinet until the action plan was completed. As part of the best value work undertaken in 2022/23, an updated position was

provided on the activities undertaken within the council in each of the areas noted above. The council continue to make positive progress in implementing the recommendations from the 2017 Best Value and Assurance Report.

## Best value

108. The best value audit work carried out this year focussed on the council's arrangements for demonstrating best value in partnership and collaborative working. The findings of this work are reported below. The effectiveness of the council's best value arrangements in other areas has been assessed and reported throughout our audit appointment in annual audit reports and the best value assurance report.

109. The council have long-standing established positive working relationships with partner organisations and are involved in a wide range of partnership projects and initiatives. In responding to the challenges and impact of the Covid-19 pandemic the relationships with some partner bodies, particularly those within the voluntary section strengthened.

110. In September 2018 terms of reference and governance arrangements were agreed with community planning partners. The Community Planning Partnership (CPP) meet annually to set priorities and direct progress, and a Performance and Accountability Review (PAR) group to meet biannually to monitor progress and agree improvement actions. Prior to the pandemic three Information and Consultation Sessions were held each year for elected members to scrutinise and influence community planning activity. These resumed in October 2022.

111. A virtual Community Planning Partnership Meeting was held in March 2021 where governance arrangements were explored and it was agreed to have a more thematic and action-planning approach to Community Planning, with Locality Planning being embedded over time. This would allow more focus on the three recovery and renewal themes of:

- Community Wellbeing
- Community Connectivity and
- Community Wealth Building.

112. In August 2021 the CPP Board and PAR met together for an annual meeting where progress on the Community and Fairer East Ren plans were reviewed. The three recovery and renewal themes were revisited with a commitment to use these as a framework to further develop the Fairer East Ren plan. We have reviewed these documents as part of our work and conclude that they are high level documents containing key information.

113. The council have a joint venture arrangement with NHS Greater Glasgow and Clyde for the East Renfrewshire Integration Joint Board (the IJB). The IJB was legally established in 2015, however, partnership working arrangements were already well established. A positive working relationship with the health board continues and within the day-to-day operation of the IJB teams of health

and social care staff are integrated into teams and managed by one manager from either a health, social work or social care background.

114. The council have strong partnerships working arrangements in place with partner organisations. Through the Community Planning Partnership the council have a shared vision with partners which is currently focussing on recovery and renewal.

## Transformation

115. In the past year the council have established the Business Operations and Partnership Directorate replacing Corporate and Community Services. This directorate is responsible for the Council's digital transformation programmes, which focus on 3 main programmes of work:

- Business Systems and Processes
- Customer Experience
- Workforce Productivity.

116. A new system of governance has been established with quarterly oversight by the Corporate Management Team and three programme boards with representation from the Council, HSCP and Culture and Leisure Trust. Each operates to a standard agenda, with online project and programme reporting dashboards.

117. Common staff roles have been established on projects, for example, project managers and business system developers. This includes responsibility for some of the Council's key ICT systems (e.g. Finance/Procurement; HR/Payroll; GOSS and ICON) and allows for co-ordination and management of skills across the organisation, enabling the identification of skills gaps. Recruitment for skill gaps will be managed centrally along with the co-ordination of skilled staff to projects to ensure all projects have an appropriate skill mix.

118. An increased focus on benefit realisation and budget savings from transformational activities is starting to take place. The council have developed a draft benefit framework. Digital and data technology is being used within the council to improve internal reporting capabilities, including through use of interactive online dashboards, which is enabling the council to report a more up to date position of activity and reducing workload in rekeying updates for different audiences.

119. The council are using 'Engage Process Modeller' to compare differences in processing times between old and new processes. It can be difficult to quantify the exact benefit of a new system, however the council recognise that this is an important step in demonstrating the impact of transformational activity and developing plans for improvement. An example of this would be the council tax and benefit system which was introduced to replace an end-of-life system last year. The council are able to measure an increase in the number of customers registered and using the system online and while exact efficiencies cannot be quantified, operationally the council has managed increased case volumes within existing resource.

## Performance management arrangements provide a sound base for improvement

120. The council has established arrangements in place for measuring and reporting its performance. The council website contains a range of performance reports, including annual performance reports, strategic performance reports and statutory performance indicator reports.

121. The Outcome Delivery Plan is a rolling three-year plan which is revised annually. This demonstrates how the council's services will contribute towards the outcome deliveries in the Community Plan and Fairer EastRen. The council developed a transitional plan for 2021/22 to reflect the impact of Covid-19 and to outline how the community plan can still be delivered.

122. The Annual Strategic Performance report was presented in Council in June 2022. This presents the council's performance against the Outcome Delivery Plan. This year the report reflected on key areas of the council's response to supporting residents and communities during the pandemic.

123. Within the council's Outcome Delivery Plan (2021-2024) there are 48 indicators in the plan and new data was available for 40 of these indicators at the year-end 2021/22. Performance against 25 of the indicators was met or on track within set thresholds. Five indicators were off target. Targets were not set for ten indicators. Nine of these relate to education indicators where data was not available as a result of covid-19. However, work is ongoing to re-baseline these measures for the current academic year. The remaining indicator is the gender pay gap indicator which is reported and monitored annually through the Local Government Benchmarking Framework.

124. The council are taking appropriate action to re-base their performance targets to enable realistic and meaningful targets to be established and taken forward.

## Statutory performance indicators (SPIs) are being met

125. The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. In turn, councils have their own responsibility, under their Best Value duty, to report performance to the public. The commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

126. The Accounts Commission issued a revised 2018 Statutory Performance Information Direction in December 2018 which requires a council to report:

- its performance in improving local public services provided by the council (on its own and with its partners and communities), and progress against agreed desired outcomes
- its own assessment and independent audit assessments of how it is performing against its duty of Best Value, and how it plans to improve

these assessments and how it (with its partners where appropriate) has engaged with and responded to its diverse communities

127. We have evaluated East Renfrewshire Council's arrangements for fulfilling the above requirements and concluded that appropriate arrangements are in place.

### **East Renfrewshire Council continues to perform well in the key service area of education in comparison to other councils**

128. The council participates in the Local Government Benchmarking Framework (LGBF). The framework aims to bring together a wide range of information about how all Scottish Councils perform in delivering better services to local communities, including the cost of services and how satisfied citizens are with them.

129. The annual update on performance within the Local Government Benchmarking Framework was presented to Cabinet on 3 June 2022. This provided Cabinet and the public with a full assessment of all 101 indicators in the Local Government Benchmarking Framework (LGBF) for 2020/21, split across ten key service areas. The LGBF report highlights those indicators in the top and bottom quartile, provides trend data and ranked position over a three-year period. It shows the Scottish average, and the family group range for all indicators.

130. The council continues to perform well in comparison to other councils with 36 indicators in the top quartile (ranked 1st to 8th). However, 14 indicators are in the bottom quartile (ranked 25th to 32nd). Strong performance has been reported in a number of areas including educational attainment of children where the council has maintained their position as the top performing council and in economic development and planning where they were ranked as the best performing council for investment in economic development and tourism per 1,000 of population and claimant count as percentage of 16-24 aged population.

131. Areas where the council ranked poorly in comparison to other local authorities were:

- Percentage of procurement spent on local, small and medium enterprises
- Cost of maintenance per kilometre of road
- Cost per dwelling of council tax collection

132. From reviewing East Renfrewshire's LGBF performance for 2020/21 it can be noted that performance has improved in some areas, stayed consistent in some and declined in other areas. There are some changes in performance year-on-year which have been impacted by the pandemic. The council have also noted a few issues with the underlying data for some of the measures for example, library virtual visits not being included in the numbers or issues with the sickness absence data around how staff movements in year are considered in relation to the calculation.

## National performance audit reports

133. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22, Audit Scotland published a number of reports were issued which may be of interest to the body. These are outlined in [Appendix 4](#).

134. East Renfrewshire Council have arrangements in place to consider and review national reports. The Audit and Scrutiny committee considered a number of national reports during the past year including the Local Government in Scotland Financial Overview 2020/21; Local Government in Scotland Financial Overview 2022 and Impact of Covid-19 on Scottish Council's Benefits Services. The committee covering paper outlines key messages and articulates this from an East Renfrewshire Council perspective. The committee agree required actions arising from the report findings.

# Appendix 1. Action plan 2021/22

## 2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Property, plant and equipment valuations</b></p> <p>The Code of Practice on Local Authority Accounting requires authorities to revalue property, plant and equipment with sufficient regularity to ensure the carrying amount does not differ materially from current value, being the value that would have been obtained if revalued. Property, plant and equipment valuations within the annual accounts is supported by workings from valuers, using a rolling programme of revaluations. The valuation process could be enhanced through greater documentation of the annual valuation report and management scrutiny over the report including:</p> <ul style="list-style-type: none"> <li>• The assets revalued in year and the methodology applied in the valuation exercise;</li> <li>• Key assumptions and estimates made in the valuation;</li> <li>• The total valuation amount reflected within the annual accounts; and</li> </ul>	<p>We recommend that a valuation report is prepared by the council's valuer on an annual basis outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme. There should be clear evidence of how officers have challenged and scrutinised the valuation to ensure the accounts are free from material misstatement.</p> <p><a href="#">Exhibit 2, Recommendation 1</a></p>	<p>An annual report will be prepared for the Chief Financial Officer outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme.</p> <p>Responsible Officer: Head of Strategic Services (Environment)</p> <p>Agreed date: February 2023</p>



Issue/risk	Recommendation	Agreed management action/timing
<ul style="list-style-type: none"> <li>• Details of compliance with industry standards</li> </ul> <p>In addition, there should be clear assurances around how those assets not subject to revaluation would not be materially understated.</p> <p><b>Risk:</b> There is a risk that the documentation to support the valuation exercise lacks detail and results in additional audit work being required to ensure appropriate assurances are obtained to support the valuations within the annual accounts.</p>		
<p><b>2. Related party disclosures</b></p> <p>The information held relating to member and officer interests could be enhanced to ensure that all relevant information is recorded to support the governance and financial reporting requirements around the disclosure of related parties. Processes and controls to consider and identify relevant relationships and transactions that require to be disclosed within the annual accounts should be reviewed for appropriateness.</p> <p>Risk – There is a risk that the council fail to identify related parties due to underlying documentation lacking sufficient detail.</p>	<p>We recommend that a review of controls and processes around related parties is undertaken. This will include the documentation of member and officer interests as well as the processes in place to identify the relevant disclosures for inclusion in the financial statements.</p> <p><a href="#">Exhibit 2 Recommendation 2</a></p>	<p>A joint review of paperwork and processes relating to staff and Member interests will be undertaken, culminating in new guidance and any necessary revisions to the registration process.</p> <p>Responsible Officer: Director of Business Operations &amp; Partnerships and Chief Solicitor.</p> <p>Agreed date: June 2023</p>
<p><b>3. General Fund</b></p> <p>The council has a history of underspend against budget as previously reported through our annual audit reports. An underspend was</p>	<p>As part of the budget process the council should continue to assess the reasonableness of service budgets and ensure that these reflect planned expenditure as these inform</p>	<p>Agreed. The 2021/22 underspend was a result of planned prudent action in the latter months of the year, when the worsening outlook for the coming year became</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>reported in 2021/22 through a combination of restrictions placed on non-essential expenditure. While in-year it demonstrates good financial management to manage resources prudently it is important that annual budgets reflect true planned spend of cost services to maximise the use of resources.</p> <p><b>Risk:</b> There is a risk that the council are not fully utilising available budget in year to support the delivery of front-line services.</p>	<p>the level of planned spend and required council tax rates to support this expenditure. The adequacy of reserve levels should also be assessed and members should be given adequate information to make choices around the utilisation of monies including previously unused balances.</p> <p><a href="#">Paragraph 61</a></p>	<p>clear. This action took account of the forecast reserve levels. The Council will continue to report on current and forecast reserve levels as a key element of its financial planning and will also continue to be flexible during the year to take necessary action in response to the changing financial outlook.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Agreed date: March 2023</p>
<p><b>4. Financial strategy to support financial sustainability</b></p> <p>The council face continuing financial challenges and significant uncertainty.</p> <p>It is anticipated that new financial flexibilities may become available and the impact of these should be assessed within the scope of the wider financial strategy.</p> <p><b>Risk:</b> There is a risk that decisions around financial flexibilities, transformation and redesign of savings are made without detailed financial impacts being available to support the decision-making process.</p>	<p>The council should develop a revised financial strategy incorporating new or temporary financial flexibilities and assess how the total balances available are best utilised to support the financial sustainability of the council over the medium term.</p> <p>The council will need to actively engage with local and national partners to deliver the required level of efficiencies and savings.</p> <p><a href="#">Paragraph 92</a></p>	<p>Agreed. The Council is currently reviewing the new service concession flexibility and will also assess any temporary financial flexibilities expected to be offered soon by the Scottish Government. We continue to update our long-term financial plans annually and to monitor and report on all available reserves as part of our financial planning and budgeting processes.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Agreed date: March 2023</p>
<p><b>5. Audit and Scrutiny Committee effectiveness</b></p> <p>The audit and scrutiny committee review their effectiveness periodically. Good practice would be to</p>	<p>Establish an annual self-assessment of the audit and scrutiny committee to assess and challenge the effectiveness of the</p>	<p>In June 2022, the new Audit and Scrutiny Committee endorsed a significant range of observations and recommendations made by the outgoing Committee in April. The new Committee</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>complete an annual self-assessment and action areas for improvement.</p> <p><b>Risk:</b> There is a risk that the committee do not identify improvement actions to support and strengthens the committees effectiveness.</p>	<p>committee and to identify areas for development.</p> <p><a href="#">Paragraph 102</a></p>	<p>agreed that periodic self-evaluation is useful, but did not support an annual review, due to workload and resource implications. Instead, the Committee made a commitment to 2 reviews during the lifespan of the Administration, one mid-way through (c.2024/25) and one at the end of the term (2026/27).</p> <p>Responsible officer: Director of Business Change &amp; Partnerships</p> <p>Agreed date: TBC</p>

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>6. Valuation Report</b></p> <p>The annual valuation exercise could be further enhanced through the preparation of an annual valuation report outlining:</p> <ul style="list-style-type: none"> <li>• the assets revalued in year</li> <li>• the methodology applied to the exercise</li> <li>• the total valuation amount reflected within the annual accounts and</li> <li>• details of compliance with industry standards.</li> </ul> <p><b>Risk:</b> There is a risk that the documentation to support the valuation exercise lacks detail and results in additional audit work being required to ensure appropriate assurances are obtained to support the</p>	<p>The council's valuer prepares a valuation report on an annual basis outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme.</p>	<p>Outstanding – see Action Plan Point 1 above</p>

Issue/risk	Recommendation	Agreed management action/timing
valuations within the annual accounts.		
<p><b>7. Annual Governance Statement</b></p> <p>The Annual Governance Statement provided as part of the unaudited accounts required additional disclosures to be incorporated and further refinement to reflect the activity within the council.</p> <p><b>Risk:</b> The Annual Governance Statement does not include all relevant disclosures.</p>	<p>Review and refine the project plan for the delivery of the unaudited Annual Governance Statement to ensure the statement is delivered within agreed timescales and to the appropriate standard.</p>	<p>Complete</p>
<p><b>8. Annual Governance Statement</b></p> <p>The Directors' assurance statements varied in terms of the level of detail provided. We would expect additional narrative to be provided to support the disclosures within the annual governance statement.</p> <p><b>Risk:</b> The Accountable Officer is not provided with the required assurances and the governance statement omits a significant issue.</p>	<p>Directors should ensure that their assurance statements and certificate are completed comprehensively, within the required timeframe and to appropriate quality standards for review and consideration prior to the drafting of the governance statement.</p>	<p>Complete</p>
<p><b>9. Capitalisation of staff costs</b></p> <p>Directly attributable staff costs are part of the cost of a capital asset. Staff costs are included within the Comprehensive Income and Expenditure Statement. This is a revenue statement and should not include capital costs.</p>	<p>Develop a process to support year-end reporting requirements for the allocation and recognition of capitalised staff costs within the financial statements.</p>	<p>Complete</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>The council are able to identify the capital costs. The council should incorporate a process to re-allocate capitalised costs for the purposes of the annual accounts.</p> <p><b>Risk:</b> There is a risk that the income and expenditure shown within the Comprehensive Income and Expenditure Statement is overstated.</p>		
<p><b>10. Personal Protective Equipment</b></p> <p>The council received personal protective equipment (PPE) from Scottish Government during the pandemic to support front line services.</p> <p>The council are unable to account for how the PPE was used. The council procured its own PPE during 2020/21. It is not clear at what level the decision to distribute the PPE to local businesses was taken.</p> <p><b>Risk:</b> There is a risk that resources were utilised unnecessarily on obtaining PPE stock.</p>	<p>Learn the lessons from the PPE experience to review and assess stock control/distribution processes and transparency of decision making with a view to improving control over provision of equipment and avoiding duplicate purchasing.</p>	<p>Complete</p>
<p><b>11. General Fund</b></p> <p>The council has a history of underspend against budget. An underspend was reported in 2020/21 through a combination of restrictions placed on non-essential expenditure and the impact of Covid-19 funding received. The general fund reserve position has increased significantly, however, a large</p>	<p>The council should continue to assess the adequacy of reserve levels as it reviews its financial strategy; and to ensure that members are provided with adequate information to make choices around the utilisation of all monies including previously unused balances.</p>	<p>See action plan point 3 above.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>proportion of the general fund balance is earmarked with a substantial element of the increase in the 2020/21 reserve position relating to Covid-19 unspent grants.</p> <p><b>Risk:</b> There is a risk that the council are not fully utilising available budget in year to support the delivery of front-line services.</p>		
<p><b>12. Land and building valuations</b></p> <p>The council revalue elements of its fixed assets over a 5-year rolling programme, with different classes of asset being revalued each year.</p> <p><b>Risk:</b> There is a risk of large valuation movements between each year's annual accounts.</p>	<p>Management should consider a valuation methodology whereby 20 per cent of each class of asset is revalued each year, with all assets still being revalued once over a 5-year period.</p>	<p>Complete</p>
<p><b>13. Financial strategy to support financial sustainability</b></p> <p>The Modern Ambitious Programme is continuing to progress. Alignment of transformation plans and the financial strategy will support decision making around service redesign.</p> <p><b>Risk:</b> There is a risk that decisions around transformation and redesign of savings are made without detailed financial impacts being available to support the decision-making process.</p>	<p>Develop a revised financial strategy incorporating revised approaches to service delivery and new ways of working to ensure the total balances available are used to support the financial sustainability of the council over the medium term.</p> <p>To address the financial challenge the council will need to actively engage with local and national partners to deliver the required level of efficiencies and savings.</p>	<p>See action plan point 4 above.</p>
<p><b>14. Option Appraisal</b></p> <p>The 'Way we work' project will inform the property needs and configurations for the future. Accommodation will</p>	<p>The council should develop robust option appraisals to consider all relevant financial, legislative and environmental factors including cost, future</p>	<p>This is currently in progress. A report will be submitted to the Council or Cabinet in December 2022 at the latest outlining the future property</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>be reviewed in relevant groupings using pre-determined criteria.</p> <p><b>Risk:</b> There is a risk that the optimal decision is not reached if all information and options are not fully considered and scrutinised.</p>	<p>need, configurations, investment requirements and carbon footprint to enable informed asset management decisions to be made.</p>	<p>needs on the Council, potential configurations for the Future, progress to date and advising that a full report including an options appraisal will be submitted by March 2023.</p> <p>Responsible officer: The Head of Strategic Services (Environment)</p> <p>Revised date: March 2023</p>
<p><b>15. Systems of internal control</b></p> <p>As a result of Covid-19 many staff have been working from home for all of 2020/21. This change in working arrangements will impact on how the internal controls operate.</p> <p><b>Risk:</b> There is a risk that the internal controls do not operate as expected due to home working.</p>	<p>The council should review its framework of controls, including for the new systems, to ensure that the impact of home working is taken into account.</p>	<p>In Progress</p> <p>The Council's framework of controls is formalised on a yearly basis as part of the completion of the Certificate of Assurance by the individual members of the Corporate Management Team, where changes to the internal controls are documented.</p> <p>Responsible officer: All Directors</p> <p>Revised date: June 2023</p>
<p><b>16. Business Continuity/ Disaster Recovery</b></p> <p>We have previously reported on the need for the council to ensure disaster recovery and business continuity plans are up to date, realistic and are tested.</p> <p><b>Risk:</b> Until the plans are fully implemented and tested, that the council suffers a loss of data and disruption to service.</p>	<p>The council should ensure that the business continuity arrangements are current and that disaster recovery arrangements are current and tested.</p>	<p>In Progress</p> <p>IT Disaster Recovery planning has progressed the documentation refresh action significantly. An organisation-wide Cyber Exercise was held in September. Documentation will now be updated accordingly, before undertaking a focussed IT Disaster Recovery desktop exercise to approve the final versions.</p> <p>Responsible officer: Head of Digital &amp; Community Safety</p>

**Issue/risk****Recommendation****Agreed management  
action/timing**Revised date: 31 March 2023

---



# Appendix 2. Summary of corrected misstatements

We report all corrected misstatements in the annual accounts that are individually greater than our reporting threshold of £0.250 million and request they be corrected.

The table below summarises corrected misstatements that were identified during our audit testing and have been corrected by management.

	CIES Dr £000	CIES Cr £000	B/S Dr £000	B/S Cr £000	MIRS Dr £000	MIRS Cr £000
1. Charges for depreciation and impairment of non-current assets						(4,832)
Difference between fair value and historic cost depreciation					4,832	
2. PPE – Cost – Other land and buildings – Additions				(885)		
Common Good Fund B/S - PPE			885			
CIES - grant received to service income		(885)				
CIES - grant paid to service expenditure	885					
3. Education – Gross Expenditure		(305)				
Education – Gross Income	305					
4. Health and Social Care – Gross Expenditure		(2,040)				
Health and Social Care – Gross Income	2,040					
<b>Total</b>	<b>3,230</b>	<b>(3,230)</b>	<b>885</b>	<b>(885)</b>	<b>4,832</b>	<b>(4,832)</b>

Notes:

Entry 1: Correction to the accounting for the depreciation charged on the difference between

historic and revaluated PPE cost (movement from Capital Adjustment Account to the General Fund) for both the General Fund and HRA.

Entry 2: Correction to addition for Common Good Fund Asset (removing addition from the Council Fixed Asset Register to recognition in Common Good Fund Balance Sheet)

Entry 3: Correction to accounting for Alternative Certification Funding (moving from principal to agency accounting).

Entry 4: Correction of accounting for HSCP funding (moving from principal to agency accounting)

### Misclassification and Presentational Adjustments

Disclosure	Auditor Recommendation	Adjusted?
<p><b>1. Depreciation on revalued asset</b></p> <p>There was a presentational amendment made within the note to the accounts for non-Property Plant and Equipment. This related to depreciation on revalued assets.</p>	<p>Amend the presentation of depreciation on revalued assets within note 15 of the accounts.</p>	<p>Adjustment made within note 15.</p>
<p><b>2. Demolitions revalued to nil net book value</b></p> <p>As part of our audit work on valuations we identified three non-current assets that were demolished in year. These assets were revalued to nil net book value instead of being treated as an asset disposal.</p>	<p>The demolished assets should be accounted for as asset disposals.</p>	<p>The annual accounts have been adjusted and the assets have been correctly recorded as disposals. This has had no impact on the net asset position.</p>

### Disclosure adjustments

The table below sets out our more significant proposed disclosure amendments, noting those that have been updated and those that have not. We are comfortable those that are not updated do not have a material impact on the users of the accounts and their understanding of the Council.

Disclosure	Auditor Recommendation	Adjusted?
<p>Management Commentary</p>	<p>We recommended some changes to the management commentary including a more detailed overview of the</p>	<p>Disclosures updated within the management commentary.</p>

performance of the council  
during 2021/22.

Annual Governance Statement	We recommended that the annual governance statement be updated to reflect the Chief Auditors opinion, progress on internal audits work and some other minor disclosure changes.	Disclosures updated within the management commentary.
Critical Judgements	Within the unaudited accounts a critical judgement was included in relation to the accounting treatment for Covid-19 funding. We recommended the removal of this critical judgement as the council will apply accounting standards.	Disclosure updated and the critical judgement relating to accounting for Covid-19 funding has been removed.
Estimation uncertainty	We recommended some changes to note 7 of the accounts – Estimation Uncertainty. This included the inclusion of a disclosure around the risk of inflationary pressures on costs and prices over the next twelve months over valuations of land and buildings.	The council have updated their capital plan to rephase projects taking into account factors around inflationary pressures, slippage on projects and difficulties obtaining materials. However, they did not view the inclusion of a note around estimation uncertainty as necessary.

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# Appendix 3. Summary of 2021/22 national performance reports and briefing papers

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## May

[Local government in Scotland Overview 2021](#)

## June

[Covid 19: Personal protective equipment](#)

## July

[Community justice: Sustainable alternatives to custody](#)

## September

[Covid 19: Vaccination programme](#)

## January

[Planning for skills](#)

[Social care briefing](#)

## February

[NHS in Scotland 2021](#)

## March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# East Renfrewshire Council

## Draft 2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

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EAST RENFREWSHIRE COUNCIL  
AUDITED ANNUAL ACCOUNTS 2021/22





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# Management Commentary

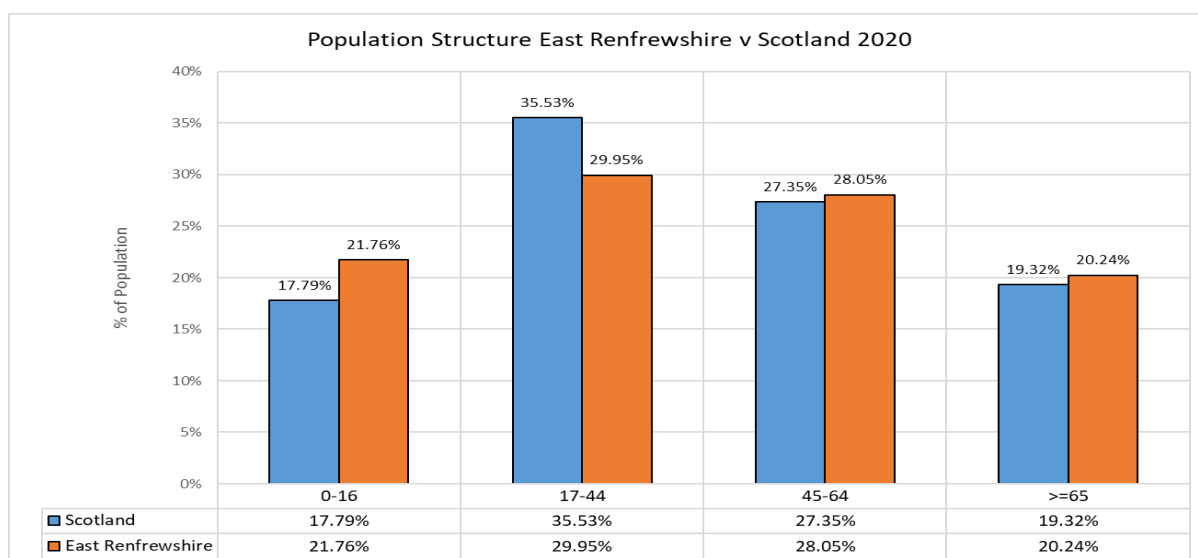
## 1. Introduction

This statement outlines key messages on the objectives and strategy of the Council and its financial performance during 2021/22 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 north of the area comprises the urban areas of Giffnock, Newton Mearns, Clarkston, Thornliebank and Barrhead. Each of these settlements has a distinctive character. In the extensive hinterland to the south, lie 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 2020 was 96,060\*. This is our highest ever population, with an increase from 2019 of 0.55%. The 2018-2028 Population Projections show that East Renfrewshire’s population will steadily increase by 6.4%. 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 45 to 64, and 65 and overs.



\*Source 2020 Mid-Year Population Estimates, National Records of Scotland published 25<sup>th</sup> June 2021.

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 administration during 2021/22 was made up of a coalition comprising of 5 SNP, 4 Labour and 1 Independent. The management of East Renfrewshire is led by the Chief Executive, Lorraine McMillan. Following the Local Government elections in May 2022 the composition of both the council and administration changed to 6 SNP, 5 Labour, 5 Conservative and 2 independent, with a minority administration comprising 5 labour and 1 independent.

### 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 2022. The Accounts are prepared in accordance with the 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.

### 1. Objectives and Strategy of the Council

East Renfrewshire Council's vision is to be a modern, ambitious council creating a *fairer future with all*. Following an in-depth analysis of need in our communities we have identified 5 ambitious outcomes that we are delivering on with our partners as set out in our Community Plan incorporating Fairer East Ren. Our Outcomes are:-

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



## Management Commentary (cont'd)

In order to deliver these outcomes well, we have also identified 5 capabilities that we need to excel at as a Council. These are the focus of our improvement work to maintain our position as one of the best councils in Scotland. They are:

### FIVE CAPABILITIES

#### PREVENTION



**We will ...**

Choose to prevent problems from occurring in our communities, rather than trying to fix what has already gone wrong.

**We will ...**

Instinctively take a preventative approach in our daily work, placing children, early years and the reablement of our elderly at the heart of how we plan services.

---

#### EMPOWERING COMMUNITIES



**We will ...**

Place a high value on listening to local people and asking for their views. We will work hand in hand to plan and deliver the services that truly make lives better.

**We will ...**

Listen, understand and respect, empowering our communities to do more for themselves.

---

#### DATA



**We will ...**

Seek and share meaningful information to plan our services and measure if we are getting it right. We will not collect numbers for the sake of it.

**We will ...**

Use data to plan, we will evidence what works, and we will benchmark what we do with those who might be doing it better.

---

#### MODERNISATION



**We will ...**

Continually look for ways to modernise and improve how we do things. We will make it easier for local people to access our services.

**We will ...**

Put a stop to bureaucracy and inefficient processes. We will focus on what is best for local people and not what is easiest for us.

---

#### DIGITAL



**We will ...**

Choose to be digital by default wherever possible. We will examine and digitise our processes to make it easy for people to access our services online.

**We will ...**

Encourage local people to use our website and social media to speak to us, and each other, 24/7, 365 days a year.

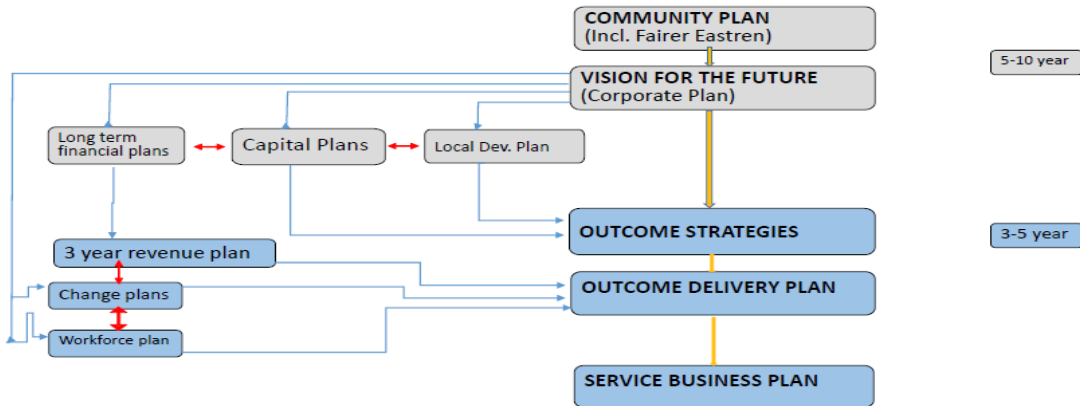


# Management Commentary (cont'd)

## Strategic Planning and Performance Outcomes

The Council has well established strategic planning and performance management arrangements which are embedded into the work of all employees linking our vision, strategic plans and outcomes through to services' business plans and employees' roles. Employees are working towards achieving our vision to be 'A modern ambitious Council creating a fairer future with all', with the ultimate aim to make people's lives better.

We have an integrated approach to strategic and operational planning. The diagram below illustrates how our medium and long term strategies and operational plans are integrated.



Our Vision for the Future sets out a forward direction and ambition for the Council over a 10 year time period. The Council approved an updated Vision for the Future in February 2020. A key theme of the update was supporting ongoing conversations with residents on themes including connecting communities, tackling loneliness and effective transport and active travel.

In March 2022 Vision for the Future was considered again in light of research examining impact of the pandemic, recovery and renewal in key policy areas (economy, poverty, education, health) and progress on aspects of community cohesion and sustainability. A new administration provides a potential opportunity for reviewing Vision for the Future in 2022/23 building in recovery and renewal and continuing conversions with communities to shape a new vision for the next ten years.

Our Community Plan (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:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People & People with Long-term Conditions

Fairer East Ren is the part of the Community Plan which is focused on tackling inequalities and closing the gap between communities. In 2020-21 a set of themed transitional plans for Fairer East Ren was approved covering child poverty, inclusive economic recovery, community well-being and connectivity and safe and connected communities. See link to report [here. www.eastrenfrewshire.gov.uk/media/5772/Council-Item-15-30-June-2021/pdf/Council\\_Item\\_15\\_-\\_30\\_June\\_2021.pdf?m=637602110318930000](http://www.eastrenfrewshire.gov.uk/media/5772/Council-Item-15-30-June-2021/pdf/Council_Item_15_-_30_June_2021.pdf?m=637602110318930000)



## Management Commentary (cont'd)

Our [Outcome Delivery Plan 2021-2024](http://www.eastrenfrewshire.gov.uk/media/5771/Council-Item-14-30-June-2021/pdf/Council_Item_14_-_30_June_2021.pdf?m=637602110311500000), [www.eastrenfrewshire.gov.uk/media/5771/Council-Item-14-30-June-2021/pdf/Council\\_Item\\_14\\_-\\_30\\_June\\_2021.pdf?m=637602110311500000](http://www.eastrenfrewshire.gov.uk/media/5771/Council-Item-14-30-June-2021/pdf/Council_Item_14_-_30_June_2021.pdf?m=637602110311500000) sets out how the Council will work towards achieving these outcomes as well as a set of organisational outcomes focusing on our customers, employees and our levels of efficiency. The plan was approved at Council in June 2021. There was a return to the inclusion of targets for most measures, baselined to take into account the impact of the pandemic on service delivery. This year we are completing a light touch review of the plan. The plan was considered at Council at the meeting on 29 June 2022. [https://www.eastrenfrewshire.gov.uk/media/7836/Council-Item-09-29-June-2022/pdf/Council\\_Item\\_09\\_-\\_29\\_June\\_2022.pdf?m=637916628531700000](https://www.eastrenfrewshire.gov.uk/media/7836/Council-Item-09-29-June-2022/pdf/Council_Item_09_-_29_June_2022.pdf?m=637916628531700000)





### Our performance

The Council's strategic performance management arrangements returned to a six monthly cycle of performance review meetings involving the Chief Executive, each Director and service managers, and elected members' scrutiny of performance at Council. Examples of progress on achieving our outcomes in 2021-22 is summarised below as reported to Council on 29 June 2022. [https://www.eastrenfrewshire.gov.uk/media/7836/Council-Item-09-29-June-2022/pdf/Council\\_Item\\_09\\_-\\_29\\_June\\_2022.pdf?m=637916628531700000](https://www.eastrenfrewshire.gov.uk/media/7836/Council-Item-09-29-June-2022/pdf/Council_Item_09_-_29_June_2022.pdf?m=637916628531700000)

### Performance targets

An analysis of the strategic indicators set in the Council's Outcome Delivery Plan (2021-2024) shows 62.5% (25 indicators) were met or on track/within thresholds set and 12.5% (5 indicators) were off target. The remaining 25% (10 indicators) targets were not set. Targets were not set for the nine education measures for the school year 20/21 due to the impact of the pandemic. Data gathered on these indicators for monitoring purposes, is being used to form new baselines for the current academic year. The Education Committee will consider a revised set of educational attainment targets at a meeting in the autumn. A Council target is not set for the gender pay gap indicator, however performance on this indicator is monitored annually and it is part of the national Local Government Benchmarking (LGBF) suite of indicators.

### Overview of Performance Indicator Status (21/22)

Status	Definition	Number	%
	On target	19	47.5
	Target to be achieved/within thresholds	6	15.0
	Off target	5	12.5
	For monitoring purposes (no target set)	10	25.0
Total		40	100.0

Three indicators around child protection and infant feeding were off target. Due to the small number of children involved in child protection procedures the percentages can fluctuate. Furthermore, the ongoing impact of the pandemic has made it more challenging to engage with children and young people regarding advocacy services. It has also been harder for some families to implement and sustain safety plans and there are improvements to the levels of support provided where children are at risk of harm. Where the safety scores have decreased, appropriate measures have been put in place to ensure the children's safety. The rate of exclusive breastfeeding at 6-8 weeks in the 20% most deprived zones (SIMD 1) in the area is 7.5% and refers to 4 out of 53 reviews. The visible downward trend is exacerbated by the small numbers of infants living in these areas.

Attendances at sports and leisure centres unsurprisingly were not on target, given limited opening hours and responding to Covid restrictions. East Renfrewshire Culture and Leisure Trust (ERCLT) has reported that attendance levels for 21/22 increased with Q1 levels at 20% of pre-COVID levels, rising to 50% by year end.



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

Despite the challenging circumstances and the additional demands still being placed on services overall we performed extremely well across our key outcomes including educational attainment, supporting local businesses, providing new affordable housing, improving the energy efficiency of our street lighting, reducing carbon emissions, and improving street cleanliness. Further information on progressing our strategic outcomes is listed below.

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

During the Covid-19 pandemic HSCP adapted services and despite growing demand and complexity, we have continued to support the most vulnerable families and individuals in East Renfrewshire, particularly those where there are public/child protection issues or an identified risk of harm. During the pandemic we have continued to ensure our care experienced young people have a voice through our Champions Board with ongoing participation and engagement and as we continue recovery we have been able to offer more advocacy support to children and young people subject to child protection. Supporting children and young people's mental health has continued to be a high priority during the period.

We have fully implemented all aspects of the early learning and childcare expansion programme, ensuring all eligible 2, 3 and 4 year old children are able to access their entitlement of 1140 hours of provision in a flexible way to suit their own family circumstances. All works have been completed across the early years estate, ensuring that children across East Renfrewshire are able to access their entitlement in the highest quality learning environments, both indoors and outside. The delivery models continue to be reviewed and will be updated where required following the biannual consultation exercise, set to take place later this year in advance of next year's application process.

Family First continues to support families across East Renfrewshire, with referrals increasing significantly in 2021/22 compared to the previous year. A total of ninety families were supported by Family First across the year, with the support evaluated as improving family life. In addition, 72 staff working across our Early Learning and Childcare settings in many of our more deprived areas have been trained in the Solihull approach, supporting families with the early identification of behavioural and emotional needs in both children and parents.

The Healthier Minds Service, established with support of a range of stakeholders during the pandemic period, has continued to support the mental health and wellbeing of children and young people, with a total of 599 individuals supported through the last year. Given the ongoing challenges many children and young people have been experiencing as they recover from the pandemic, this has been a very well received support, with 89% of those involved reporting improved outcomes.

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

We have maintained our position as the top performing education authority as measured by national qualifications. For educational attainment, the Council maintained very high levels of performance across a wide range of excellence and equity measures whilst making further improvements at 5+ SCQF (Scottish Credit & Qualification Framework) levels 5 and 6. Notably, the performance of our learners in the most deprived areas increased significantly at SCQF level 5 and remained highest in mainland Scotland for SCQF level 6. The attainment of young people, as measured by the average total tariff score, improved in 2020-21 to be the highest in Scotland across all deciles. The proportion of children in P1, P4 and P7 achieving the minimum expected Curriculum for Excellence (CfE) levels remained high in 2020-21 for literacy and numeracy measures. The gap in performance of the least and most deprived learners (P1, P4 and P7) achieving the minimum expected CfE levels increased slightly in 2020-21 in both literacy and numeracy.



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

The number of school learners undertaking and successfully completing a wide range of vocational qualifications with our further and higher education partners remained high in 2020/21 with 348 young people enrolled in a broad range of courses. Recruitment of Foundation Apprenticeships (FAs) continued to remain strong throughout the pandemic.

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

There have been extensive ongoing economic implications as a result of the pandemic, particularly on those furthest from the labour market, a drop in footfall in our town centres and significant negative impacts on tourism, hospitality and culture, entertainment and recreational businesses. We continue to provide a wide range of support and advice services in relation to town centre resilience, business survivability and growth and support to those looking for work or better paid work. During 2021/22 £6.1m in essential Covid-19 business support grants were paid to local businesses. A Placed Based Investment Programme in 21/22 also funded over £600,000 in local regeneration projects.

Recycling rates reduced in 2020/21 compared to previous years (56.6% from 67.8% in 2019/20). This downward trend was experienced nationally, with recycling rates dropping on average 2.9% (lowest since Local Government Benchmarking Framework (LGBF) reporting began). Covid-19 and restrictions have impacted on recycling rates due to contamination/capacity issues for households and temporary closures of household waste recycling centres.

Our Capital Improvement Programme continues with the additional investment of £3m per year up to and including 2023/24 in our road network. Our assessment and prioritisation of road and footway resurfacing continues as these are an integral part of our maintenance programme. Our programme of replacing our street lighting lanterns with LEDs (Light Emitting Diodes) continues with 76.42% now LED helping to reduce our energy consumption. Our Council target of building 225 new council houses (cumulative target over 5 years by 2022) fell just below target with a total of 212 being completed. The delays in construction over the last two years led to a slowing of delivery on sites tied up with private development, however, there are a further 77 units due in the coming months.

### **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. For example Police, Fire, Community Safety, Education & Youth Services worked together on ensuring open public spaces remain safe. Rouken Glen Park footfall increased by more than 584,000 between 2019-20 and 2020-21 to 1.6 million. Community wardens continue to play a key role in our isolation and support services by providing welfare support calls and food parcel deliveries to the most vulnerable. There has been an increase in the number of recurring incidences of anti-social behaviour complaints (10.4% up 3.4%). A multi-agency group meets on a weekly basis to reduce such cases and engage with those affected.

Despite the ongoing challenges of the pandemic a detached youth work programme has remained in place across East Renfrewshire. We have provided an ongoing street work initiative in 4 areas between April 2021-March 2022, making 3,437 contacts with young people during this time. From October 2021 we have introduced a new weekend detached youth work service in Clarkston and Barrhead and as a result approximately 50 young people have progressed onto a Skatepark project and youth drop in.

As we commenced our recovery from the pandemic we have seen significant improvement in performance on completion of Community Payback Orders (CPOs). This follows activity to increase





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

the staff available to support services during 2021-22. In 2021-22 all CPO participants reported that they have been helped to address their offending behaviour.

In the context of growing demand, we have further improved and are ahead of our target for improving the personal outcomes of women who have been victims of domestic abuse with 86% overall reporting an improvement in outcomes. Our recovery planning is prioritising the reestablishment and strengthening of our approaches to public protection.

### **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 additional demand pressures on services as more people sought support at home and levels of frailty and complexity increased, our services have continued to support older people and people with long-term conditions to live independently and well during the pandemic. 97% of local residents aged 65+ live in housing rather than a care home or hospital and 88% of respondents reported that their needs were met in terms of living where/as they wanted to live. We have also seen steady improvement in the percentage of people aged 65+ with intensive support needs receiving care at home at 62% up from 57%. During the pandemic we have focused our services on supporting those at greatest risk in both community and residential settings, while operating a full service in many areas. This saw additional staff support through redeployment and recruitment for care at home and our care home. Increased collaborative working has continued with the third/community sector and additional support given to partner provider organisations, particularly our care home providers.

During 2021-22 we have successfully delivered the flu and Covid-19 vaccination programmes to housebound residents and care home populations. We continue to develop our support to unpaid carers in collaboration with our local Carers' Centre and have continued to see a high proportion of carers reporting that their needs are being met (92%).

## **Public Performance Reporting**

Our annual performance report for 2021-22, as well as reporting on performance data also included a range of case studies showing how the Council and partners had supported local residents and communities during the pandemic. Access the report [here](https://www.eastrenfrewshire.gov.uk/performance-reports)

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

## **Workforce Planning**

The key workforce priorities to support the Council's delivery of services are to have:

- Empowered, resilient and engaged employees at all levels of the organisation;
- A diverse, skilled workforce;
- A flexible workforce that embraces change, innovation, and digitisation and delivers customer focussed services.

The Council's Workforce Plan is aligned with our budget planning. A single year budget has been set for 2022/23 and it is hoped to return to a multi-year process in future years. Planning over a longer period allows for better prediction of potential changes to workforce shape and size and allows time to plan appropriately for these changes to the workforce.

The last year has continued to be challenging with the workforce supporting ongoing tasks required as a result of the Covid-19 pandemic including isolation support, humanitarian support for vulnerable/shielding residents, business grants, lateral flow testing in schools and additional staffing



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

for schools, health and social care, cleaning, Mass Vaccination Centres and Asymptomatic Testing Centres. There has been additional funding from the Scottish Government to fund these activities. It has been challenging getting the appropriate resource in place at times and services have been supported with higher than normal levels of recruitment activity.

Covid-19 absence monitoring has been actively managed. As new variants of Covid-19 have emerged peaks in absences have been experienced and although there has been an impact on a number of services the Council has continued to deliver essential services throughout.

The Council has supported Scottish Government and Public Health Scotland guidance throughout and has promoted working from home for those who were able to do this. Indeed the Council is supporting hybrid working with The Way We Work initiative set-up to review our approach to work styles and looking at the property and technology supports we need to put in place to support our workforce.

The financial plan now set out for 2022/23 indicates a Council budget shortfall of £9.5m. After applying £5.2m of reserves and a 3.5% increase in Council Tax generating £2.1m, savings of £2.2m are needed across Council services and it is estimated that there will be a reduction of up to 36 full time equivalent from the current Council structure. There are further savings to be taken by the IJB (Integrated Joint Board) and Leisure Trust and decisions will be agreed through their governance routes if there is any impact on workforce. We have continued to manage reductions through natural turnover and voluntary early retirement and redundancies and a commitment has been made that this approach will continue for 2022/23.

Easing of Covid-19 restrictions is underway and the council will continue to follow national guidance. All services are reviewing recovery plans and continue to adhere to the measures in place. Services need to balance available resources across operational and developmental tasks which can be challenging in the current environment.

We continue to ensure that we will have the appropriate number of Local Government Employees and Teachers with the correct qualifications, registration and skills in the correct roles. As we move into recovery mode we continue to review our structures, operating models to introduce and establish more cross-functional and collaborative working to improve resilience.

The council's Digital Transformation Strategy has 3 strands: Business Systems & Processes, Customer Experience and Workforce Productivity. Over the last few years much of the resource supporting this work has been temporary however we are now undertaking organisational structure reviews to bring permanency to these teams. It is recognised that investment in development of our processes will ensure the council can continue to deliver services that meet customers' expectations.

The council has a workforce plan in place and the 2021-24 Workforce Plan is currently undergoing its annual review to reflect the current position, the workforce requirements to support recovery and renewal, development and retraining required and resources required to support service delivery during this difficult time.

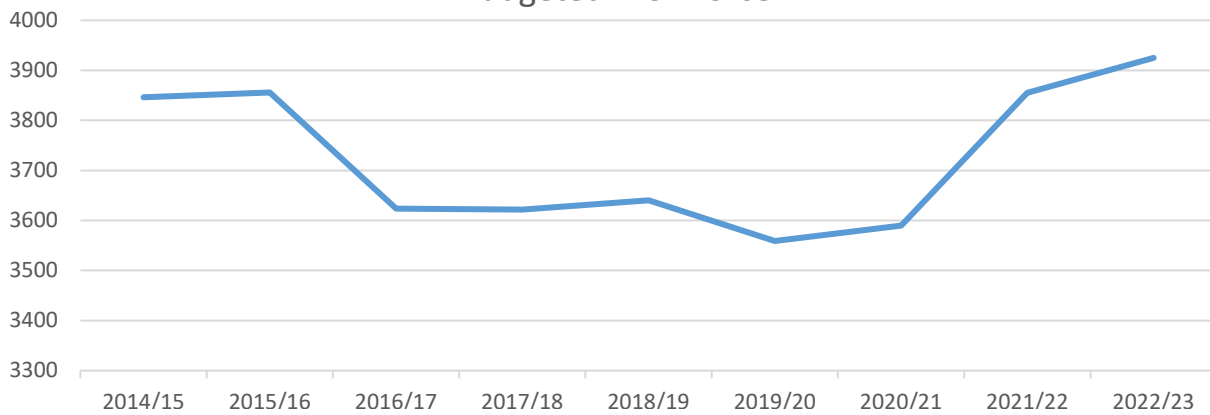
Due to the Council's programme of efficiency reviews 3 employees took the option of voluntary redundancy or other packages in 2021/22. This resulted in an in year cost of £0.075m.

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



## Management Commentary (cont'd)

Budgeted Workforce



\*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 and the increase over the last two years reflects the rolling out of the Early Learning and Childcare 1140 hours initiative.

### Consultation and Communication with Workforce

East Renfrewshire Council has in place employee governance arrangements 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. Throughout the Covid-19 pandemic there have been increased employee communications to promote the importance of health and well-being and to promote available support.

Weekly meetings have been held with the Trade Unions as a forum to quickly escalate any concerns and ensure swift resolution. The Corporate Communications Unit posts updates on the Council's internal website along with the Chief Executive's blog on a regular basis.

## 2. Financial Planning, Monitoring and Performance in 2021/22

### Budget Process

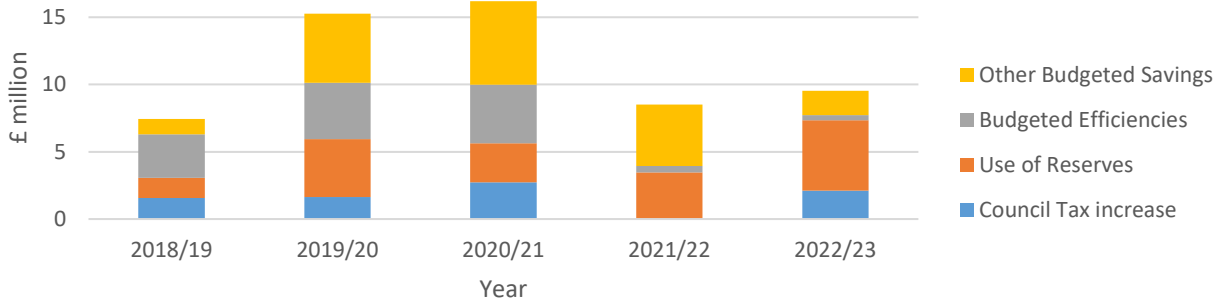
Following our successful previous multi-year budget approach, the Council undertook extensive community engagement, during autumn 2017, on setting its budget for future financial years. Reflecting on that engagement, a budget for 2018/19 and indicative budgets for 2019/20 and 2020/21 were approved by Council in March 2018 and the indicative budgets were updated and approved in February 2019 and February 2020. In view of Covid-19 delaying the confirmation of Council settlement figures for 2021/22 and 2022/23, a new three year budget and associated savings proposals could not be compiled and the Council agreed to produce only a single year budget for both years. A Citizens' space one year budget consultation was undertaken for 2022/23 with public feedback also obtained from the Council's 2021 Citizen's Panel and Humanitarian surveys. We hope that multi-year budget setting and public consultations will resume from 2023/24.

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 £31.50m budget savings has been approved for the most recent 5 year period. In addition, both Council Tax increases and the use of reserves have been used to balance the budget gap over this period. For 2021/22 the approved savings totalled £5.05m and these savings were all achieved.



**Management Commentary (cont'd)**

Budgeted Gap



Capital plans have also been agreed for the General Fund and Housing, covering the period 2022/23 to 2031/32.

**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 normally consider revenue monitoring reports and detailed variance information at Cabinet five 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)

**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 49 and has been prepared using International Financial Reporting Standards. 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 50.

An Expenditure and Funding Analysis reconciles adjustments between the Council's financial performance under the funding position and the deficit 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 General Fund Balance at the end of the year is £46.189m. The opening balance of £47.264m has been decreased by an overall deficit of £1.075m. The General Fund is split over a number of earmarked funds which are adjusted annually to take account of the following factors:-

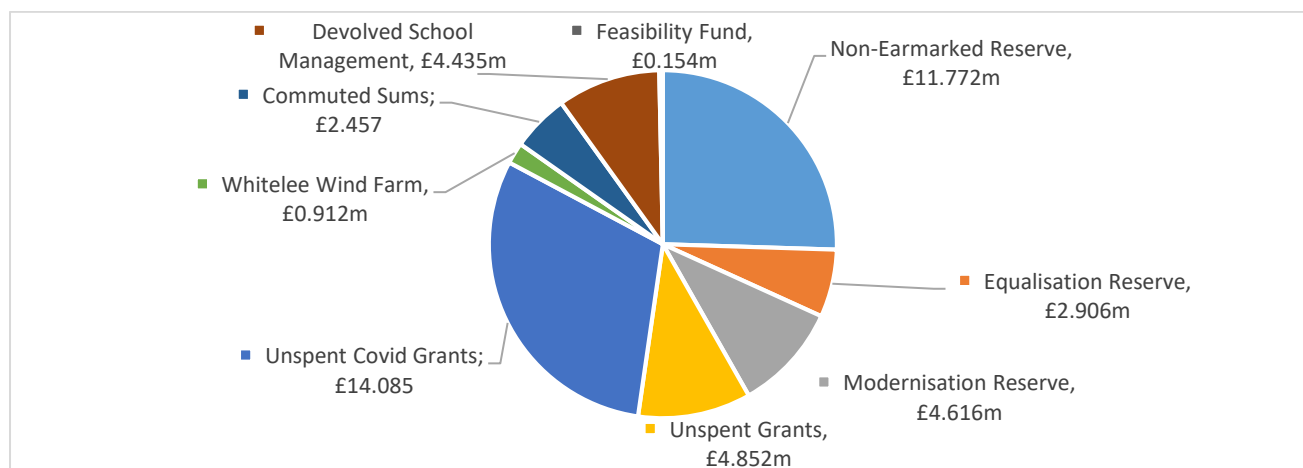
- (i) To ensure that the General Reserve is adequate to provide against unforeseen expenditure, which may arise. The Council's aim where possible is for the unallocated general fund balance to be equivalent to 4% of annual budgeted net revenue expenditure. The actual balance for 2021/22 was 4.4% (2020/21 4.5%)



## Management Commentary (cont'd)

- (ii) To earmark funding to equalise future PFI/PPP payments.
- (iii) To earmark funding to enable the upfront investment required to drive forward the Council's Modern Ambitious (Change) Programme.
- (iv) To earmark funding from unspent grants (including those unspent grants received to cover Covid-19 pressures in 2022/23), Whitelee Windfarm, Commuted Sums and Devolved School Management.
- (v) To earmark funds for feasibility studies to be carried out on potential capital projects.

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



## Budget Performance

The overall deficit of £1.075m can be analysed as follows:

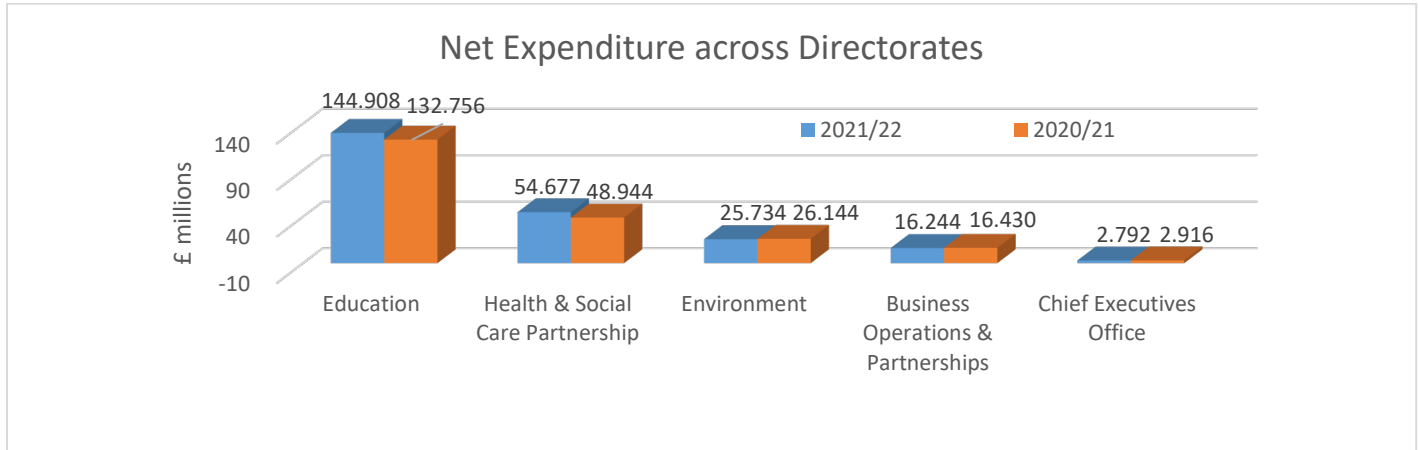
	Actual £'000	Approved Budget £'000	Over/(Under) Spend £'000
Net Cost of Services	253,275	257,260	(3,985)
Contribution to /(from) Earmarked Reserves	1,182	-	1,182
Capital Financing Costs	8,153	8,863	(710)
To be met by Govt. grants and local taxation	262,610	266,123	(3,513)
Aggregate External Finance	(207,169)	(207,169)	-
Council Tax	(54,366)	(55,204)	838
Total Funding	(261,535)	(262,373)	838
<b>(SURPLUS)/ DEFICIT FOR THE YEAR</b>	<b>1,075</b>	<b>3,750</b>	<b>(2,675)</b>

Due to tight financial controls over service spending and a request of Directors to avoid all non-essential spend towards the end of the year, the Council was able to return an underspend against budget of £2.675m (2020/21 £19.303m surplus). A number of favourable variances were reported in areas such as managed vacancies and staff cover; utilities; use of earmarked reserves; increased income and a reduction in loans fund charges due to a slippage in the capital programme and a reduction in interest rates. The reduction in interest rates was also the cause of one of the main pressures offsetting this favourable variance resulting in a reduction in the budgeted income from investments.



## Management Commentary (cont'd)

When the deficit of £1,075k, shown above, before the budgeted application of reserves, is considered with the Housing Revenue Account deficit of £354k (see Movement in Reserves Statement), it equates to the total of £1,429k, 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 pages 111 and 112. 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 £2,221k has been decreased by an operational deficit of £354k to give a year-end balance of £1,867k.

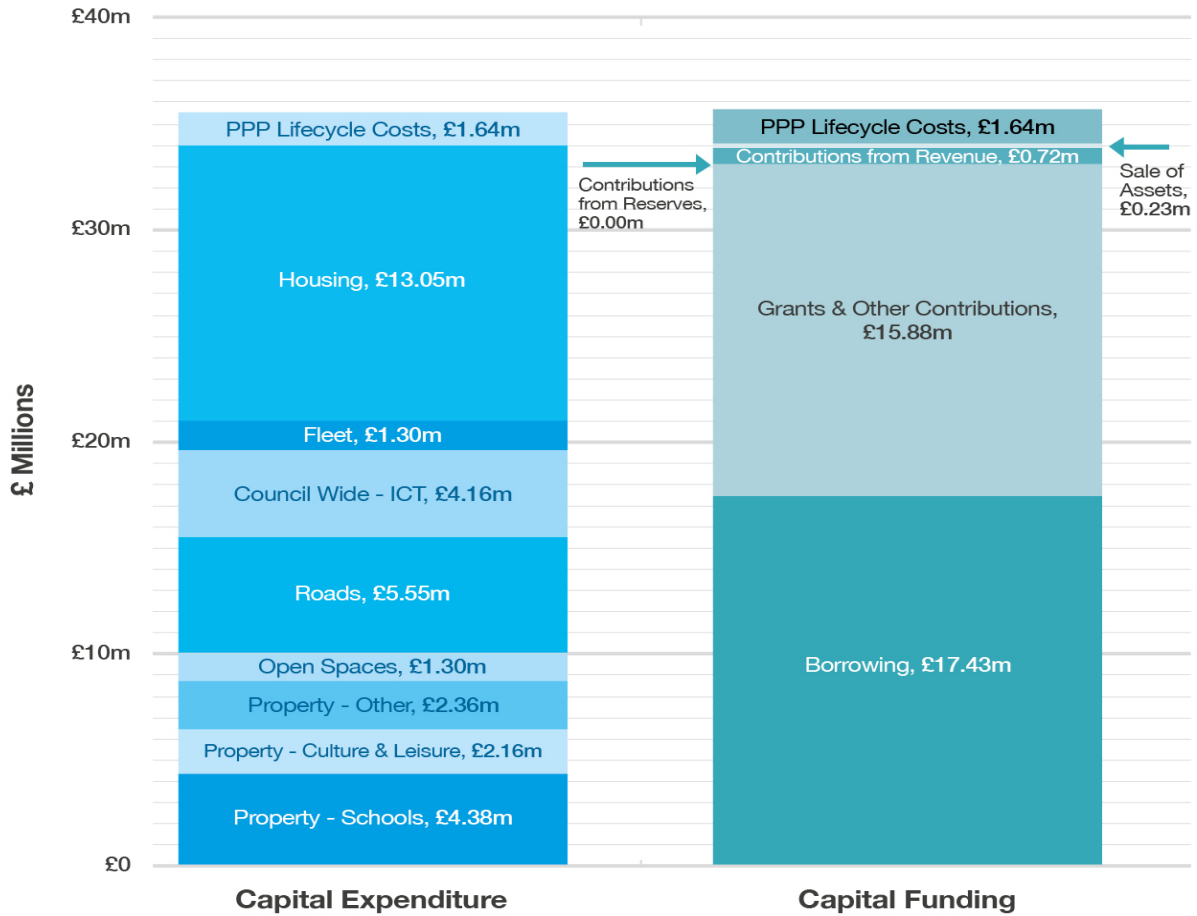
### Capital Budget Performance

The Covid-19 lockdown interrupted progress on the Council’s capital schemes in 2021/22, however the final Council budgets (as approved on 24 March 2022) for capital investment in both the General Fund and the Housing Revenue Account totalled £39.32m, with 87% 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 2021/22 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 2022 and explanatory notes are provided. The net worth of the Council has increased by £99,703k from £459,789k as at 31 March 2021 to £559,492k as at 31 March 2022. The major movements are set out below:

	31 March 2022 £000	31 March 2021 £000	Movement £000	Main Reason
<b>Long Term Assets</b>	767,987	732,227	35,760	The increase is mainly due to major capital investment and asset revaluations of certain assets (see notes 15 to 18).
<b>Current Assets</b>	108,251	102,116	6,135	The total of cash equivalents and short term investments has increased due to both capital & revenue cash flows.
<b>Current Liabilities</b>	(67,337)	(56,049)	(11,288)	Due mainly to the movement in short term creditors (see note 24).
<b>Long Term liabilities</b>	(249,409)	(318,505)	69,096	Pension Liability has decreased following an assumptions update on the Consumer Price Index and Corporate Bond yield along with a higher investment return (see note 40), this is in part offset by an increase in overall Long Term Borrowing.

**Management Commentary (cont'd)**

<b>Usable Reserves (excluding those related to Covid-19)</b>	(44,820)	(47,463)	2,643	This reflects an increase in non-earmarked reserves during the year as directors were requested not to incur non-essential spend in order to provide greater flexibility to address financial uncertainties in coming years (see note 11 for details) which is more than offset by a reduction in unspent Grants and the Modernisation Fund.
<b>Usable Reserves – Covid-19 only</b>	(14,085)	(12,815)	(1,270)	This reflects the unspent Covid-19 grants which form part of the General Fund Reserve which can be used to cover any unfunded Covid-19 pressures in 2022/23.
<b>Unusable Reserves</b>	(500,587)	(399,511)	(101,076)	Reflecting the decrease in the Pension Reserve (See Note 26) and an upward revaluation of assets.

**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 2022, discloses a deficit, as a result of prevailing investment market conditions at that date. The liability relates to benefits earned by existing or previous employees up to 31 March 2022. These benefits are expressed in current value terms rather than the cash amount that will actually be paid out. This is to allow for the 'time value of money', whereby the value of cash received now is regarded as higher than cash received in, for example, ten years' time, since the money received now could be invested and would earn interest or returns during the ten years. The pension liability represents the best estimate of the current value of pension benefits that will have to be funded by East Renfrewshire Council. The pension liability can fluctuate significantly year on year and the table below shows the Council's pension liability over the last three years:-

	2021/22 £000	2020/21 £000	2019/20 £000
<b>Pension Liability</b>	(50,357)	(119,443)	(87,594)

The main changes this year can be attributed to an increase in the market derived Consumer Price Index (CPI) inflation rate as well as an increase in the corporate bond yield over the period which led to an overall gain of around £51m. This was in addition to a higher investment return achieved by the fund over the accounting period i.e. 7.7% compared to an expected accounting return of 2.0%, which led to an overall gain of around £18m on the balance sheet.

The appointed actuaries 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 decreased by £8.156m during the year. This reflects the funding of the capital programme and the repayment of borrowing and lease finance as shown in the Balance Sheet as follows:-

	31 March 2022 £000	31 March 2021 £000	Movement £000
<b>Long Term Investments</b>	250	255	(5)
<b>Short term Investments</b>	13,998	7,999	5,999
<b>Cash &amp; Cash Equivalents &amp; Bank Overdraft</b>	62,814	61,119	1,695
<b>Short Term Borrowing</b>	(828)	(383)	(445)
<b>Short Term Finance Lease</b>	(5,211)	(5,083)	(128)
<b>Long Term Borrowing</b>	(118,015)	(113,843)	(4,172)
<b>Long term Finance Lease</b>	(73,500)	(78,712)	5,212





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

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. 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 £196.780 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 £207.856 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 2021/22 can be found:

[Treasury Management Strategy Report 2021/22](#)

[www.eastrenfrewshire.gov.uk/media/4759/Council-Item-03-iii-15-March-2021/pdf/Council Item 03iii - 15 March 2021.pdf?m=637510756149100000](http://www.eastrenfrewshire.gov.uk/media/4759/Council-Item-03-iii-15-March-2021/pdf/Council%20Item%2003iii%20-%2015%20March%202021.pdf?m=637510756149100000)

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

The Council has provided £0.784 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 £399.10k for Council Tax, £124.82k for Non-Domestic Rates and £319.88k of other debts which were approved by Cabinet.

### **Key Financial Ratios**

The following table provides information regarding the financial performance of the Council in 2021/22 and the affordability of its ongoing commitments:-

<b>Financial Indicator</b>	<b>Commentary</b>	<b>2021/22 Actual</b>	<b>2020/21 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 aim where possible for 4% of the current year's budgeted net expenditure. The level of this reserve is higher than that planned as non-essential service spending was curtailed during 2021/22. More information is provided in the <i>General Fund Revenue Balances</i> section above.	4.4%	4.5%
Movement in the Uncommitted General Fund Balance	Reflects the extent to which the Council is using its Uncommitted General Fund Reserve.	0.9%	21.0%
Total useable Reserves as a percentage of Council Annual Budgeted Net Expenditure	This indicator reflects all useable reserves including those earmarked e.g. Unspent covid-19 grants and those relating to Capital receipts unapplied to cover unfunded covid-19 pressures in 2022/23, as a percentage of the Council's net budgeted expenditure. Details of the useable reserves can be found in note 11	21.8%	23.4%



## Management Commentary (cont'd)

Council Tax				
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 impact of covid-19 and the current economic climate and its effect on the local economy.	96.76%	96.42%	
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. There was no increase to Council tax Bills in 2021/22.	20.8%	20.9%	
Financial Management				
Actual Outturn as a percentage of Budgeted Expenditure (net of the Covid-19 reserve)	How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of the budget monitoring as reported throughout the year. More details are provided in the <i>Revenue Budget Performance</i> section above.	99.46%	97.4%	
Actual contribution (to)/from Unallocated General Fund Balance as a percentage of Budget.		(0.04%)	(0.8%)	
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.	£8.153m	£8.720m	
Financing Charges on the Housing Rents		£4.198m	£4.244m	
Average Loans Fund Interest Rate		3.52%	3.67%	
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.	7.2%	7.60%	
Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account	Demonstrates how much of the Housing Revenue budget is committed to support borrowing	31.3%	32.1%	
Debt/Long-term Borrowing		2021/22 Estimate	2021/22 Actual	2020/21 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.	£243.099m	£207.856m	£203.440m
External Debt Levels for the current year		£222.594m	£196.780m	£197.237m

## Review

The Council's affairs have again been managed within its operational budget (see budget performance table above) with Directors again taking action to avoid non-essential spend during 2021/22, particularly on staff vacancies and supplies, to give the Council more flexibility to address the significant financial difficulties and uncertainties in coming years. The only service which did not remain within budget was the Chief Executive's Office (non-support) where the variance was a result of a sharp fall in investment returns as a result of prevailing economic factors out with the Council's control.



## Management Commentary (cont'd)

Additional Covid-19 cost pressures of £14.47m encountered during the year were covered by Government Covid-19 grant funding along with the use of some 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 the pandemic. A total of £14.085m remains in the Council's Covid-19 reserve at 31 March 2022 and is available to address potential future pandemic pressures.

In addition to the Covid-19 grant funding for additional pressures faced by the Council during the year, the Council also administered the distribution of £11.1M of Covid-19 support grants to local businesses, residents and staff.

During the year major investment in Education continued with the completion of the final piece of the Council's ambitious expansion of nursery provision to facilitate early years options for local families, this is in addition to the upgrading of many existing nurseries and family centres to ensure all sites have the facilities and space to provide healthy lunches every week to nursery children.

Work by the Health and Social Care Partnership has also progressed with the provision of 650 new high-tech telecare alarms installed into residents' homes, allowing older and vulnerable residents to continue to live in their own homes.

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 resurfacing.

Through the City Deal, work progressed on a major £44m regeneration programme across the Council as part of our ten year capital investment plan.

### 3. Key Risks and Financial Outcomes

The Council maintains a Strategic Risk Register, reviewed weekly by the Corporate Management Team (CMT) and reported twice yearly to the Audit and Scrutiny Committee. The report presented on 7 April 2022 can be found here: [www.eastrenfrewshire.gov.uk/media/7554/Audit-Scrutiny-Committee-item-05-7-April-2022/pdf/Audit Scrutiny Committee item 05 - 7 April 2022.pdf?m=637843181777700000](http://www.eastrenfrewshire.gov.uk/media/7554/Audit-Scrutiny-Committee-item-05-7-April-2022/pdf/Audit_Scrutiny_Committee_item_05_-_7_April_2022.pdf?m=637843181777700000)

The Council monitors risks closely, seeking to mitigate them so as to deliver its strategic aims. Risk registers are also maintained at departmental level and for major projects. In common with all other organisations, we are affected by the current challenging conditions. The key risks for the Council are listed in the table below. Demographic pressures, financial constraints and the impact of the Covid-19 pandemic continue to present risks to the Council's operations and new risks in relation to changes in the SQA examination certification process and to climate change have been added to the register. The impact of the war in Ukraine on supply chains and contractors has also been recently recognised. The levels of risks relating to the impact of Covid-19 on leisure attendances and on access to community testing, several areas of HSCP demand and the operation of new financial and HR systems have, however, been reduced from high to medium.

KEY RISKS AND UNCERTAINTIES	
Risk	Mitigating Actions
<b>Demographic pressures</b> , particularly in relation to school pupils, people with Additional Support Needs and the elderly, cannot be accommodated 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.



## Management Commentary (cont'd)

<p><b>Financial constraints</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 increasing ring-fencing of grants and limiting local flexibility. Forecasts of grant for the coming years indicate continuing reductions. Pressures relating to Covid-19, Brexit and the war in Ukraine may exacerbate financial pressures.</p>	<p>Medium to long term financial plans, a multi-year budget approach and close revenue and capital budget monitoring all assist in mitigating this risk.  <a href="http://www.eastrenfrewshire.gov.uk/media/7404/Council-Item-10-03-March-2022/pdf/Council%20Item%2010%20-%2003%20March%202022.pdf?m=637813801431630000">www.eastrenfrewshire.gov.uk/media/7404/Council-Item-10-03-March-2022/pdf/Council Item 10 - 03 March 2022.pdf?m=637813801431630000</a></p> <p>A focus on efficiencies, service reviews, the Council's ambitious transformation programme and lobbying of Government are also used to reduce the threat.</p>
<p><b>COVID-19</b> is a major risk across the Council with potential problems relating to staff availability, supply chain, service demands, financial pressures and building closures as well as significant impacts on public health, vulnerable residents and the local and national economy, although the situation continues to improve due to the vaccination rollout. These impacts affect both the Council's service provision and finances and will also impact on the Council's annual accounts for 2021/22, especially in relation to the need for separate accounting for Covid-19 related expenditure &amp; grants. Further details of the Council's response can be found on page 25 of this document.</p>	<p>The Crisis Resilience Management Team and CMT continued to meet several times each week, with most buildings closed and staff working from home where possible. The Council's emergency powers in place from 23 March 2020 came to an end during the summer of 2020 and virtual committee and Council meetings resumed. Since March 2022 most staff have been able to return to the office at least one day per week, observing social distancing and safe working protocols. Updated business continuity plans remain in place, as do enhanced communications and joint working locally and nationally. Risk registers have been established for both the response and recovery phases of the crisis and additional costs and Government funding are being closely monitored. The Council is taking the anticipated longer term impact of the pandemic into account in framing its medium to long term financial plans.</p>

The Council's financial and outcome delivery plans are being updated to take account of the above risks and revised budgets, savings proposals and service plans will be agreed as the Council is approaching these difficulties as a part of a longer term financial strategy. This is set out in the Financial Planning paper approved by the Council on 3 March 2022 as part of the annual budget: [Financial Planning 2022-2028 www.eastrenfrewshire.gov.uk/media/7404/Council-Item-10-03-March-2022/pdf/Council Item 10 - 03 March 2022.pdf?m=637813801431630000](http://www.eastrenfrewshire.gov.uk/media/7404/Council-Item-10-03-March-2022/pdf/Council%20Item%2010%20-%2003%20March%202022.pdf?m=637813801431630000)

This strategy is characterised through factors 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 its policy making, service planning and budget setting decisions; the agreement of multi-year budgets wherever possible; applying savings early and as soon as measures are identified; and ensuring that the Council priorities and the budget process remain aligned. The Council has also actively reviewed its reserves and factored some utilisation of these into its plans to address future financial difficulties in addition to considering the use of available fiscal flexibilities.

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.



## Management Commentary (cont'd)

### 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 risks					Higher willingness to take risks				
	1	2	3	4	5	6	7	8	9	10
Reputation	1	2	3							
Compliance	1	2	3							
Financial	1	2	3							
People and culture		2	3	4	5	6	7			
Operational services		2	3	4	5	6	7			
Major change activities				4	5	6	7	8	9	
Environmental and social responsibility			3	4	5	6	7	8		

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.

## 4. 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.



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

### **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 £35.101m. 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

### **Events During 2021/22**

#### **Digital Transformation**

In June 2021, Cabinet and Council approved a new Digital Transformation Strategy for the Council. This was based on 3 priority areas: 1) Business Systems and Processes; 2) Customer Experience and 3) Workforce Productivity. Resources for change were reviewed and new programme governance established for launch on 1 April 2022. This included establishment of new Boards; a new model for project prioritisation; a new approach to use of Modernisation Fund; closure of the Core Systems programme, which had focused on the replacement of the Council's legacy Finance/Procurement and HR/Payroll systems; and also closure of the Modern, Ambitious Programme (MAP). A new digital transformation team and budget has been established, with all digital transformation projects being managed through the new programmes, with the budget and skills determining how much can be achieved in a given year. The Corporate Management Team will act as the overall board for prioritisation of resources and resolving escalated issues and Heads of Service, senior managers and departmental change managers will play an active role in the governance of the three programmes of work.

#### **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.

#### **Greenhouse Gas Emissions**

The Council, along with other local authorities, has legal obligations in relation to reducing our greenhouse gas emissions. In this regard the Council is working on a Get To Zero (GTZ) plan to ensure compliance with this requirement. The Council declared a climate emergency in 2021 and is undertaking a Strategic Environmental Assessment in preparation for the publication of the GTZ action plan.



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

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

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration. There are no significant post balance sheet events to report.

## **COVID-19**

### **Background**

Covid-19 was first confirmed in Scotland on 1 March 2020 and was declared as a global pandemic on 20 March 2020. The Corporate Management Team (CMT) initiated daily meetings from 17 March and stood up the Crisis Resilience Management Team (CRMT) to oversee a tactical response. A Council meeting on 23 March set up an emergency committee of the three party leaders and agreed delegated powers for Directors. The country entered lockdown on the same day.

On the 28<sup>th</sup> May 2020 the Scottish Government introduced a 4 phase recovery programme and the Council moved from lockdown to phase 1 which meant that the work of the Council developed into a mix of response to the virus and the recovery of services in line with the Scottish Government guidance. This resulted in the emergency committee standing down and the Council reverting to a full complement of Council meetings which were held remotely. However as the number of Covid-19 cases in East Renfrewshire increased the Council moved down to phase 3 of the recovery programme.

On 2 November 2020 a new protection level system was introduced by the Scottish Government. There were 5 levels in the new system ranging from the level with least restrictions (level 0) to that with the most stringent restrictions (level 4). Initially the Council was placed in level 3 however as the pandemic continued to take hold the Council was moved to level 4, along with a number of other areas in Scotland's central belt.

The roll out of the Covid-19 vaccines began in December 2020 which together with the restrictions of a second lockdown in January 2021 resulted in the reduction of reported cases and relaxation to the restrictions began in March 2021. However numbers were continually monitored as new strains of the virus emerged.

Restriction continued to be relaxed further and on 9 August 2021 the Country moved out of the level system. However, the Scottish Government continued to remind everyone to act carefully and remain cautious with certain requirements, such as the continued wearing of face coverings in particular locations, remaining in force.

However, the move out of the levels system resulted in an increase in case numbers across the Council and on 24 August 2021 the First minister indicated that re-imposing restrictions could not be ruled out completely.

In November 2021 cases of the new Omicron variant started to spread, which resulted in a significant increase with the vaccination programme.

As at March 2022 case numbers were the highest experienced, however with numbers of intensive care patients not increasing proportionately and the extremely high levels of vaccinations administered, restrictions continued to be relaxed with face coverings only required to be worn in public places and on public transport.

Legal restrictions to wear face masks were removed on 18 April 2022 as the country moved forward with their *Living with Covid-19* plan.



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

Throughout this unprecedented time, the Council worked very hard to maintain key services for those residents most in need, and had to prioritise the services we provide and deliver others in a completely new way e.g. teaching of children was initially online. Many of our staff still needed to be out in our communities serving the public. Our care at home, road gritting and refuse collection are just a few of the services that continued. In addition to supporting the most vulnerable, the Council with the help of staff volunteers, set up some new initiatives.

### **New Initiatives**

The Council and the Health & Social Care Partnership (HSCP) worked with and supported Voluntary Action East Renfrewshire (VAER) to establish a Community Hub connecting vulnerable and isolated households to a range of community supports (e.g. shopping service; welfare calls; prescription deliveries; and digital support) many of which are delivered by volunteers.

In the early stages of the pandemic, the Council was also asked by the Government to establish support arrangements for vulnerable local people including a 'shielding' service to support those with the most high risk medical conditions who were advised by the Chief Medical Officer to stay at home for at least 12 weeks in letters sent from 24 March 2020.

We established a local helpline, email address, web content and social media encouraging 'shielding' residents to get in touch with the Council. We also proactively made phone calls to each 'shielding' resident to discuss what support they had available from family and friends and assess any residual needs, including food, prescriptions and other support including befriending and digital support.

Councils were also asked to handle their area's calls from a national helpline targeted at other vulnerable people affected by the implications of Covid-19 – these were defined as 'Group 2' (e.g. over 70s; pregnant people; those with other specified conditions). This is ongoing into 2022, however the national helpline closed on 1 May 2022.

Support arrangements and call-handling remained in place throughout 2020/21 and 2021/22, although formal 'shielding' arrangements ended in 2020 and the focus became isolation support and broader public health advice for those in 'high risk' categories. The isolation support requirements will end nationally at the end of April 2022, but Self Isolation Support Grants are likely to continue in some form perhaps up to October 2022.

Temporary food provision for the most vulnerable in our community was also established during 2020 using our allocation from the Scottish Government's Food Fund, which also funds the Free School Meals, and food donated from FareShare. Our residents also benefited from donations to the Barrhead foodbank.

The Council has also been responsible for various funding streams associated with financial hardship and support for isolation, with several funds available for use, including administration of Self-Isolation Support Grants. A range of hardship payments to vulnerable families has also been implemented since 2020 and will include four mandatory payments during 2022 to those in receipt of free school meals as a result of low income. Substantial support for business grants has also been provided and plans are currently being made for schemes under the Covid-19 Local Economic Recovery Fund which will be available for use in 2022/23.

The Council commissioned research on the impact of Covid-19 in East Renfrewshire and the results will be used to inform broader strategic planning as we build back from the pandemic.

### **Testing and Vaccination**

Testing has been a key tenet in the response to Covid-19 in seeking to identify those with the virus, whether symptomatic or asymptomatic. The Council has supported the approaches taken to testing nationally, identifying appropriate local solutions where required.

Throughout the pandemic, the Health & Social Care Partnership (HSCP) have supported Covid-19 testing for those unable to access testing centres, primarily the care home and housebound





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

populations. The HSCP administrative staff linked with laboratories, pharmacy and National Health Service (NHS) transport to ensure there was access to testing.

The Council worked with the NHS to establish a Mobile Testing Unit for symptomatic testing on 6 September 2020 at Greenlaw Works (Business Centre). The site remained operational until 29 April 2022; closing as the Scottish Government shifted the testing strategy away from community testing. A second Mobile Testing Unit was established at the Council Offices in Spiersbridge in September 2021, operating until early 2022. This was in response to high case rates at the time across East Renfrewshire.

Asymptomatic testing was viewed as a key way to break Covid-19 transmission chains; by identifying those who carry the virus – but do not display symptoms. Throughout 2021, this became a key focus of the national pandemic response – with test kits more widely available. Across the Council, school pupils and key frontline staff had access to Lateral Flow Tests.

On 22 February 2021, an Asymptomatic Testing Centre was established as a drop-in at Cowan Park Pavilion (Barrhead). Initially, this was staffed by a combination of Council, Culture & Leisure Trust staff and the Armed Forces; but staffing evolved to a combination of Council, Culture & Leisure Trust staff and NHS officers. Home testing kits were also available for collection from Cowan Park.

Following a significant surge of positive cases in May 2021, the Council worked to establish further asymptomatic testing facilities to act as a key community reassurance and to help stabilise the rising case rates. Additional asymptomatic testing was established at the Woodfarm Education Centre car park (Thornliebank) and at the Glasgow Hutchisons' Aloysians (GHA) Rugby Club car park (Giffnock). During this period of concern, work was undertaken with community leaders and the voluntary sector to distribute home testing kits to residents and enhance promotion of the testing sites available.

From 24 May 2021, East Renfrewshire Council and the NHS implemented a vehicular solution to support asymptomatic testing in communities. This allowed the vehicle to be placed in communities with rising or concerning Covid-19 rates – or to target areas of high footfall. Two vehicles were utilised to provide walk-in asymptomatic testing and to offer home testing kit collections. These were closed on 14 April 2022 in line with the evolution of the national testing strategy. The testing buses were placed across the Council area, notably at Newton Mearns Baptist Church, events such as the Playground Festival and at supermarkets in the lead up to Christmas 2021.

As part of the new national testing strategy, the HSCP will continue to support testing for care homes.

With Covid-19 vaccinations being available from December 2020 the Council, the HSCP and the Culture & Leisure Trust have supported the mass vaccination programme; as well as targeted programmes towards our more vulnerable residents.

The HSCP vaccination programme commenced in December 2020; initially targeting care home residents and care home staff. Approximately 400 care home residents have received four doses of a Covid-19 vaccination in the period since December 2020. For each dose of the vaccine required, residents were typically vaccinated over a two-week period by staff volunteering from the HSCP nursing teams. Additionally, District Nurses and HSCP staff carried out Covid-19 vaccinations in some residents' own homes – where they were unable to attend a vaccination centre due to frailty or other health issues. Approximately 1,050 individuals received vaccines in their home.

Mass vaccination clinics were established by the Council and Culture & Leisure Trust at Carmichael Hall (Giffnock) and the Foundry (Barrhead) on 1 February 2021. Council, Culture & Leisure Trust and HSCP staff have supported the operations of all mass vaccination clinics throughout their usage. Staff have supported non-clinical operations, provided facilities management, supported queue management and liaised with clinical staff.

As HSCP, Trust and Council staff returned to their substantive roles (aligned with the easing of Covid-19 restrictions), VAER has provided additional help in the vaccination programme. Volunteers



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

assisted with support roles, as well as providing transport support to residents who required assistance to attend vaccination appointments.

In September 2021, the Foundry ceased its role as a mass vaccination centre; as more of its normal operations commenced with restrictions easing. In its place, weekend vaccination clinics were offered at the Barrhead Health and Care Centre – ensuring there remained a solution in two areas across the Council. Barrhead Health and Care Centre commenced vaccination clinics on 26 September 2021.

Both Carmichael Hall and the Barrhead Health and Care Centre remain in operation as vaccination clinic venues. Vaccination of the population has been a crucial factor in the Scottish Government having confidence to remove Covid-19 restrictions, as it slows down the spread and severity of the virus. Therefore, work continues with our NHS partners to maximise the opportunities for our residents to be vaccinated. The Council's vaccination programme Single Point of Contact officer remains in close contact with NHS Greater Glasgow and Clyde colleagues, as well as neighbouring Local Authorities.

### **Impact on Services**

On 20 March 2020 the Scottish Government announced that all schools and nurseries would be closed and the Council closed most other public buildings on 27 March. To support key workers and our most vulnerable children and young people, hub schools were set up across the Council. Working with *out of school* care providers and East Renfrewshire Culture and Leisure Trust, hub provision was also provided during school holidays. Pupils receiving free school meals before the lockdown continued to be supported. Closure of educational establishments impacted on income from areas such as school meals, wraparound care, instrumental music lessons and the sale of spare capacity on school transport (privilege passes).

Throughout 2020/21 financial year there were extended periods of closure for schools and nurseries due to the impacts of the Covid-19 pandemic. Whilst educational establishments have remained open during 2021/22, the implications of ongoing social distancing requirements including, for example, additional cleaning throughout the school day and new arrangements for school meal provision continued. This has impacted on the delivery of approved savings as well as leading to significant ongoing cost pressures.

Scottish Government support for education recovery has been utilised to continue the enhanced cleaning regime in school and nursery buildings and to provide the appropriate Personal Protective Equipment (PPE) resources for pupils and staff. Furthermore, additional teaching and support staff have been employed to support education recovery and a top-up of 15% was provided by the Scottish Government under the Pupil Equity Fund (PEF) in recognition of the new and additional challenges in closing the poverty related attainment gap as a result of Covid-19. Funding was also provided to continue support for our most vulnerable children and young people through the provision of free school meals vouchers/payments during school holiday periods and specific periodic hardship payments were also made to eligible families, equivalent to £520 per child over the calendar year.

Covid-19 funding has also been used to offset the cost of additional teachers and other staff cover as a result of Covid-19 related absences due to self-isolation requirement.

CO2 monitoring of learning and teaching spaces to mitigate against airborne transmission of the virus and other operational changes was implemented to support increased ventilation in all buildings. Specific Scottish Government funding in relation to CO2 monitoring and ventilation was allocated during 2021/22.

East Renfrewshire Council has also administered the further support to Childcare providers impacted by the Omicron variant towards the end of the financial year.

The pandemic also continued to have a significant impact on how health and social care was provided to the most vulnerable in our community. The HSCP continued with its Local Resilience Management



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

Team throughout the year, building on learning from the first year of the pandemic and continued to ensure that appropriate levels of care and support remained in place in our community.

Many of the arrangements we put in place early in the pandemic such as increased support to care homes and other partners, the PPE Distribution Hub, and the Covid-19 vaccination programme for care home residents and the housebound, along with many ways of working differently in our communities, our buildings and remotely have remained in place during 2021/22.

The HSCP started work on its Recovery and Renewal Programme during the year, however the need to continue responding to the pandemic meant this was subsequently delayed until 2022/23.

In recognition of the pressures across the country from increasing demand and complexity of need, within health and social care, the Scottish Government provided additional funding for winter pressures to support capacity including; recruitment and retention of staff both within the HSCP and with our partner care providers, to increase capacity across care home places on an interim basis, care at home and community based care, multi-disciplinary teams and healthcare assistants.

The impact of this pandemic will have longer term implications for the way the HSCP delivers some of its services and work has restarted on the HSCP Recovery and Renewal Programme, alongside the implementation of our Strategic Plan for 2022-25 as agreed by the Integration Joint Board in March 2022.

The easing of restrictions from the end of April 2021 allowed a further recovery of services operated by East Renfrewshire Culture & Leisure Trust (ERCL), to complement the online or outdoor activities operated up to that point. East Renfrewshire moved to Tier 3 on 26th April allowing limited opening of gyms and the resumption of click-and-collect library services, and to Tier 2 the following month. This allowed the further opening of buildings, the increase of attendance capacities, and the re-introduction of indoor classes. The further lifting of restrictions in autumn, allowed the theatre to reopen for a successful winter programme. Community halls were reopened to limited bookings from October, but out-of-hours letting of schools, and related community sports remained restricted. The Trust ran an Enrichment Programme in partnership with HSCP for those young people most isolated during the pandemic, and continued to provide holiday programmes for key workers' children and for vulnerable young people, and to provide support to schools.

In 2021, the HMRC furlough claim allowance was 80% of pay, reducing to 70% in July and then 60% from August thereafter. The scheme closed at the end of September 2021. The scheme enabled ERCL to manage the recovery of services in a controlled and safe manner, and minimise operational losses during closure.

The Housing Revenue Account (HRA) has continued to be affected by Covid-19, with key factors being an increase in rent arrears and a reduction in capital income earned. However, currently reserves are sufficiently strong which provides an element of comfort for the HRA.

The pandemic has impacted on the way key frontline services within Neighbourhood Services have been delivered, and continues to have this impact. In order to protect staff and service delivery, by minimising the potential for outbreaks, a number of measures have been put in place. Primary amongst these has been the use of "work bubbles".

The use of bubbles within Neighbourhood Services has necessitated the hiring of agency staff and additional fleet, beyond the normal amount. This has and will continue to result in additional expenditure with the view of delivering acceptable service levels. With restrictions relaxing, there will be consideration given to relaxing the bubble approach, but this will only take place following an appropriate Health and Safety risk assessment.



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

Neighbourhood Services have prioritised refuse and recycling collection throughout Covid-19, sometimes at the expense of other services. A consequence of this is that there are likely to be backlogs in some areas; which at times throughout the pandemic have included grass cutting, weed spraying, street cleaning and ad-hoc cleansing complaints.

As restrictions have varied in response to Covid-19 case rates, Prevention Services (Trading Standards and Environmental Health) have played a key role in ensuring that businesses across East Renfrewshire operate in a safe manner. The Coronavirus Regulations assigned Environmental Health and Trading Standards Officers with an enforcement role. Both services operated proactively in interpreting restrictions, supporting businesses and other Council services in Covid-19 protective and preventative measures. For enforcement with East Renfrewshire's business community, a "four Es" approach was undertaken (Engage, Explain, Encourage and Enforce).

More widely, Environmental Health's public health responsibilities have led to significant additional work. The service engaged with the NHS on Test & Protect – including on notifications and investigation of clusters and outbreaks. Support has been offered to Testing and Vaccination Centres. While Food Safety visits were paused as part of the initial response to the pandemic, these were re-introduced in 2021; adding to the wider public health role of Environmental Health.

The Corporate Health and Safety Unit have dedicated significant resource throughout the pandemic to Covid-19 related issues; primarily facilitating PPE for Council Services and overseeing risk assessments and safe ways of working at various stages of restrictions. As restrictions end, there will still be oversight of risk assessments – but these will take place with a longer-term focus. The service has a backlog of health and safety training. The Service Plan for 2022/23 looks to carry forward objectives that were unable to be achieved because of Covid-19, along with health and safety improvements.

The delivery of the Council's Capital Programme also continued to be impacted, by a lack of availability of materials, rising costs and delays, meaning a significant level of spend has inevitably been carried forward into the new financial year. This year the Corporate Asset Management Group could only accept Capital Project Appraisals applications of significant importance or those that were statutorily required due to the pressure on the current capital programme. The Council will continue to monitor the effects of Covid-19 on the capital programme and report the impact of any additional costs on future plans.

### **Support provided to businesses**

To help support local businesses the Scottish Government provided additional funding, managed by local Councils. This included the relaxation of Non Domestic Rate payments for retail, hospitality and leisure properties and the provision of grants to small businesses and to those registered as being self-employed. During the year the Council distributed £6.1m of such grants to local businesses, this was in addition to £19.481m distributed during 2020/21.

The Council continues to show commitment to supporting local suppliers and partner providers by following the Government's procurement guidance in the context of supporting supply chain resilience by working proactively with our suppliers and key partners such as Scotland Excel, Society of Local Authority Chief Executives (SOLACE) Scotland, NHS and the Convention of Scottish Local Authorities (COSLA) to closely monitor the impact of Covid-19, Brexit and other global events on economic recovery, market pricing and availability. In addition to this, work has continued proactively across the Council to understand PPE stock usage ensuring adequate contingency and preparedness for immediate response whilst stakeholder engagement is undertaken for all new contracts to understand if the requirement is essential, and that the marketplace is able to submit a response which is sustainable over the life of the contract.

### **Risks**

In order to monitor the risks associated with the pandemic, the Corporate Management Team has included Covid-19 risks in the Strategic Risk Register which it reviews weekly. The greatest threats



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

identified include impact on educational attendance and attainment, disruption to leisure services and income streams, and difficulty in providing routine services due to staff absence or reassignment to pandemic response work.

In addition, throughout the last year the Council has continued to adhere to Scottish Government and Public Health Scotland guidance and has supported as many employees as possible to work from home, and with Safe Systems of Working put in place for all others. Manager and employee guidance was issued and updated on an ongoing basis to support these new ways of working ensuring all changes to guidance were reflected. During this time regular calls with the Trade Unions have been held to ensure ongoing engagement.

The issues in terms of workforce availability and confidence were crucial. Covid-19 absence data was updated on a daily basis to allow assessments of the workforce to be made, to understand the implications for delivering essential services and also to maintain contact and support for those unable to attend work. Collation of absence information at a national level helped to inform discussions between senior leaders in SOLACE, COSLA and the Scottish Government regarding the impact of Covid-19 on service provision, and the key staffing issues that would require some form of national consideration.

The absence rate as a result of Covid-19 including employees reporting sick, isolating, absent with caring responsibilities and non-essential employees at home unable to work from home increased over the last year and in March 2022 was affecting approximately 4% of the workforce. There are concerns about absence levels moving forward as it is expected that there will be increasing levels of stress-related absences predicted by research in this area. Staff absence will be monitored very closely to ensure continuation of critical frontline services during these difficult times.

The Council and the HSCP continue to promote the health and wellbeing of employees. A number of initiatives have been promoted and communications continue on training and support that is available to employees and managers. A pilot Health and Wellbeing survey was undertaken and the feedback from employees is being incorporated into an action plan to assist in promoting positive health and wellbeing within the council.

### **Funding**

Government funding to assist Councils in responding to the outbreak, announced mainly towards the end of 2020/21 was sufficient to cover the additional revenue costs incurred during 2020/21 and 2021/22 as a result of the pandemic. There is, however, a risk that pressures facing Councils in 2022/23 and beyond may not be fully funded by Government grants. These pressures include additional costs incurred, reductions in income generated and planned savings no longer achievable as a direct consequence of the pandemic and of the longer term operational and economic recovery process. Whilst Councils have been given additional fiscal flexibility powers to cover any such financial shortfalls, these will result in increases in loans fund repayments in future years. The position is being closely monitored and budget plans for 2022/23 and beyond have been reviewed accordingly, together with the Council's policy for the utilisation of reserves. As the multi-year grant settlement anticipated from the Scottish Government from 2022/23 onwards was not confirmed this year, the Council reviewed its planned approach of setting a detailed 3 year budget and instead set a single year budget for 2022/23. It is hoped that multi-year settlements will resume from 2023/24 and that the Council will revert to 3 year budget setting at that point. Nevertheless, the Council continues to take a long term view of its finances, setting its Outcome Delivery Plans for a 3 year period, considering its 6 year forward revenue planning position and publishing its capital plans for at least the next 10 years.

### **Covid-19 Response**

During the year the Council incurred £14.47m of Covid-19 related expenditure (excluding grants provided as an agent for the Scottish Government), which was fully funded through Government Grants. Where this funding could be identified to a department then this was allocated accordingly,



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

however where the funding was not ring-fenced it was included within the *Taxation and non-specific grant income* line in the Comprehensive Income and Expenditure Statement.

The Council also acted as agent for the Scottish Government in making various support payments and donations to local businesses, residents and staff and these costs along with the funding received are not reflected in the Consolidated Income & Expenditure Statement. In this respect the Council provided contributions totalling £11.1m which were covered fully by Government funding.

### **Restoring the Council**

The Council has established a Recovery Group to lead on the short and medium term plans for restoring Council services whilst maintaining social distancing and protecting the most vulnerable residents and staff. The Corporate Management Team are developing medium to long term renewal plans to allow the Council to return to a “new normal” as the position evolves.

The outlook for future service provision will be impacted over a prolonged period, however the roll out of the vaccine has enabled the Council to plan for the future with more confidence. Social distancing has been maintained and the range of Council services only gradually restored as Safe Systems of Working are identified and implemented. Building capacity has been significantly reduced and restrictions imposed on how many staff or pupils can access offices or schools at once. Staff able to work from home have been doing so for the last two years so as to prioritise buildings for critical services and this has been operating successfully thanks to increased reliance on Information & Communications equipment and digital capability. The CMT, CRMT and Recovery & Renewal Groups have taken this experience into consideration and are factoring this into plans for a new way of working in future which is less reliant on all staff attending at offices each day. This approach has allowed most staff to return to the office at least one day per week from March 2022. Additional demands on the Council in supporting our most vulnerable residents during the pandemic will also continue into the future until all impacts of the pandemic have been resolved for local residents and businesses. This will mean ongoing pressure on both staff and financial resources.

## **5. 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.

### **Acknowledgement**

I wish to record my thanks to staff in all departments for their co-operation in producing the Annual Accounts in accordance with the prescribed timescale. In particular the efforts of my own Accountancy Services staff in compiling these accounts in such challenging circumstances are gratefully acknowledged.

Margaret McCrossan CPFA  
Head of Accountancy  
(Chief Financial Officer)

Councillor Owen O'Donnell  
Leader of the Council

Lorraine McMillan  
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 Accountancy (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 was approved for signature by the Council on 26 October 2022

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

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

The Head of Accountancy (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 Accountancy (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 Accountancy (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 2022.

Margaret McCrossan, CPFA,  
Head of Accountancy (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. An update on this is available on the Council website or via this [link \(https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance\)](https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance). For further information, contact the Strategic Services Team, Eastwood Headquarters, Rouken Glen Road, Giffnock, Glasgow G46 6UG (Telephone 0141 577 3162/3075).

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 group.

### **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 details the requirements for an Annual Governance Statement.

2021/22 was the first year that Councils were asked to show full compliance with CIPFA's Financial Management Code to assist them in validating their financial sustainability. An assessment was completed and submitted to Cabinet on 10 March 2022 ([https://www.eastrenfrewshire.gov.uk/media/7393/Cabinet-item-05-10-March-2022/pdf/Cabinet\\_item\\_05\\_-\\_10\\_March\\_2022.pdf?m=637813803155200000](https://www.eastrenfrewshire.gov.uk/media/7393/Cabinet-item-05-10-March-2022/pdf/Cabinet_item_05_-_10_March_2022.pdf?m=637813803155200000) )

The assessment followed the series of principles and supporting specific standards within the code, demonstrating 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
- Manage unexpected shocks in their financial circumstances





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

Further reviews of compliance will be carried out yearly and any outstanding matters or areas of improvement will be included in the action plan on 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 all 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 evaluating the likelihood of those risks being realised and the impact should they be realised; and to managing 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 our Vision for the Future, supported by a set of values and five organisational capabilities.
- 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 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



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

A governance framework has been in place at East Renfrewshire Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

### **Impact of Covid-19**

The Council's ability to meet our objectives continues to be impacted by the Covid-19 pandemic. While restrictions are ending nationally, services remain impacted by staff absences and backlogs arising from the last two years.

A number of Committees and key meetings continue to take place remotely; enabling key decisions, while reflecting the period of transition, seeking to protect those involved.

Throughout the pandemic, the Council has prioritised critical services and activities. This has included supporting the Vaccination and Testing programmes, and protecting the most vulnerable community members.

The requirements of supporting vulnerable community members has witnessed significant levels of engagement and support offered to thousands across East Renfrewshire. As restrictions end, there will be many in our communities who continue to require our support.

Undoubtedly, the restoration of services will present challenges to the Council. We recognise that recovery and restoration will not be a quick process, and will regularly review our short, medium and longer-term objectives; this will allow us to recognise the consequences arising from the pandemic, while actively considering solutions to the challenges they present.

We will use the learning from the response and recovery / restoration from Covid-19 to assess the way we work and deliver services in the future.

### **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 also by 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). 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.



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

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 its most recent self-assessment of its effectiveness at the end of 2021 and start of 2022. Arising from that review, a list of recommendations and observations were approved by the Committee in April 2022, then subsequently endorsed by the new Committee following the local government Elections in May. Recommendations made are in the process of being considered and implemented as appropriate.

The results of Internal Audit's progress against the annual plan for 2021/22 was reported to the Audit and Scrutiny Committee on 11th August 2022.

The report acknowledged that completing audits from the 2021/22 audit plan was particularly challenging for the audit team. This was due to severely reduced staff resources and the continuing challenges of completing audits remotely and obtaining information from departments. Eight audits were deleted from the plan. All other audits have now been completed and issued. The report included the Chief Internal Auditor's 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 2022.

One area of concern was noted in the Internal Auditor's annual report for 2021/22 relating to an investigation where the matter was brought to a conclusion and recommendations were made to the relevant director on how to improve controls. The case involved significant potential cost or loss to the Council and is currently under investigation by Police Scotland. On conclusion of the investigation any outstanding actions will be reported to the Audit Scrutiny Committee.

During 2021/22 the internal audit service operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards. The internal audit arrangements comply with the governance requirements of the CIPFA statement: 'The Role of the Head of Internal Audit in Public Organisations (2019)'.

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

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

- The Council's planned Community Choices participatory budgeting events, where local communities have the chance to vote on schemes/groups/projects in their local area, were not progressed during the year due to the impact of the pandemic but took place in May and June 2022.
- The data programme is making good progress with the Information Asset Register (IAR) application built and deployed, a new cross departmental group is being established to review, prioritise and update data held locally by departments.
- Due to other commitments and priorities the Risk Management Strategy has not been reviewed. This action will be carried over to 2022/23 to ensure that the Strategy continues to meet the needs of the Council.
- Marketing campaign to raise awareness about the new complaints handling procedure and processes with briefings for Elected Members and managers and a comprehensive training programme for staff was rolled out.
- The new paper-based Equality & Fairness Impact Assessment process has been implemented.
- The annual review of the Council's Workforce Plan was completed. Development of the Climate Change Strategy and Action Plan. The Council's Climate Change Strategy and Action Plan (to be known as Get to Zero Action Plan) is still in development. Over summer 2022, the required Strategic Environmental Assessment will be carried out. This will go to



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

public consultation during the autumn of 2022. It is anticipated that the final document will be published by the end of the year.

- The Council voted to declare a Climate Emergency in October 2021. A required outcome is that the council establish a Climate Community Partnership as a forum for engaging local communities and businesses on climate change plans and action. Foundational preparations have been made for this, and the partnership will be launched shortly after the local elections in May 2022.

### **Other key achievements during 2021/22**

- Review and where appropriate refresh the Council's governance arrangement for partnership working in relation to community planning.
- Modernise the Council's Outcome Delivery Plan performance management arrangements
- Review of governance and resources for Council's digital transformation programme.
- Develop further participatory budgeting activities in line with the Council's ambitions.
- Undertake research on impact of Covid-19 in East Renfrewshire as part of humanitarian response, Citizens Panel and budget engagement.
- Compliance with CIPFA's Financial Management Code was reported to Cabinet on 10 March 2022.
- The Council's review of our Records Management Plan was approved by the Keeper of the Records of Scotland in June 2021.

### **Key actions planned relating to governance for 2022/23**

- Review and update Financial Regulations.
- Review of the Code of Corporate Governance.
- Develop multi-year budgeting plans following May/June 2022 Scottish Spending Review.
- A review and update of the Risk Management Strategy will be undertaken to ensure this continues to meet the needs of the Council
- Establishment of a new Administration following the May elections and supporting elected members with induction.
- Implement new governance for digital transformation, with new Boards for Business Systems & Processes; Customer Experience; and Workforce Productivity.
- Use research on impact of Covid-19 in East Renfrewshire to influence the Council's strategic planning, including further development of Vision for the Future.

### **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 significant matters arising which would require to be raised specifically.

The only exception was from the Certificate of Assurance from the Chief Officer, HSCP, which stated that:

- they have an ongoing investigation in relation to anomalies identified within their access to funds account and are working with Internal Audit to progress this.



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

### **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 2021/22 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

L. McMillan  
Chief Executive  
On behalf of East Renfrewshire Council



# **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 by the Council's appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

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

The remuneration of councillors is regulated by the Local Governance (Scotland) 2004 (Remuneration) Regulations 2007 (SSI No 2007/183). 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 2021 the maximum annual salary for the Leader of East Renfrewshire Council was £31,010. 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 £188,377. 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 2021/22 East Renfrewshire Council had 8 Senior Councillors, which is one less than the maximum number permitted within the regulations, and the annual remuneration paid to these councillors totalled £182,307. 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 18 January 2021.



## **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:-

2020/21	European Parliamentary Elections, 23 May 2019 (25%)
2021/22	Scottish Parliamentary Election, 6 May 2021 (75%)

**Remuneration Report (cont'd)**

		Salary, Fees and Allowances	Election work	Compensation for loss of office	Taxable Expenses and Allowances	Total
		£	£	£	£	£
Lorraine McMillan (Chief Executive)	2021/22 2020/21	124,250 123,255	3,197 825	- -	- -	127,447 124,080
Mark Ratter (Director of Education, Commenced 01.11.20. Full Year Equivalent salary for 2020/21 was £112,581)	2021/22 2020/21	113,575 46,795	- -	- -	- -	113,575 46,795
Julie Murray * (Chief Officer of East Renfrewshire Integration Joint Board)	2021/22 2020/21	115,279 114,269	- -	- -	- -	115,279 114,269
Kate Rocks * (Chief Social Work Officer)	2021/22 2020/21	92,650 91,492	- -	- -	- -	92,650 91,492
Andrew Cahill (Director of Environment)	2021/22 2020/21	113,575 112,581	- -	- -	- -	113,575 112,581
Margaret McCrossan (Head of Accountancy/ Chief Financial Officer)	2021/22 2020/21	101,528 100,385	550 -	- -	- -	102,078 100,385
Caroline Innes (Deputy Chief Executive: retired 30.01.22. Full year equivalent salary for 2021/22 was £113,575)	2021/22 2020/21	94,793 112,581	- -	- -	- -	94,793 112,581
Louise Pringle (Director of Business Operations & Partnerships. Commenced on 31.01.22, Full Year Equivalent salary for 2021/22 was £113,575)	2021/22 2020/21	18,782 -	450 -	- -	- -	19,232 -
Gerry Mahon (Chief Officer – Legal and Procurement)	2021/22 2020/21	80,477 79,479	450 -	- -	- -	80,927 79,479
Michelle Blair (Chief Auditor)	2021/22 2020/21	57,578 56,875	- -	- -	- -	57,578 56,875
Anthony McReavy (Chief Executive Culture & Leisure Trust)	2021/22 2020/21	88,285 87,291	- -	- -	- -	88,285 87,291

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





# Remuneration Report (cont'd)

## 4. Remuneration of Senior Councillors

Name (A)	Position Held (B)	Salary - Payments made by Council			Re-imbusement of Members Expenses								Total Salary Expenses 2021/22 (E + M) (N) £	Total Salary Expenses 2020/21 (O) £
		Gross Allowance (C) £	Less Recharge to External Bodies (D) £	Net Allowances Paid (E) £	Car & Van Expenses - Reimbursed (F) £	Other Travel Expenses - Reimbursed (G) £	Other Travel Expenses Paid Directly (H) £	Subsistence & Meals Expenses Reimbursed (I) £	Training & Conference Expenses Reimbursed (J) £	Training & Conference Expenses Paid Directly (K) £	Telephone & ICT Expenses Paid Directly (L) £	Total Expenses (F to L) (M) £		
Buchanan	Leader of the Council	31,010	-	31,010	-	-	-	-	-	75	156	231	31,241	29,899
Fletcher	Provost	23,257	-	23,257	-	-	3,035	-	-	-	245	3,280	26,537	25,615
		54,267	-	54,267	-	-	3,035	-	-	75	401	3,511	57,778	55,514
Convery	Chair of Licensing Committee	23,257	-	23,257	-	-	-	-	-	-	60	60	23,317	22,384
Cunningham	Deputy Provost (and Convener for Environment from 30 June)	23,257	-	23,257	-	-	-	-	-	-	225	225	23,482	22,569
Devlin	Convener for Housing & Maintenance Services	23,257	-	23,257	-	-	-	-	-	-	608	608	23,865	23,087
Ireland	Chair of Planning Applications/Local Review Body	23,257	-	23,257	-	-	-	-	-	-	60	60	23,317	22,384
Lafferty	Convener for Environment until 30 June and Convener for Education and Equalities from 30 June	23,257	-	23,257	-	-	-	-	-	-	509	509	23,766	22,550
Merrick	Convener for Community Services and Community Safety	23,257	-	23,257	-	-	-	-	-	-	76	76	23,333	22,365
Miller	Chair of Audit and Scrutiny Committee	23,257	-	23,257	-	-	-	-	-	-	156	156	23,413	22,400
O'Kane	Convener for Education and Equalities (resigned 30 June)	19,508	-	19,508	-	-	-	-	-	-	102	102	19,610	22,380
<b>Sub total</b>	<b>Senior Councillors</b>	<b>182,307</b>	<b>-</b>	<b>182,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,796</b>	<b>1,796</b>	<b>184,103</b>	<b>180,119</b>
	<b>All other Councillors</b>	<b>148,832</b>	<b>-</b>	<b>148,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,379</b>	<b>1,379</b>	<b>150,211</b>	<b>144,566</b>
	<b>Total</b>	<b>385,406</b>	<b>-</b>	<b>385,406</b>	<b>-</b>	<b>-</b>	<b>3,035</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>3,576</b>	<b>6,686</b>	<b>392,092</b>	<b>380,199</b>

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

1. Provost Fletcher receives payment directly from Association for Public Service Excellence (APSE) in his position as the Chair of the Transport and Mechanical Services Group. For further details refer to [www.apse.org.uk](http://www.apse.org.uk)
2. East Renfrewshire Council leases a car for civic duties. The total cost of the car is £3,148.



## 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 2021/22 and 2020/21 are as follows:-

Actual Pensionable pay	Contribution rate	Actual Pensionable pay	Contribution rate
	2021/22		2020/21
On pensionable pay up to and including £29,186	7.2%	On pensionable pay up to and including £28,309	7.2%
On pensionable pay £29,187 to £39,289	8.7%	On pensionable pay £28,310 to £38,108	8.7%
On pensionable pay £39,290 to £46,586	9.7%	On pensionable pay £38,109 to £45,186	9.7%
On pensionable pay £46,587 to £61,740	10.4%	On pensionable pay £45,187 to £59,884	10.4%
On pensionable pay £61,741 to £84,190	11.5%	On pensionable pay £59,885 to £81,659	11.5%
On pensionable pay above £84,191	11.9%	On pensionable pay above £81,660	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.

The pension entitlements of Senior Employees for the year to 31 March 2022 are shown in the table below, together with the contribution made by the Council to each Senior Employee's pension during the year.

**Remuneration Report (cont'd)**

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.

Name and Post Title	In Year Pension contribution		2021/22 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2021	
	2021/22	2020/21	Pension	Lump Sum	Pension	Lump Sum
	£	£	£	£	£	£
Lorraine McMillan (Chief Executive)	23,980	23,788	32,314	4,856	3,183	31
Mark Ratter (Director of Education: Commenced 01.11.20))	21,920	9,031	42,034	-	2,213	-
Julie Murray (Chief Officer of East Renfrewshire Integration Joint Board)	22,249	22,054	48,214	60,686	2,621	427
Kate Rocks (Chief Social Work Officer)	17,881	17,659	36,073	40,049	2,488	345
Andrew Cahill (Director of Environment)	21,920	21,728	63,999	109,218	2,719	768
Margaret McCrossan (Head of Accountancy / Chief Financial Officer)	19,595	19,374	60,092	105,637	2,857	797
Caroline Innes (Deputy Chief Executive Retired 30.01.22)	18,295	21,728	60,273	99,461	1,989	-
Louise Pringle ( Director of Business Operations and partnerships: Commenced 31.01.22)	3,625	-	387	-	387	-
Gerry Mahon (Chief Officer – Legal and Procurement)	15,532	15,339	35,020	45,905	2,197	406
Michelle Blair (Chief Auditor)	11,113	10,977	25,149	33,118	1,590	325
Anthony McReavy (Chief Executive of East Renfrewshire Culture & Leisure Trust)	17,039	16,847	11,475	-	1,846	-

**Remuneration Report (cont'd)****Senior Councillors**

The pension entitlements for Senior Councillors for the year to 31 March 2022 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		2021/22 Accrued Pension Benefits		Change in Accrued Pension Benefits since 31 March 2021	
	2021/22 £	2020/21 £	Pension £	Lump Sum £	Pension £	Lump Sum £
Cllr Buchanan – Leader of the Council	5,985	5,744	7,137	1,751	946	151
Cllr Convery – Chair of Licensing Committee	4,489	4,308	2,257	-	484	-
Cllr Cunningham – Deputy Provost		-	-	-	-	-
Cllr Devlin – Convener for Housing & Maintenance	4,489	4,308	2,201	-	484	-
Cllr Fletcher – Provost	4,701	4,308	8,061	2,590	955	256
Cllr Ireland – Chair of Planning Applications / Local Review Body	4,489	4,308	2,257	-	484	-
Cllr Lafferty – Convener for Environment	4,489	4,308	6,466	1,898	919	250
Cllr Merrick – Convener for Community Services and Community Safety	4,489	4,308	2,257	-	484	-
Cllr Miller – Chair of Audit Committee	4,489	4,308	6,195	1,826	1,101	355
Cllr O'Kane – Convener for Education & Equalities	3,765	4,308	4,006	-	540	-

All senior members shown in the above table, with the exception of Cllr Cunningham, 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	2021/22			2020/21 (Restated *)		
	Number of employees		Total	Number of employees		Total
Teachers	Employees	Teachers		Employees		
£50,000 - £54,999	97	45	142	108	3	111
£55,000 - £59,999	73	22	95	67	17	84
£60,000 - £64,999	22	6	28	26	10	36
£65,000 - £69,999	22	8	30	24	7	31
£70,000 - £74,999	3	2	5	3	4	7
£75,000 - £79,999	6	1	7	3	2	5
£80,000 - £84,999	2	1	3	1	-	1
£85,000 - £89,999	-	9	9	1	9	10
£90,000 - £94,999	1	3	4	-	1	1
£95,000 - £99,999	1	-	1	2	1	3
£100,000 - £104,999	-	1	1	-	1	1
£105,000 - £109,999	-	-	-	-	-	-
£110,000 - £114,999	-	2	2	-	3	3
£115,000 - £119,999	-	1	1	-	-	-
£120,000 - £124,999	-	1	1	-	1	1

\*the 2020/21 note has been restated after further consideration of the information previously provided

### 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	
	2021/22	2020/21	£	£	£	£	2021/22	2020/21
£0-£20,000	1	2	4,758	3,191	-	-	4,758	3,191
£20,001- £40,000	1	3	25,695	69,443	-	32,103	25,695	101,546
£40,001- £60,000	1	1	44,347	55,441	-	-	44,347	55,441
£60,001- £80,000	-	-	-	-	-	-	-	-
£80,001- £100,000	-	-	-	-	-	-	-	-
£100,001- £150,000	-	-	-	-	-	-	-	-
>£150,001	-	-	-	-	-	-	-	-
<b>Total Cost included in CIES</b>	<b>3</b>	<b>6</b>	<b>74,800</b>	<b>128,075</b>	<b>-</b>	<b>32,103</b>	<b>74,800</b>	<b>160,178</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 2021 to 31 March 2022	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 paybill spent on facility time</b>	
Total Cost of Facility Time	£49,422.89
Total Wage Bill	£95,637,772.44
Percentage of Wage Bill spent on facility time	0.05%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100.0%

<b>Relevant Union Officials - Teaching</b>	
Number of employees who were relevant union officials from 1 April 2021 to 31 March 2022	Full-time equivalent employee number
	1.4
<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 paybill spent on facility time</b>	
Total Cost of Facility Time	£109,865.07
Total Wage Bill	£82,265,060.10
Percentage of Wage Bill spent on facility time	0.13%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100.0%

Councillor Owen O'Donnell  
Leader of the Council

Lorraine McMillan  
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 2021			Year Ended 31 March 2022			
Gross Expenditure Restated £000	Gross Income Restated £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
171,487	(15,056)	156,431	Education	172,704	(16,732)	155,972
134,047	(81,534)	52,513	HSCP – Provision of Services	151,663	(92,587)	59,076
36,545	(6,351)	30,194	Environment	41,501	(11,794)	29,707
21,095	(14,548)	6,547	Business Operations & Partnerships	21,673	(14,329)	7,344
429	(114)	315	Chief Executive's Office	430	(250)	180
5,688	(2,835)	2,853	Other Expenditure & Income	5,111	(31)	5,080
3,463	(268)	3,195	Support Services – Chief Executive's Office	3,624	(285)	3,339
14,096	(53)	14,043	Support Services – Business Operations & P'ships.	15,425	(810)	14,615
2,268	(65)	2,203	Support Services – Environment	2,821	(278)	2,543
<b>389,118</b>	<b>(120,824)</b>	<b>268,294</b>	<b>Cost of general fund services</b>	<b>414,952</b>	<b>(137,096)</b>	<b>277,856</b>
16,201	(13,211)	2,990	HRA	20,351	(13,415)	6,936
<b>405,319</b>	<b>(134,035)</b>	<b>271,284</b>	<b>Cost of Services</b>	<b>435,303</b>	<b>(150,511)</b>	<b>284,792</b>
		(1,892)	Other operating expenditure (Note 12)			229
		12,223	Financing and investment income and expenditure (Note 13)			12,471
		<u>(279,029)</u>	Taxation and non-specific grant income (Note 14)			<u>(277,410)</u>
		<b>2,586</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>20,082</b>
		(8,112)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 26)			(29,121)
		788	Impairment losses on non-current assets charged to the Revaluation Reserve (Note 26)			1,513
		-	Surplus or deficit on revaluation of available for sale financial assets			-
		20,704	Actuarial (gains)/losses on pension assets/liabilities (Note 26)			(92,177)
		<b>13,380</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(119,785)</b>
		<b>15,966</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(99,703)</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 2021 carried forward</b>	(11,670)	(35,594)	(2,221)	(1,920)	(4,236)	(1,969)	(2,668)	(60,278)	(399,511)	(459,789)
<b>Movement in reserves during 2021/22</b>										
Total Comprehensive (Income) and Expenditure	17,601	-	2,481	-	-	-	-	20,082	(119,785)	(99,703)
Adjustments between accounting basis & funding basis under regulations (Note 10)	(16,813)	-	(2,127)	-	-	-	231	(18,709)	18,709	-
<b>(Increase)/Decrease in 2021/22</b>	<b>788</b>	<b>-</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231</b>	<b>1,373</b>	<b>(101,076)</b>	<b>(99,703)</b>
<b>Net transfer (to) or from reserves</b>	<b>(890)</b>	<b>1,177</b>	<b>-</b>	<b>(708)</b>	<b>589</b>	<b>66</b>	<b>(234)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>(11,772)</b>	<b>(34,417)</b>	<b>(1,867)</b>	<b>(2,628)</b>	<b>(3,647)</b>	<b>(1,903)</b>	<b>(2,671)</b>	<b>(58,905)</b>	<b>(500,587)</b>	<b>(559,492)</b>

	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 2020 carried forward</b>	(9,643)	(21,818)	(2,316)	-	(5,829)	(1,960)	(2,656)	(44,222)	(431,533)	(475,755)
<b>Movement in reserves during 2020/21</b>										
Total Comprehensive (Income) and Expenditure	(1,630)	-	4,216	-	-	-	-	2,586	13,380	15,966
Adjustments between accounting basis & funding basis under regulations (Note 10)	(16,562)	-	(2,239)	-	-	-	159	(18,642)	18,642	-
<b>(Increase)/Decrease in 2020/21</b>	<b>(18,192)</b>	<b>-</b>	<b>1,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>(16,056)</b>	<b>32,022</b>	<b>15,966</b>
<b>Net transfer (to) or from reserves</b>	<b>16,165</b>	<b>(13,776)</b>	<b>(1,882)</b>	<b>(1,920)</b>	<b>1,593</b>	<b>(9)</b>	<b>(171)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>(11,670)</b>	<b>(35,594)</b>	<b>(2,221)</b>	<b>(1,920)</b>	<b>(4,236)</b>	<b>(1,969)</b>	<b>(2,668)</b>	<b>(60,278)</b>	<b>(399,511)</b>	<b>(459,789)</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 2021 £000		Notes	31 March 2022 £000
731,566	Property, Plant & Equipment	15	767,359
234	Heritage Assets	16	260
172	Intangible Assets	18	118
255	Investments	20	250
<b>732,227</b>	<b>Long Term Assets</b>		<b>767,987</b>
-	Assets Held for Sale	19	-
481	Short Term Intangible Assets		481
1,049	Inventories		599
31,468	Short Term Debtors	21	30,359
7,999	Short Term Investments	20	13,998
61,119	Cash and Cash Equivalents	20,23	62,814
<b>102,116</b>	<b>Current Assets</b>		<b>108,251</b>
(383)	Short Term Borrowing	20	(828)
(5,083)	Finance Leases including PFI/PPP	20	(5,211)
(49,993)	Short Term Creditors	24	(60,681)
(590)	Provisions – short term	25	(617)
<b>(56,049)</b>	<b>Current Liabilities</b>		<b>(67,337)</b>
(164)	Provisions – long term	25	(167)
(113,843)	Long Term Borrowing	20	(118,015)
(93)	Long Term Creditors	20,24	(43)
(78,712)	PFI/PPP Finance Lease	20	(73,500)
(119,443)	Defined Benefit Pension Liability	40	(50,357)
(6,250)	Capital Grant Receipts in Advance	32	(7,327)
<b>(318,505)</b>	<b>Long Term Liabilities</b>		<b>(249,409)</b>
<b>459,789</b>	<b>Net Assets</b>		<b>559,492</b>
(60,278)	Usable Reserves	11	(58,905)
(399,511)	Unusable Reserves	26	(500,587)
<b>(459,789)</b>	<b>Total Reserves</b>		<b>(559,492)</b>

Margaret McCrossan CPFA  
Head of Accountancy (Chief Financial Officer)

The unaudited financial statements were issued on 14th June 2022 and the audited financial statements were authorised for issue by the Head of Accountancy on 26 October 2022



## **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>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
2,586	Net (surplus) or deficit on the provision of services	20,082
(26,125)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 27)	(44,568)
-	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(23,539)	Net cash flows from Operating Activities	(24,486)
19,348	Investing Activities (Note 28)	16,330
(20,789)	Financing Activities (Note 29)	6,461
(24,980)	Net (increase) or decrease in cash and cash equivalents	(1,695)
(36,139)	Cash and cash equivalents at the beginning of the reporting period	(61,119)
<b>(61,119)</b>	<b>Cash and cash equivalents at the end of the reporting period (Including Bank Overdraft) - (Note 23)</b>	<b>(62,814)</b>



## **Notes to the Accounts**

### **1. ACCOUNTING POLICIES**

#### **General Principles**

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. 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 2021/22 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 certain categories of non-current assets and financial instruments. The accounts have been prepared on the basis that the Council is a going concern.

#### **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.



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

### **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.

### **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.



## Notes to the Accounts (cont'd)

### 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 2.7% (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:

**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.



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

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. The negative balance that arises 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.

### **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 which it is the sole trustee for.

### **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.



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

### **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 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.



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

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.

### **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 or covers Covid-19 pressures in 2020/21 and 2021/22 not met by government grants.

### **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.





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

### **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 May 2022.

### **Civic Regalia**

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

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 March 2022.

### **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 March 2022, provided by Registration Transfers, the largest dealer in 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



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

own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

### **Inventories and Long Term Contracts**

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.

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**

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.

### **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 costing less than £10k and Plant & Equipment costing less than £6k are not treated as fixed assets. These de-minimis levels do not apply were certain categories of these assets are grouped together and form part of the approved capital programme.



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

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 five year 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.

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



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

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.

The amounts payable to the PFI operators each year are analysed into five 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 7.17% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent - increases in the amount to be paid for the property arising during the contract, 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 (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs - proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

### **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.



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

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 Her 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	2020/21 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	2021/22 Adjustments Between Funding & Accounting Basis (See Note 3)	Net Expenditure in the Comprehensive Income & Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
132,756	23,675	156,431	Education	144,908	11,064	155,972
48,944	3,569	52,513	HSCP - Provision of Services	54,677	4,399	59,076
24,359	5,835	30,194	Environment	23,780	5,927	29,707
5,991	556	6,547	Business Operations & Partnerships	6,206	1,138	7,344
77	238	315	Chief Executive's Office	147	33	180
8,525	(5,672)	2,853	Other Expenditure & Income	10,153	(5,073)	5,080
2,839	356	3,195	Support Services – Chief Executive's Office	2,645	694	3,339
10,439	3,604	14,043	Support Services – Business Ops & P'ships	10,038	4,577	14,615
1,785	418	2,203	Support Services – Environment	1,954	589	2,543
<b>235,715</b>	<b>32,579</b>	<b>268,294</b>	<b>Net Cost of General Fund Services</b>	<b>254,508</b>	<b>23,348</b>	<b>277,856</b>
262	2,728	2,990	HRA	510	6,426	6,936
<b>235,977</b>	<b>35,307</b>	<b>271,284</b>	<b>Cost of Services</b>	<b>255,018</b>	<b>29,774</b>	<b>284,792</b>
(810)	(1,082)	(1,892)	Other operating expenditure	(751)	980	229
9,115	3,108	12,223	Financing and investment income and expenditure	8,697	3,774	12,471
(259,990)	(19,039)	(279,029)	Taxation and non-specific grant income	(261,535)	(15,875)	(277,410)
<b>(15,708)</b>	<b>18,294</b>	<b>2,586</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>1,429</b>	<b>18,653</b>	<b>20,082</b>
(33,777)			Opening General Fund and HRA Balance	(49,485)		
(15,708)			(Surplus) / Deficit on General Fund and HRA Balance in Year	1,429		
<b>(49,485)</b>			<b>Closing General Fund and HRA Balance*</b>	<b>(48,056)</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.

2021/22	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	9,489	7,113	(5,538)	11,064
HSCP – Provision of Services	(466)	4,941	(76)	4,399
Environment	4,045	3,448	(1,566)	5,927
Business Operations & Partnerships	11	1,101	26	1,138
Chief Executive's Office	-	-	33	33
Other Expenditure & Income	-	6	(5,079)	(5,073)
Support Services – Chief Executive's Office	-	708	(14)	694
Support Services – Business Ops & P'ships	2,845	1,841	(109)	4,577
Support Services – Environment	194	402	(7)	589
<b>Net Cost of General Fund Services</b>	<b>16,118</b>	<b>19,560</b>	<b>(12,330)</b>	<b>23,348</b>
HRA	9,707	938	(4,219)	6,426
<b>Cost of Services</b>	<b>25,825</b>	<b>20,498</b>	<b>(16,549)</b>	<b>29,774</b>
Other Operating Expenditure	980	-	-	980
Financing & Investment Income & Expenditure	-	2,593	1,181	3,774
Taxation & Non-Specific Grant Income	(15,875)	-	-	(15,875)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>10,930</b>	<b>23,091</b>	<b>(15,368)</b>	<b>18,653</b>

2020/21	Adjustments for Capital Purposes	Net Charges for Pension Adjustments	Other Differences	Total
	£'000	£'000	£'000	£'000
Education	23,162	2,964	(2,451)	23,675
HSCP – Provision of Services	1,194	2,162	213	3,569
Environment	5,288	1,490	(943)	5,835
Business Operations & Partnerships	-	517	39	556
Chief Executive's Office	-	-	238	238
Other Expenditure & Income	-	24	(5,696)	(5,672)
Support Services – Chief Executive's Office	-	341	15	356
Support Services – Business Ops & P'ships	2,713	854	37	3,604
Support Services – Environment	228	176	14	418
<b>Net Cost of General Fund Services</b>	<b>32,585</b>	<b>8,528</b>	<b>(8,534)</b>	<b>32,579</b>
HRA	6,618	398	(4,288)	2,728
<b>Cost of Services</b>	<b>39,203</b>	<b>8,926</b>	<b>(12,822)</b>	<b>35,307</b>
Other Operating Expenditure	(1,082)	-	-	(1,082)
Financing & Investment Income & Expenditure	-	2,219	889	3,108
Taxation & Non-Specific Grant Income	(19,039)	-	-	(19,039)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>19,082</b>	<b>11,145</b>	<b>(11,933)</b>	<b>18,294</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 2022/23 code:-

Annual Improvements to International Financial Reporting Standards (IFRS) 2018-2020. The annual IFRS improvement programme notes 3 changed standards:

- IFRS 1(First-time adoption) - amendment relates to foreign operators of acquired subsidiaries transitioning to IFRS
- IAS 37 (Onerous contracts) - clarifies the intention of the standard
- IAS 41(Agriculture) - one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances

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:

**2021/22**

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	123,770	32,253	19,647	6,479	24	6	15,785	4,662	2,593	205,219
Other services expenses	39,445	52,648	17,809	15,183	406	5,105	3,046	5,982	-	139,624
Depreciation, amortisation, impairment	9,489	(466)	4,045	11	-	-	3,039	9,707	-	25,825
Interest payments	-	-	-	-	-	-	-	-	10,054	10,054
Gain on the disposal of assets	-	-	-	-	-	-	-	-	980	980
<b>Total expenditure</b>	<b>172,704</b>	<b>84,435</b>	<b>41,501</b>	<b>21,673</b>	<b>430</b>	<b>5,111</b>	<b>21,870</b>	<b>20,351</b>	<b>13,627</b>	<b>381,702</b>
<b>Income</b>										
Fees, charges and other service income	(4,144)	(16,889)	(9,264)	(1,341)	(250)	(31)	(1,369)	(13,415)	(751)	(47,454)
Interest and investment income	-	-	-	-	-	-	-	-	(176)	(176)
Income from council tax	-	-	-	-	-	-	-	-	(54,366)	(54,366)
Government grants and contributions (Note 32)	(12,588)	(8,470)	(2,530)	(12,988)	-	-	(4)	-	(223,044)	(259,624)
<b>Total income</b>	<b>(16,732)</b>	<b>(25,359)</b>	<b>(11,794)</b>	<b>(14,329)</b>	<b>(250)</b>	<b>(31)</b>	<b>(1,373)</b>	<b>(13,415)</b>	<b>(278,337)</b>	<b>(361,620)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>155,972</b>	<b>59,076</b>	<b>29,707</b>	<b>7,344</b>	<b>180</b>	<b>5,080</b>	<b>20,497</b>	<b>6,936</b>	<b>(264,710)</b>	<b>20,082</b>

**2020/21**

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	114,397	26,659	15,914	5,545	24	24	13,051	4,263	2,219	182,096
Other services expenses	33,928	48,663	15,343	15,550	405	5,664	3,835	5,320	-	128,708
Depreciation, amortisation, impairment	23,162	1,194	5,288	-	-	-	2,941	6,618	-	39,203
Interest payments	-	-	-	-	-	-	-	-	10,692	10,692
Gain on the disposal of assets	-	-	-	-	-	-	-	-	(1,082)	(1,082)
<b>Total expenditure</b>	<b>171,487</b>	<b>76,516</b>	<b>36,545</b>	<b>21,095</b>	<b>429</b>	<b>5,688</b>	<b>19,827</b>	<b>16,201</b>	<b>11,829</b>	<b>359,617</b>
<b>Income</b>										
Fees, charges and other service income	(4,905)	(15,567)	(4,881)	(1,251)	(114)	(2,835)	(386)	(13,211)	(810)	(43,960)
Interest and investment income	-	-	-	-	-	-	-	-	(688)	(688)
Income from council tax	-	-	-	-	-	-	-	-	(54,431)	(54,431)
Government grants and contributions (Note 32)	(10,151)	(8,436)	(1,470)	(13,297)	-	-	-	-	(224,598)	(257,952)
<b>Total income</b>	<b>(15,056)</b>	<b>(24,003)</b>	<b>(6,351)</b>	<b>(14,548)</b>	<b>(114)</b>	<b>(2,835)</b>	<b>(386)</b>	<b>(13,211)</b>	<b>(280,527)</b>	<b>(357,031)</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>156,431</b>	<b>52,513</b>	<b>30,194</b>	<b>6,547</b>	<b>315</b>	<b>2,853</b>	<b>19,441</b>	<b>2,990</b>	<b>(268,698)</b>	<b>2,586</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:

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

- 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 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 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results differ Assumptions</b>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A table setting out the potential sensitivity of change in assumptions on the pension liability is detailed in note 40. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £14.263m, a 0.1% increase in the salary increase rate will result in an increase in liabilities of £1.74m and a 0.1% increase in the pension increase rate will result in an increase in liabilities of £12.404m. During 2021/22, the Council actuaries advised that the net pension liability had decreased by £69.086m to £50.357m, following an assumptions update on the Consumer Price Index and Corporate Bond yield which resulted in a gain of £51m, in addition to a higher investment return of £18m (5.7%).
Arrears	At 31 March 2022, the Council had a sundry debtor balance of £3.65m, Council Tax Debtors of £14.39m and Non Domestic Rate Debtors of £3.16m. A review of significant balances suggested that an impairment of doubtful debts of 35.6% / £1.3m was appropriate for sundry debtors and provisions of 91% / £13.09m and 92.3% / £2.91m 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 £0.13m to be set aside for sundry debt as an allowance and £1.31m and £0.3m for Council Tax and Non Domestic Rate debtors respectively



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

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	1,919
Sale Proceeds	<u>(939)</u>
(Profit)/loss on disposal	980

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

The Statement of Accounts was authorised for audit by the Head of Accountancy (Chief Financial Officer) on 14 June 2022. 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 2022, 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)****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.

2021/22	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	(13,882)	(7,001)					20,883
Amortisation of intangible assets (Note 18)	(110)						110
Difference between fair value and historic cost depreciation	(2,126)	(2,706)					4,832
Capital grants and contributions applied (Note 34)	10,096	5,779					(15,875)
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)	(1,919)		231				1,688
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>							
Statutory provision for the financing of capital investment	10,183	2,834					(13,017)
Capital expenditure charged against the General Fund and HRA balances	2,362						(2,362)
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 (Note 34)							
<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)	10						(10)
<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)	(22,035)	(1,056)					23,091
<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)	500	23					(523)
<b>Total Adjustments (see MIRS)</b>	<b>(16,813)</b>	<b>(2,127)</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,709</b>

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

2020/21 (Restated*)	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	(30,332)	(3,956)					34,288
Amortisation of intangible assets (Note 18)	(121)						121
Difference between fair value and historic cost depreciation	(2,132)	(2,662)					4,794
Capital grants and contributions applied (Note 34)	17,157	1,882					(19,039)
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)	(997)		159				838
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>							
Statutory provision for the financing of capital investment	10,527	2,938					(13,465)
Capital expenditure charged against the General Fund and HRA balances	1,933	100					(2,033)
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 (Note 34)							
<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)	11						(11)
<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)	(10,648)	(497)					11,145
<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)	(2,068)	(44)					2,112
<b>Total Adjustments (see MIRS)</b>	<b>(16,562)</b>	<b>(2,239)</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,642</b>

\*The make-up of this note has been restated due to updated LASAAC guidance on accounting for depreciation

**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 2021/22.

	Balance at 31 March 2020 £000	Transfers Out 2020/21 £000	Transfers In 2020/21 £000	Balance at 31 March 2021 £000	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Balance at 31 March 2022 £000
<b>Non-earmarked Reserve</b>	<b>(9,643)</b>	<b>16,165</b>	<b>(18,192)</b>	<b>(11,670)</b>	<b>788</b>	<b>(890)</b>	<b>(11,772)</b>
Equalisation Reserve	(2,835)	-	(39)	(2,874)	-	(32)	(2,906)
Modernisation Fund	(7,050)	1,311	(32)	(5,771)	1,162	(7)	(4,616)
Unspent Grants	(5,246)	5,246	(6,696)	(6,696)	6,696	(4,852)	(4,852)
Unspent Covid-19 Grants	-	-	(12,815)	(12,815)	6,604	(7,874)	(14,085)
Whitelee Wind Farm	(747)	212	(293)	(828)	218	(302)	(912)
Commuted Sums	(2,160)	2,160	(2,371)	(2,371)	2,371	(2,457)	(2,457)
Devolved School Management	(3,580)	1,195	(1,654)	(4,039)	1,422	(1,818)	(4,435)
Feasibility Fund	(200)	-	-	(200)	46	-	(154)
<b>General Fund Total</b>	<b>(31,461)</b>	<b>26,289</b>	<b>(42,092)</b>	<b>(47,264)</b>	<b>19,307</b>	<b>(18,232)</b>	<b>(46,189)</b>
HRA	(2,316)	95	-	(2,221)	354	-	(1,867)
Capital Reserve	(2,656)	-	(12)	(2,668)	-	(3)	(2,671)
Capital Grants & Receipts unapplied account	-	-	(1,920)	(1,920)	-	(708)	(2,628)
Repairs and Renewal Fund	(5,829)	2,011	(418)	(4,236)	1,371	(782)	(3,647)
Insurance Fund	(1,960)	-	(9)	(1,969)	68	(2)	(1,903)
<b>Total</b>	<b>(44,222)</b>	<b>28,395</b>	<b>(44,451)</b>	<b>(60,278)</b>	<b>21,100</b>	<b>(19,727)</b>	<b>(58,905)</b>

**12. COMPREHENSIVE INCOME & EXPENDITURE STATEMENT – OTHER OPERATING EXPENDITURE**

	2021/22 £000	2020/21 £000
(Gain)/Loss on disposal of Fixed Asset (See Note 8)	980	(1,082)
Rental Income – operating lease over property, plant and equipment	(751)	(810)
	<b>229</b>	<b>(1,892)</b>

**Notes to the Accounts (cont'd)****13. COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Interest payable and similar charges	10,051	10,691
Pension interest costs and expected return on pension assets	2,593	2,219
Interest receivable and similar income	(176)	(688)
Expected credit loss	3	1
	<hr/>	<hr/>
<b>Total</b>	<b>12,471</b>	<b>12,223</b>
	<hr/>	<hr/>

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

	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Council Tax income	(54,366)	(54,431)
Non domestic rates *	(7,234)	(9,961)
Non ring-fenced government grants *	(199,935)	(195,598)
Capital grants and contributions	(15,875)	(19,039)
	<hr/>	<hr/>
<b>Total</b>	<b>(277,410)</b>	<b>(279,029)</b>
	<hr/>	<hr/>

The movement in income credited to the Comprehensive Income & Expenditure Statement in both 2020/21 & 2021/22 for Non Domestic Rates, from that reported in previous years, relates to the Business Rate relief granted to support businesses during the pandemic and was compensated for by an increase in Non ring-fenced government grants to the Council.

**Notes to the Accounts (cont'd)****15. PROPERTY, PLANT AND EQUIPMENT****Movements on Balances****Movements in 2021/22**

	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 2021</b>	<b>191,020</b>	<b>372,187</b>	<b>51,043</b>	<b>*</b>	<b>3,585</b>	<b>2,772</b>	<b>6,659</b>	<b>152,831</b>	<b>*</b>
Additions	8,855	5,305	5,728	6,837	-	-	7,480	1,640	35,845
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	12,332	1,357	-	-	-	16	-	-	13,705
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,054)	(1,557)	-	-	-	-	-	-	(4,611)
Derecognition – disposals	-	(2,070)	(1,242)	-	-	-	-	-	(3,312)
Derecognition – other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Assets transferred to/from assets under construction	4,725	-	-	-	-	-	(4,725)	-	-
Assets transferred to/from Surplus Assets	-	-	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>213,878</b>	<b>375,222</b>	<b>55,529</b>	<b>*</b>	<b>3,585</b>	<b>2,788</b>	<b>9,414</b>	<b>154,471</b>	<b>*</b>
<b>Accumulated Depreciation and Impairment At 1 April 2021</b>	<b>(11,710)</b>	<b>(17,894)</b>	<b>(40,012)</b>	<b>*</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(18,992)</b>	<b>*</b>
Depreciation charge	(6,846)	(7,384)	(5,207)	(1,406)	-	(2)	-	(3,828)	(24,673)
Depreciation written out on disposal	-	154	1,239	-	-	-	-	-	1,393
Depreciation written out on revaluation reserve	5,888	7,989	-	-	-	-	-	-	13,877
Depreciation written out on surplus or deficit on the provision of service	337	3,232	-	-	-	-	-	-	3,569
<b>At 31 March 2022</b>	<b>(12,331)</b>	<b>(13,903)</b>	<b>(43,980)</b>	<b>*</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(22,820)</b>	<b>*</b>
<b>Net Book Value At 31 March 2022</b>	<b>201,547</b>	<b>361,319</b>	<b>11,549</b>	<b>45,510</b>	<b>3,585</b>	<b>2,784</b>	<b>9,414</b>	<b>131,651</b>	<b>767,359</b>
<b>At 31 March 2021</b>	<b>179,310</b>	<b>354,293</b>	<b>11,031</b>	<b>40,079</b>	<b>3,585</b>	<b>2,770</b>	<b>6,659</b>	<b>133,839</b>	<b>731,566</b>



**Notes to the Accounts (cont'd)****Comparative Movements in 2020/21 (Restated\*)**

	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</b>									
<b>At 1 April 2020</b>	<b>188,669</b>	<b>358,077</b>	<b>46,546</b>	*	<b>3,460</b>	<b>2,772</b>	<b>18,844</b>	<b>151,277</b>	*
Additions	3,388	4,598	5,244	5,212	125	-	14,948	1,554	35,069
Donations	-	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,762)	2,336	-	-	-	-	-	-	574
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	77	(15,556)	-	-	-	-	-	-	(15,479)
Derecognition – disposals	-	-	(747)	-	-	-	-	-	(747)
Derecognition – other	-	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-	-
Assets transferred to/from assets under construction	648	22,732	-	3,753	-	-	(27,133)	-	-
Assets transferred to/from Surplus Assets	-	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>191,020</b>	<b>372,187</b>	<b>51,043</b>	*	<b>3,585</b>	<b>2,772</b>	<b>6,659</b>	<b>152,831</b>	*
<b>Accumulated Depreciation and Impairment</b>									
<b>At 1 April 2020</b>	<b>(10,941)</b>	<b>(12,311)</b>	<b>(35,286)</b>	*	-	-	-	<b>(15,200)</b>	*
Depreciation charge	(6,688)	(7,600)	(5,473)	(1,235)	-	(2)	-	(3,792)	(24,790)
Depreciation written out on disposal	-	-	747	-	-	-	-	-	747
Depreciation written out on revaluation reserve	5,762	987	-	-	-	-	-	-	6,749
Depreciation written out on surplus or deficit on the provision of service	157	1,030	-	-	-	-	-	-	1,187
<b>At 31 March 2021</b>	<b>(11,710)</b>	<b>(17,894)</b>	<b>(40,012)</b>	*	-	<b>(2)</b>	-	<b>(18,992)</b>	*
<b>Net Book Value At 31 March 2021</b>	<b>179,310</b>	<b>354,293</b>	<b>11,031</b>	<b>40,079</b>	<b>3,585</b>	<b>2,770</b>	<b>6,659</b>	<b>133,839</b>	<b>731,566</b>
<b>At 31 March 2020</b>	<b>177,728</b>	<b>345,766</b>	<b>11,260</b>	<b>32,349</b>	<b>3,460</b>	<b>2,772</b>	<b>18,844</b>	<b>136,077</b>	<b>728,256</b>

- The make-up of this note has been restated to show a presentational change on the valuation of assets



## 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 years
- Community Assets – 1-20 years

### Capital Commitments

At 31 March 2022, the Council was progressing a number of projects for the construction or enhancement of Property, Plant and Equipment in 2022/23 and future years. The major commitments include the following projects which have been stated at full project cost:-

	<b>£000</b>
Cowan Park Gate Lodge	1,118
Telecare Service	1,150
Full Fibre Digital Transformation	2,700
House Building Programme	54,145

### Revaluations

The Council carries out a five year 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 excess of 20% of each category of assets was revalued as at 31 March 2022. 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.

### \*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.



## Notes to the Accounts (cont'd)

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. The Council has adopted statutory overrides for the period 1 April 2021 to 31 March 2024 which permits the council not to report gross cost and accumulated depreciation for Infrastructure assets and 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.

### 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
Cost or valuation At 1 April 2021	94	65	159	75	75	234
Revaluations	-	-	-	26	26	26
At 31 March 2022	94	65	159	101	101	260

	Statues £000	Civic Regalia £000	Total Tangible Assets £000	Number Plates £000	Total Intangible Assets £000	Total Heritage Assets £000
Cost or valuation At 1 April 2020	94	65	159	75	75	234
Revaluations						
At 31 March 2021	94	65	159	75	75	234

### 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 2017/18 to 2021/22.

**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 £110k charged to revenue in 2021/22 was charged to the IT Administration cost centre.

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

	2021/22 Software Licences £000	2020/21 Software Licences £000
<b>Balance at start of year:</b>		
• Gross carrying amounts	1,646	1,642
• Accumulated amortisation	(1,474)	(1,353)
<b>Net carrying amount at start of year</b>	<b>172</b>	<b>289</b>
Additions:		
• Internal development	-	-
• Purchases	56	4
• Acquired through business combinations	-	-
Amortisation for the period	(110)	(121)
Other changes	-	-
Derecognition		
• Gross Book Value	-	-
• Accumulated amortisation	-	-
<b>Net carrying amount at end of year</b>	<b>118</b>	<b>172</b>
Comprising:		
• Gross carrying amounts	1,702	1,646
• Accumulated amortisation	(1,584)	(1,474)
<b>Balance at end of year:</b>	<b>118</b>	<b>172</b>



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

19. **ASSETS HELD FOR SALE**

	Current Assets 2021/22 £000	Current Assets 2020/21 £000
<b>Balance outstanding at start of year</b>	-	986
Assets newly classified as held for sale:		
• Property, Plant and Equipment	-	-
• Other assets/liabilities in disposal groups	-	-
Additions	-	11
Revaluation 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	-	(997)
Derecognition	-	-
Transfers from non-current to current	-	-
<b>Balance outstanding at year-end:</b>	<b>-</b>	<b>-</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.

	Long-term		Current	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Investments</b>				
Loans and receivables	250	255	78,177	71,679
<b>Total investments</b>	<b>250</b>	<b>255</b>	<b>78,177</b>	<b>71,679</b>
<b>Borrowings</b>				
Financial liabilities at amortised cost (including Bank overdraft and long term creditors)	(118,058)	(113,936)	(2,211)	(2,962)
<b>Total Borrowings</b>	<b>(118,058)</b>	<b>(113,936)</b>	<b>(2,211)</b>	<b>(2,962)</b>
<b>Other Long Term Liabilities</b>				
PFI and finance lease liabilities	(73,500)	(78,712)	(5,211)	(5,083)
<b>Total other long term liabilities</b>	<b>(73,500)</b>	<b>(78,712)</b>	<b>(5,211)</b>	<b>(5,083)</b>

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

	2021/22 Surplus or Deficit on the Provision of Services £000	2020/21 Surplus or Deficit on the Provision of Services £000
Net gains/losses on:		
• Financial assets or financial liabilities measured at amortised cost	-	-
Interest revenue:		
• Financial assets or financial liabilities measured at amortised cost	4,059	4,067
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	238	229
<b>Total net(gain) / losses</b>	<b>4,297</b>	<b>4,296</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 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 £78,427k financial assets and £120,269k financial liabilities for which Level 2 valuations will apply. All the financial assets are held with Money Market Funds and Notice Accounts. 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 Link Asset Services 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 2022		31 March 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	120,269	143,008	116,898	154,198

The fair value of the liabilities is 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 2022) arising from a commitment to pay interest to lenders above current market rates.

Link Asset Services have also provided fair value calculations based on premature repayment. This shows the following comparable figures:-

	31 March 2022		31 March 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Financial liabilities	120,269	174,788	116,898	189,744

**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 £103.67m, the fair value using New Borrowing Rates would be £120.44m. 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 £147.92m.

The redemption charge is a supplementary measure of the fair value of the Public Works Loan Board (PWLB) loans of £103.67m. 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 2022		31 March 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£000	£000	£000	£000
Deposits: short-term	64,179	64,189	63,680	63,711
Investments: short-term	13,998	13,989	7,999	8,005
Investments: long-term	250	250	255	255
	<b>78,427</b>	<b>78,428</b>	<b>71,934</b>	<b>71,971</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 2022	31 March 2021
	£000	£000
Trade receivables	3,646	7,235
Receivables from other Public sector bodies	3,088	9,016
Prepayments	2,957	2,720
Other accounts	20,668	12,497
<b>Total</b>	<b>30,359</b>	<b>31,468</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 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Less than one year	3,790	3,702
Between one to two years	2,729	1,956
Between two and five years	4,026	3,465
More than five years	6,998	6,612
<b>Total</b>	<b>17,543</b>	<b>15,735</b>

The Impairment of receivables for amounts levied in year is 3% 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 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Cash held by the Council	18	18
Bank current accounts	(1,383)	(2,579)
Short-term deposits	64,179	63,680
<b>Total</b>	<b>62,814</b>	<b>61,119</b>

**24. CREDITORS**

	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>£000</b>		<b>£000</b>	
	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>
Trade payables	(3,419)	-	(3,717)	-
Payables to other public sector bodies	(28,079)	-	(18,035)	-
Other accounts	(29,183)	(43)	(28,241)	(93)
<b>TOTAL</b>	<b>(60,681)</b>	<b>(43)</b>	<b>(49,993)</b>	<b>(93)</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 2021</b>	(182)	(408)	<b>(590)</b>	(19)	(145)	<b>(164)</b>
Additional provisions made in 2021/22	(209)	-	<b>(209)</b>	-	(16)	<b>(16)</b>
Amounts used in 2021/22	176	-	<b>176</b>	4	-	<b>4</b>
Unused amounts reversed in 2021/22	6	-	<b>6</b>	9	-	<b>9</b>
<b>Balance at 31 March 2022</b>	(209)	(408)	<b>(617)</b>	(6)	(161)	<b>(167)</b>

The Council has two short term provisions totalling £617k to cover holidays accrued whilst teachers are on maternity (£209k) and reflecting an overpayment of Universal Credit benefits made by the Department of Works & Pensions to the Housing Revenue Account (£408k).

Two long term provisions have been made in the accounts totalling £167k. These are made up firstly of £6k, 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 £161k to cover insurance excess for outstanding claims made against the Council.

**26. BALANCE SHEET – UNUSABLE RESERVES**

	31 March 2022	31 March 2021
	£000	£000
Revaluation Reserve	(192,429)	(169,653)
Capital Adjustment Account	(367,451)	(358,878)
Financial Instruments Adjustment Account	990	1,108
Pensions Reserve	50,357	119,443
Statutory Accumulating Compensated Absences Account	7,946	8,469
<b>Total Unusable Reserves</b>	<b>(500,587)</b>	<b>(399,511)</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 2022 £000	31 March 2021 £000
<b>Balance at 1 April</b>	<b>(169,653)</b>	<b>(167,123)</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	(29,121)	(8,112)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,513	788
Difference between fair value depreciation and historical cost depreciation	4,832	4,794
Accumulated gains on assets sold or scrapped	-	-
<b>Balance at 31 March</b>	<b>(192,429)</b>	<b>(169,653)</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.

	2021/22 £000	2020/21 £000
<b>Balance at 1 April</b>	<b>(358,878)</b>	<b>(359,588)</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	20,883	34,288
• Revaluation losses on Property, Plant and Equipment	-	-
• PPP/PFI lifecycle costs	(1,640)	(1,505)
• Amortisation of intangible assets	110	121
• 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	1,919	997
	<b>(337,606)</b>	<b>(325,687)</b>

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

Capital financing applied in the year:

• Use of the Capital Receipts to finance new capital expenditure	(231)	(159)
• Grants applied to Capital Investment	(15,875)	(19,039)
• PPP/PFI Finance lease repayments	(5,084)	(4,906)
• Loan repayments for the financing of capital investment charged against the General Fund and HRA balances	(7,933)	(8,559)
• Capital Funded from Current Revenue/capital reserve	(722)	(528)

<b>Balance at 31 March</b>	<b>(367,451)</b>	<b>(358,878)</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 uses the Account in the main, to manage premiums paid on the early redemption of loans. Over time, the expense is 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 on the Account at 31 March 2022 will be charged to the General Fund over the next 2 years. It is also a balancing account to allow for differences in statutory requirements and proper accounting practices for borrowing and investments.

	2021/22 £000	2020/21 £000
<b>Balance at 1 April</b>	<b>1,108</b>	<b>1,227</b>
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with Statutory requirements	(108)	(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	(10)	(11)
<b>Balance at 31 March</b>	<b>990</b>	<b>1,108</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. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

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

	2021/22 £000	2020/21 £000
<b>Balance at 1 April</b>	<b>119,443</b>	<b>87,594</b>
Actuarial (gains) or losses on pension assets and liabilities	(92,177)	20,704
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	36,180	23,276
Employer's pension contributions and direct payments to pensioners payable in the year	(13,089)	(12,131)
<b>Balance at 31 March</b>	<b>50,357</b>	<b>119,443</b>

**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.

	2021/22 £000	2020/21 £000
<b>Balance at 1 April</b>	<b>8,469</b>	<b>6,357</b>
Settlement or cancellation of accrual made at the end of the preceding year	(8,469)	(6,357)
Amounts accrued at the end of the current year	7,946	8,469
<b>Balance at 31 March</b>	<b>7,946</b>	<b>8,469</b>

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

The cash flows for operating activities include the following items:

	2021/22 £000	2020/21 £000
Interest received	(98)	(515)
Interest paid	4,532	4,794
Interest element of finance lease rental and PPP/PFI payment	5,643	6,016

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

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

	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Depreciation and impairment	(20,883)	(34,288)
Difference between Fair Value and Historical Cost Depreciation	(4,832)	(4,794)
Amortisation of intangible assets	(110)	(121)
(Increase)/decrease in creditors	(9,549)	(6,635)
Increase/(decrease) in debtors	42	11,986
Increase/(decrease) in inventories	(450)	552
Movement in pension liability	(23,091)	(11,145)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(1,688)	(838)
Other non-cash items charged to the net surplus or deficit on the provision of services	15,993	19,158
	<b>(44,568)</b>	<b>(26,125)</b>

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

	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Purchase of property, plant and equipment and intangible assets	35,621	35,039
Purchase of short-term and long-term investments	274,555	114,300
Proceeds from the sale of property, plant and equipment and intangible assets	(294)	(1,082)
Proceeds from short-term and long-term investments	(274,555)	(114,300)
Other receipts from investing activities	(18,997)	(14,609)
<b>Net cash flows from investing activities</b>	<b>16,330</b>	<b>19,348</b>

**Notes to the Accounts (cont'd)****29. CASH FLOW STATEMENT – FINANCING ACTIVITIES**

	2021/22 £000	2020/21 £000
<b>Financing activities as at 1 April</b>	<b>(189,767)</b>	<b>(168,978)</b>
Cash payments for the reduction of the outstanding Liability relative to a finance lease and on Balance Sheet PFI Contract	5,084	4,906
Repayments of short and long-term borrowing	1,377	(25,695)
Other payments for financing activities	-	-
<b>Financing activities as at 31 March</b>	<b>(183,306)</b>	<b>(189,767)</b>

**30. AGENCY SERVICES**

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

During 2021/22 the Council collected and paid over £18.5m (2020/21 £17.9m) and received £0.259m (2020/21 £0.259m) for providing the service.

In addition, the Council received a number of funding streams from the Scottish Government in 2021/22 to support financial hardship experienced by third parties (individuals and businesses) related to the Covid-19 pandemic. The Council had no discretion over the terms of the funding and could not use it for service delivery. This means that the Council acted as agent only and the grant funding received and paid out are not included in the Council's reserves, Comprehensive Income and Expenditure Statement or Balance Sheet. In some cases, an administration grant was awarded to the Council to facilitate these payments. This is accounted for as operational income and expenditure and not disclosed here.

	2021/22 £000	2020/21 £000
<b>Covid-19 Grants: where the Council acted as Agent</b>		
Business Support Grants	6,124	19,481
£500 Bonus payments	2,040	-
Winter & Spring Hardship Payments	-	342
Transitional Support Scheme	-	223
Temporary Restriction Funds	-	126
Self-Isolation	850	66
Personal Protective Equipment	-	912
Family Pandemic	944	-
Alternative Certification Method	305	-
Omicron Support Payments	130	-
Low Income Pandemic Payments	710	-

**31. EXTERNAL AUDIT COSTS**

	2021/22 £000	2020/21 £000
Agreed Audit Scotland audit fee for the year	241	237
Other Audit Services provided	-	-

**Notes to the Accounts (cont'd)****32. GRANT INCOME**

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

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant (incl Covid-19 Funding of £8,339k in 2021/22: £18,522k in 2020/21)	199,935	195,598
Non Domestic Rates	7,234	9,961
Capital Grants and Contributions	15,875	19,039
<b>Total</b>	<b>223,044</b>	<b>224,598</b>
<b>Credited to Services</b>		
Housing Benefit Subsidy	12,483	12,820
Housing Benefit Administration Grant	153	159
Pupil Equity Fund	1,468	1,197
Unitary Charge – Barrhead High School	1,832	1,832
Education 1140 expansion	7,849	4,856
Education Maintenance Allowance	357	425
Young Persons Guarantee	216	-
Developing the Young Workforce	161	-
Criminal Justice Grant	703	698
Private Sector Housing Grant	489	134
Strathclyde Passenger Transport	300	630
Miscellaneous Revenue Grants	3,169	1,871
<b>Covid-19 Grants: where the Council acted as Principal</b>		
Self-Isolation	50	-
Food Fund	-	197
Education Recovery	-	1,163
Free School Meals	-	132
Criminal Justice Recovery	108	-
£500 Bonus Payments – Admin grant	3	-
Mobilisation Fund	7,239	7,240
<b>Total</b>	<b>259,624</b>	<b>257,952</b>

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>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Capital Grants Receipts in Advance</b>		
Developer's Contributions/ Commuted Sums	4,584	4,208
Environmental Improvement Grant	1,674	997
Town Centre Grant	480	720
Energy Grant	312	323
Bridge Fund	89	-
Levelling Up Grant	125	-
Miscellaneous	63	2
	<b>7,327</b>	<b>6,250</b>





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

### **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.

#### **Members**

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2021/22 is shown on page 43. The code of conduct for members requires them to complete a Declaration of Interest which is updated annually and held on a central register which is held by the Department of Business Operations and Partnerships at Council Headquarters. A member is required to declare an interest where he/she feels that there may be a perception that their decision making may be influenced in any way by a personal interest or by representing an associated body. When this situation arises, and where appropriate, the relevant members 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 41 & 42). All officers adhere to the Council's code of conduct which 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:

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

	2021/22	2020/21
	£m	£m
<b>Contributions made to East Renfrewshire CLT</b>	<b>5.196</b>	5.826
<b>Service Income received from East Renfrewshire CLT</b>	<b>(0.343)</b>	(0.209)
<b>East Renfrewshire CLT balance due (to)/from the Council</b>	<b>0.157</b>	0.333

**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:

	2021/22	2020/21
	£m	£m
<b>Contributions made to East Renfrewshire IJB</b>	<b>92.632</b>	81.558
<b>Commissioning Income received from East Renfrewshire IJB</b>	<b>(82.365)</b>	(75.799)
<b>East Renfrewshire IJB balance due (to)/from the Council</b>	<b>11.379</b>	5.355

**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
- Clydeplan
- Continuing Education Gateway
- West of Scotland Archaeology Service
- West of Scotland European Forum
- Glasgow & Clyde Valley cabinet
- The SEEMIS Group LLP

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

<b>2021/22</b>	<b>Housing £000</b>	<b>General Fund £000</b>	<b>Total £000</b>
<i>Opening Capital Financing Requirement as at 31 March 2021</i>	35,083	168,357	203,440
<i>Capital investment</i>			
Property, Plant and Equipment	13,050	22,795	35,845
Intangible Assets	-	56	56
Revenue Expenditure Funded from Capital under Statute	-	-	-
<i>Sources of finance</i>			
Capital Reserve	-	-	-
Capital receipts	(6)	(225)	(231)
Government grants and other contributions	(5,779)	(10,096)	(15,875)
<b><i>Sums set aside from revenue</i></b>			
Direct revenue contributions	-	(722)	(722)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(6,724)	(6,724)
Loans Fund Principal	(2,834)	(5,099)	(7,933)
<b>Closing Capital Financing Requirement as at 31 March 2022</b>	<b>39,514</b>	<b>168,342</b>	<b>207,856</b>
<b>Explanation of Movements in Year</b>			
Increase in underlying need to borrow	4,431	(15)	4,416
Assets acquired under lease and lease type arrangements	-	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>4,431</b>	<b>(15)</b>	<b>4,416</b>
<b>2020/21</b>	<b>Housing £000</b>	<b>General Fund £000</b>	<b>Total £000</b>
<i>Opening Capital Financing Requirement as at 31 March 2020</i>	34,172	168,880	203,052
<i>Capital investment</i>			
Property, Plant and Equipment	5,731	29,349	35,080
Intangible Assets	-	4	4
Revenue Expenditure Funded from Capital under Statute	-	-	-
<i>Sources of finance</i>			
Capital Reserve	-	-	-
Capital receipts	-	(159)	(159)
Government grants and other contributions	(1,882)	(17,157)	(19,039)
<b><i>Sums set aside from revenue</i></b>			
Direct revenue contributions	-	(528)	(528)
Finance lease Principal Repayments (including PFI/PPP Projects)	-	(6,411)	(6,411)
Loans Fund Principal	(2,938)	(5,621)	(8,559)
<b>Closing Capital Financing Requirement as at 31 March 2021</b>	<b>35,083</b>	<b>168,357</b>	<b>203,440</b>
<b>Explanation of Movements in Year</b>			
Increase in underlying need to borrow	911	(523)	388
Assets acquired under lease and lease type arrangements	-	-	-
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>911</b>	<b>(523)</b>	<b>388</b>

**Notes to the Accounts (cont'd)****35. LEASES****COUNCIL AS A LESSEE****Operating Leases**

The Council has operating leases within land, property, vehicles and equipment, incorporating a mix of lease lives.

The future minimum lease payments due under non-cancellable leases in future years are:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	382	389
Later than one year and not later than five years	1,007	1,286
Later than five years	1,517	1,614
	<b>2,906</b>	<b>3,289</b>

The expenditure charged to the HSCP, Business Operations & Partnerships and Environmental lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Minimum Lease payments	394	455
Contingent Rents	-	-
	<b>394</b>	<b>455</b>

**COUNCIL AS A LESSOR****Operating Leases**

The Council leases out land and property under operating leases for the following purposes:

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

The future minimum lease payments receivable under non-cancellable operating leases in the aggregate and for each of the following periods:-

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

	31 March 2022	31 March 2021
	£000	£000
Not later than one year	272	231
Later than one year and not later than five years	342	545
Later than five years	15,355	15,740
	<b>15,969</b>	<b>16,516</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 2021/22 there were no contingent rents received by the Council (2020/21 no contingent rents were received by the Council).

**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>
Valuation at 1 April 2021	22,026
Additions/Revaluations	80
Depreciation in Year	(614)
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>21,492</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 £9.53m and the total value of income from the Scottish Government will be £5.42m resulting in a net outstanding undischarged obligation before inflation of £4.11m.

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

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.

**Estimated Cash Value of Payments Due to be Made**

	<b>Liability</b>	<b>Contingent Rent</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	1,058	752	394	1,523	3,727
Within 2 to 5 years	3,463	2,747	592	6,448	13,250
Within 6 to 10 years	-	-	-	-	-
<b>ESTIMATED TOTAL</b>	<b>4,521</b>	<b>3,499</b>	<b>986</b>	<b>7,971</b>	<b>16,977</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.

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>
Valuation at 1 April 2021	27,755
Additions/Revaluations	314
Depreciation in Year	(805)
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>27,264</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 £1.31m.

**Notes to the Accounts (cont'd)****Estimated Cash Value of Payments Due to be Made**

	<b>Liability</b>	<b>Contingent Rent</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	1,091	1,124	1,164	1,207	4,586
Within 2 to 5 years	4,727	5,351	4,009	5,661	19,748
Within 6 to 10 years	8,516	7,624	3,238	5,894	25,272
Within 11 to 15 years	6,269	5,554	643	4,651	17,117
<b>ESTIMATED TOTAL</b>	<b>20,603</b>	<b>19,653</b>	<b>9,054</b>	<b>17,413</b>	<b>66,723</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.

<b>Movement in Value of Assets</b>	<b>£000</b>
Valuation at 1 April 2021	58,749
Additions/Revaluations	1,184
Depreciation in Year	(1,665)
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>58,268</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 £63.46m and the total value of income from the Scottish Government will be £31.56m leaving a net outstanding undischarged obligation of £31.90m.

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.

**Notes to the Accounts (cont'd)****Estimated Cash Value of Payments Due to be Made**

	<b>Liability</b>	<b>Contingent Rent</b>	<b>Interest</b>	<b>Service Charges</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	2,358	1,864	2,269	3,437	9,928
Within 2 to 5 years	10,800	8,514	7,174	15,249	41,737
Within 6 to 10 years	18,056	13,076	3,537	16,440	51,109
Within 11 to 15 years	-	-	-	-	-
<b>ESTIMATED TOTAL</b>	<b>31,214</b>	<b>23,454</b>	<b>12,980</b>	<b>35,126</b>	<b>102,774</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>
Valuation at 1 April 2021	22,496
Additions/Revaluations	55
Depreciation in Year	(626)
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>21,925</b>

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 £42.842m and the total value of income from the Scottish Government will be £37.832m leaving a net outstanding undischarged obligation of £5.010m.

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.



**Notes to the Accounts (cont'd)****Estimated Cash Value of Payments Due to be Made**

	<b>Liability</b>	<b>Contingent</b>	<b>Interest</b>	<b>Service</b>	<b>Total</b>
	<b>£000</b>	<b>Rent</b>	<b>£000</b>	<b>Charges</b>	<b>£000</b>
		<b>£000</b>		<b>£000</b>	
Within 1 year	618	44	1,293	274	2,229
Within 2 to 5 years	2,293	84	4,779	1,896	9,052
Within 6 to 10 years	3,507	52	5,048	3,049	11,656
Within 11 to 15 years	5,098	215	3,674	3,094	12,081
Within 16 to 20 years	7,491	596	1,651	2,824	12,562
Within 20 to 25 years	609	34	20	244	907
<b>ESTIMATED TOTAL</b>	<b>19,616</b>	<b>1,025</b>	<b>16,465</b>	<b>11,381</b>	<b>48,487</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. 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>
Valuation at 1 April 2021	2,813
Additions/Revaluations	7
Depreciation in Year	(118)
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>2,702</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 31 March 2022 including an adjustment for inflation and excluding any estimation of availability and performance deductions are as follows:

**Estimated Cash Value of Payments Due to be Made**

	<b>Liability</b>	<b>Contingent</b>	<b>Interest</b>	<b>Service</b>	<b>Total</b>
	<b>£000</b>	<b>Rent</b>	<b>£000</b>	<b>Charge</b>	<b>£000</b>
		<b>£000</b>		<b>£000</b>	
Within 1 year	87	20	157	1,987	2,251
Within 2 to 5 years	331	98	580	8,507	9,516
Within 6 to 10 years	428	146	606	11,987	13,167
Within 11 to 15 years	491	225	507	13,569	14,792
Within 16 to 20 years	863	449	312	15,062	16,686
Within 20 to 25 years	558	293	62	8,880	9,793
<b>ESTIMATED TOTAL</b>	<b>2,758</b>	<b>1,231</b>	<b>2,224</b>	<b>59,992</b>	<b>66,205</b>

The estimated cash values of payments due to be made are based on the Retail Price Index of between 2.5% and 3% as at 31 March 2022, the model is updated annually to reflect current RPI. Inflationary changes will impact these projections going forward.

**Notes to the Accounts (cont'd)****37. IMPAIRMENT LOSSES****Impairment of Assets**

Impairment losses/(reversals) of £1.042m were charged to the Comprehensive Income and Expenditure Statement. The breakdown between class of asset is as follows:-

	Losses £000	Reversal of Previous Losses £000	Net Loss/(Reversal) £000
Property, Plant & Equipment and Assets Held for Sale	4,515	(3,473)	1,042

**38. TERMINATION BENEFITS**

The Council terminated the contracts of a number of employees in 2021/22 incurring liabilities of £0.075m (£0.16m in 2020/21). This was in respect of 3 officers (6 officers in 2020/21) from across the Council. The Remuneration Report at page 47 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 last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees' contributions.

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

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme. 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 2021 is 23.0% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay. In addition £0.39m was paid (2020/21 £0.34m) in respect of added years.

While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/ Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms were unlawfully discriminating on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The



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

interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The total contribution paid into the Teachers' Pension Scheme during the year ending 31 March 2021, by East Renfrewshire Council was £13.523m, equating to approximately 2.07% of the total contributions made to the scheme and the amount paid during the year ending 31 March 2022 was £13.743m.

### **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.
- 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.

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

	<b>Local Government Pension Scheme</b>	
	<b>2021/22 £000</b>	<b>2020/21 £000</b>
<b>Included in net cost of services within Comprehensive Income and Expenditure Statement</b>		
• Current service cost	34,827	22,330
• Past service costs (including curtailments)	6	24
• Effect of settlement	-	-
• Contributions in respect of unfunded benefits <i>Included within Financing and Investment Income and Expenditure</i>	(1,246)	(1,297)
• Net interest cost	2,593	2,219
<b>Total of LGPS Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services</b>	<b>36,180</b>	<b>23,276</b>
Included within Other Comprehensive Income and Expenditure		
• Expected return on scheme assets	(36,208)	(117,286)
• Actuarial (gains) and losses on changes in demographic assumptions	(4,547)	(10,701)
• Actuarial (gains) and losses arising on changes in financial assumptions	(52,729)	155,078
• Other	1,307	(6,387)
	<b>(55,997)</b>	<b>43,980</b>

**Movement in Reserves Statement**

• Actual amount charged against the General Fund Balance for pensions in the year: employers' contributions payable to scheme	13,089	12,131
• Less: Total Post Employment Benefit charged to the Surplus or Deficit on Provision of Services	(36,180)	(23,276)
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(23,091)	(11,145)

**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 as follows:

**Notes to the Accounts (cont'd)****Local Government Pension Scheme**

	2021/22 £000	2020/21 £000
Present value of the defined benefit obligation	(737,116)	(755,122)
Fair value of plan assets	686,759	635,679
<b>Net liability arising from defined benefit obligation</b>	<b>(50,357)</b>	<b>(119,443)</b>

**Reconciliation of the Movements in the Fair Value of Scheme Assets.****Local Government Pension Scheme**

	2021/22 £000	2020/21 £000
<b>Opening fair value of scheme assets</b>	<b>635,679</b>	<b>514,717</b>
Effect of Settlement		
Interest income	12,735	11,845
Remeasurement gain/(loss)		
• The return on plan assets, excluding the amount included in the net interest expenses	36,208	117,286
• Other	-	(8,722)
The effect of changes in foreign exchange rates		
Contributions from employer	13,089	12,131
Contributions from employees into the scheme	4,122	3,860
Benefits paid	(15,074)	(15,438)
<b>Closing fair value of scheme assets</b>	<b>686,759</b>	<b>635,679</b>

**Reconciliation of Present Value of the Scheme Liabilities****Funded liabilities:  
Local Government Pension Scheme**

	2021/22 £000	2020/21 £000
Opening balance at 1 April	(755,122)	(602,311)
Effect of Settlement	-	-
Current service cost	(34,827)	(22,330)
Interest cost	(15,328)	(14,064)
Contributions from scheme participants	(4,122)	(3,860)
Remeasurement gains and (losses)		
• Actuarial gains and (losses) on changes in demographic assumptions	4,547	10,701
• Actuarial gains and (losses) arising on changes in financial assumptions	52,729	(155,078)

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

• Other	(1,307)	15,109
Past service cost	(6)	(24)
Benefits paid	16,320	16,735
<b>Closing balance at 31 March</b>	<b>(737,116)</b>	<b>(755,122)</b>

Local Government Pension Scheme assets comprised:

Asset Category	31-Mar-22				31-Mar-21			
	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	32,142	30	32,172	5	36,602	-	36,602	6
Manufacturing	30,158	104	30,262	4	35,961	299	36,260	6
Energy and Utilities	7,093	54	7,147	1	6,530	109	6,640	1
Financial Institutions	18,847	66	18,913	3	22,501	-	22,501	4
Health and Care	22,877	72	22,949	3	17,459	275	17,734	3
Information Technology	39,878	-	39,878	6	29,414	-	29,414	5
Other	-	-	-	-	-	-	-	-
<b>Debt Securities</b>								
Corporate Bonds (investment grade)	-	-	-	-	-	-	-	-
Corporate Bonds (non-investment grade)	-	-	-	-	-	-	-	-
UK Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Private Equity:</b>								
All	-	134,442	134,442	20	-	113,698	113,698	18
<b>Real Estate:442</b>								
UK Property	-	57,917	57,917	8	-	51,504	51,504	8
Overseas Property	-	-	-	-	-	-	-	-
<b>Investment funds and unit trusts:</b>								
Equities	3,810	250,487	254,296	37	5,982	216,349	222,331	35
Bonds	-	69,362	69,362	10	-	85,974	85,974	14
Hedge Funds	-	-	-	-	-	-	-	-
Commodities	-	236	236	-	-	269	269	-
Infrastructure	-	603	603	-	-	642	642	-
Other	-	1,106	1106	-	-	1,323	1,323	-
<b>Derivative:</b>								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	-	115	-	115	-
<b>Cash and cash equivalents</b>								
All	17,243	232	17,475	3	10,241	431	10,672	2
<b>Totals</b>	<b>172,048</b>	<b>514,711</b>	<b>686,759</b>	<b>100</b>	<b>164,806</b>	<b>470,873</b>	<b>635,679</b>	<b>100</b>

Please note, the sum of the individual items may not equal the totals shown due to rounding.

**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



## Notes to the Accounts (cont'd)

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 2020.

The principal assumptions used by the actuary have been:-

	Local Government Pension Scheme	
	2021/22	2020/21
Investment returns	7.7%	25.1%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
• Men	19.6 years	19.8 years
• Women	22.4 years	22.6 years
Longevity at 65 for future pensioners:		
• Men	21.0 years	21.2 years
• Women	24.5 years	24.7 years
Rate of increase in salaries	3.90%	3.55%
Rate of increase in pensions	3.20%	2.85%
Rate for discounting scheme liabilities	2.70%	2.00%

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.

Change in assumptions at 31 March 2022:	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	14,263
0.1% increase in the Salary Increase Rate	-	1,740
0.1% increase in the Pension Increase Rate	2%	12,404

### 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



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

contributions have been set at 19.3% for the next three years following completion of the triennial valuation as at 31 March 2020.

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 2023 is £13.077 million.

The weighted average duration of the defined benefit obligation for scheme members is 19.0 years (19.0 years 2020/21).

### **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 between 0.1% and 0.2% of total liability 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 and any shortfall in Government Funding to cover the additional pressures faced by the Council in connection to Covid-19.

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;





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

- 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:
  - 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 2021/22 including the prudential indicators was approved by Council on 15 March 2021 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2021/22 was set at £272.375m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £247.783m. 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 30% 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 periodically.

### **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.

The credit criteria in respect of financial assets held by the Council are detailed below:

The Council uses the creditworthiness service provided by Link Asset Services. 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

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

- 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:

The Council's [Capital Investment Strategy for 2021/22](https://www.eastrenfrewshire.gov.uk/media/4761/Council-Item-05-15-March-2021/pdf/Council_Item_05_-_15_March_2021.pdf?m=637510756156430000) was approved by Council on 15 March 2021 ([https://www.eastrenfrewshire.gov.uk/media/4761/Council-Item-05-15-March-2021/pdf/Council\\_Item\\_05\\_-\\_15\\_March\\_2021.pdf?m=637510756156430000](https://www.eastrenfrewshire.gov.uk/media/4761/Council-Item-05-15-March-2021/pdf/Council_Item_05_-_15_March_2021.pdf?m=637510756156430000))

The Council's maximum exposure to credit risk in relation to its investments in banks, £12.5m, 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 2022 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 £3,023 (2020/21 £860) 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 2022.

£000s	Credit Risk rating	Gross Carrying Amount (£)	Exposure to Credit Risk (£)
12-month expected credit losses	AAA	22,655,000	-
	AA-	16,525,000	-
	A+	19,000,000	2,057
	A	20,000,000	966
Simplified approach (trade receivables excluding statutory debtors - Council Tax and Non-Domestic Rates)	Less than 3 months and past due date	1,166,000	-
	Three to five months	67,000	-
	Six months to one year	183,000	-
	More than one year	1,116,000	-

The Council does not generally allow credit for customers, such that as at 31 March 2022 £2.532m of the £3.646m (£1.627m of £7.235m as at 31 March 2021) 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.



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

### **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 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>
<b>Less than one year</b>	828	383
<b>Between one and two years</b>	377	828
<b>Between two and five years</b>	32	392
<b>More than five years</b>	117,606	112,623
	118,843	114,226

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 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.

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

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.

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	211
Increase in interest receivable on variable rate investments	100
Increase in government grant receivable for financing costs	(252)
Impact on Surplus or Deficit on the Provision of Services	59
Share of overall impact debited to the HRA	17
Decrease in fair value of fixed rate investment assets	83
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)	21,740

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>2021/22 £000</b>	<b>2020/21 £000</b>
<b>Income</b>			
Dwelling Rents		(12,334)	(12,027)
Non-dwelling Rents		(212)	(180)
Other Income		(869)	(1,004)
<b>Total Income</b>		<b>(13,415)</b>	<b>(13,211)</b>
<b>Expenditure</b>			
Repairs and Maintenance		5,776	4,906
Supervision and Management		4,589	3,583
Depreciation and Impairment on Non-Current Assets		7,001	3,956
Difference between Fair Value and Historical Cost Depreciation		2,706	2,662
Movements in the Impairment of Debtors	4	(18)	264
Other expenditure		297	830
<b>Total Expenditure</b>		<b>20,351</b>	<b>16,201</b>
<b>Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>		<b>6,936</b>	<b>2,990</b>
HRA Services' Share of Corporate and Democratic Core		44	34
<b>Net Cost for HRA Services</b>		<b>6,980</b>	<b>3,024</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		-	-
• Interest Payable and Similar Charges		1,364	1,306
• Interest and Investment Income		(2)	(12)
• Pension Interest Cost and Expected Return on Pension Assets		118	99
• Rental Income – operating lease over Property, Plant and Equipment		(200)	(201)
• Capital Grants and Contributions Receivable		(5,779)	(1,882)
<b>(Surplus) or Deficit for the Year on HRA Services</b>		<b>2,481</b>	<b>2,334</b>

### **Movement on the Housing Revenue Account Statement**

	<b>HRA Notes</b>	<b>2021/22 £000</b>	<b>2020/21 £000</b>
(Surplus) or Deficit for the Year on HRA Income and Expenditure Statement		2,481	2,334
Adjustments between Accounting Basis and Funding Basis Under Statute	1	(2,127)	(2,239)
Net (Increase) or Decrease Before Transfers to or from Reserves		354	95
(Increase) or Decrease in Year on the HRA		354	95
Balance on the HRA at the end of the Previous Year		(2,221)	(2,316)
<b>Balance on the HRA at the end of the Current Year</b>		<b>(1,867)</b>	<b>(2,221)</b>



## Notes to the Housing Revenue Account

### Housing Revenue Account Disclosures

#### 1. Adjustments between Accounting Basis and Funding Basis under Statute

	2021/22 £000	2020/21 £000
Gain or loss on sale of HRA non-current assets	-	-
Capital expenditure funded by the HRA	-	100
Transfer (to)/from the Capital Adjustment Account:		
• Depreciation	(7,001)	(3,956)
• Difference between Fair Value and Historical cost depreciation	(2,706)	(2,662)
• Capital Grants and Contributions	5,779	1,882
• Repayment of Debt	2,834	2,938
HRA share of contributions to or from the Pensions Reserve	(1,056)	(497)
Transfer to/from the Statutory Compensated Absences Account	23	(44)
	<u>(2,127)</u>	<u>(2,239)</u>

#### 2. Housing Stock

Council's housing stock at 31 March 2022 was 3,061 (2,994 at March 2021) in the following categories:

	2021/22 Number	2020/21 Number
1 Apartment	172	172
2 Apartment	952	938
3 Apartment	1,296	1,270
4 Apartment	559	533
5 Apartment	78	77
6 Apartment	4	4
<b>Total</b>	<u><b>3,061</b></u>	<u><b>2,994</b></u>

#### 3. Rent Arrears

At the year-end rent arrears amounted to £1,378,533 (2020/21: £1,390,559) of which the current rent arrears were £906,860 (2020/21: £950,435) representing 6.7% (2020/21: 7.1%) of gross rent due and former tenant arrears amounted to £471,673 (2020/21: £440,124). In addition, the figure contains £58,821 (2020/21: £27,269) in respect of outstanding Housing Benefit Overpayments.

#### 4. Impairment of Debtors

In the financial year 2021/22, the impairment of debtors for the Housing Revenue Account was decreased by £17,749, resulting in a bad debt provision balance of £1,295,827 (2020/21: £1,313,575).

#### 5. Void Rents

The loss of rental income recoverable from houses that were not let during the year totalled £262,062 (2020/21: £377,764).



## 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".

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Gross rates levied and the contributions in lieu	20,333	18,998
Less:		
• Reliefs and other deductions	(9,807)	(13,005)
• Payments of interest	-	-
• Write-offs of uncollectable debts and allowance for impairment	(21)	(481)
<b>Net Non-Domestic Rate Income collected</b>	<b>10,505</b>	<b>5,512</b>
Collection adjustment to meet Provisional Contribution Amount	(207)	1,106
<b>Contribution to Non Domestic Rate pool</b>	<b>10,298</b>	<b>6,618</b>
Distribution from Non Domestic Rate pool	7,234	9,961
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>7,234</b>	<b>9,961</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 2021/22 was £0.49 (2020/21 £0.498)

	<b>Number</b>	<b>Rateable Value as at 1 April 2021 £</b>
Shops	597	15,032,675
Offices	357	3,527,760
Hotels, Boarding Houses etc.	15	491,000
Industrial and Freight Transport	161	1,446,770
Subject Miscellaneous	423	17,315,272
Subjects Other	263	3,395,500
<b>Total</b>	<b>1,816</b>	<b>41,208,977</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>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Gross Council Tax levied and contributions in lieu	67,516	66,638
Adjustments for prior years Council Tax	(371)	(82)
Adjusted for:		
• Council Tax Reduction Scheme	(4,063)	(4,142)
• Council Tax Benefits (Net of Government Grants)	-	5
• Other discounts and reductions	(6,747)	(6,584)
• Uncollectable debt and allowance for impairment	(1,969)	(1,404)
<b>Net Council Tax Income included in the Comprehensive Income and Expenditure Account (as per Note 14)</b>	<b>54,366</b>	<b>54,431</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 2021/22 was £1,289.96 (2020/21: £1,289.96).

A discount of 25% on the council tax is made where there are fewer than two residents in a property and 50% for properties that are empty for less than 6 months. Discounts of 10% are applied to unoccupied properties. 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 2021/22\***

	No. of Dwellings	No. of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	Total Dwellings	Ratio to Band D	Band D Equivalents
BAND A	1,337	(144)	19	(181)	(14)	1,017	240/360	677
BAND B	5,257	(270)	6	(600)	(28)	4,365	280/360	3,395
BAND C	4,063	(140)	46	(422)	(22)	3,526	320/360	3,134
BAND D	6,670	(166)	(14)	(626)	(25)	5,840	1	5,840
BAND E	8,305	(132)	(9)	(555)	(21)	7,589	473/360	9,971
BAND F	6,390	(75)	(42)	(327)	(14)	5,932	585/360	9,640
BAND G	6,674	(74)	(6)	(287)	(17)	6,290	705/360	12,318
BAND H	757	(2)	-	(19)	(3)	733	882/360	1,795
							<b>TOTAL</b>	<b>46,770</b>
							Provision for non-collection (2%)	(935)
							Council Tax Base	45,835

\*Source: A Questionnaire requested by the Scottish Government entitled Council Tax Base 2020  
(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 2021/22 was £1,289.96.

BAND A	£859.97	BAND E	£1,694.87
BAND B	£1,003.30	BAND F	£2,096.19
BAND C	£1,146.63	BAND G	£2,526.18
BAND D	£1,289.96	BAND H	£3,160.41

**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.

**Movement in Reserves statement for the year ending 31 March 2022**

	<b>2021/22 Unusable Reserve £000</b>	<b>2020/21 Unusable Reserve £000</b>
<b>Balance at 1 April</b>	<b>(1,713)</b>	<b>(1,877)</b>
Deficit / (surplus) on the provision of services	(707)	164
Other comprehensive income and expenditure	(29)	-
<b>Balance at 31 March</b>	<b>(2,449)</b>	<b>(1,713)</b>

**Comprehensive Income and Expenditure Statement for the year ending 31 March 2022**

	<b>Expenditure £000</b>	<b>2021/22 Income £000</b>	<b>Net £000</b>	<b>Expendit ure £000</b>	<b>2020/21 Income £000</b>	<b>Net £000</b>
Net costs of services	(707)	-	(707)	164	-	164
<b>(Surplus) or deficit</b>			<b>(707)</b>	<b>164</b>	<b>-</b>	<b>164</b>
(Surplus) / deficit on revaluation of fixed assets			(29)			-
<b>Total Comprehensive (Income) and Expenditure</b>			<b>(736)</b>			<b>164</b>

**Balance Sheet**

	<b>2021/22 £000</b>	<b>2020/21 £000</b>
Property, Plant and Equipment	2,449	1,713
<b>Net Assets</b>	<b>2,449</b>	<b>1,713</b>
Unusable Reserve:		
Revaluation Reserve	(695)	(627)
Capital Adjustment Account	(1,754)	(1,086)
<b>Net Reserves</b>	<b>(2,449)</b>	<b>(1,713)</b>

**Common Good Fund (cont'd)****PROPERTY, PLANT & EQUIPMENT****Movement on Balances (Common Good)**

	<b>Land and Buildings 2021/22 £000</b>	<b>Land and Buildings 2020/21 £000</b>
Cost or Valuation at 1 April	1,833	1,972
Additions	885	-
Donations	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(50)	(76)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(132)	(63)
Derecognition – disposals	-	-
Derecognition – other	-	-
Assets reclassified (to)/from Held for Sale	-	-
Other movements in cost or valuation	-	-
<b>As at 31 March</b>	<b>2,536</b>	<b>1,833</b>
Accumulated Depreciation and Impairment at 1 April	(120)	(95)
Depreciation charge	(158)	(80)
Depreciation written out on disposal	-	-
Depreciation written out on Revaluation Reserve	79	6
Depreciation written out on Surplus/Deficit on the provision of Services	112	49
Derecognition – other (transfers)	-	-
<b>As at 31 March</b>	<b>(87)</b>	<b>(120)</b>
<b>Net Book Value at 31 March 2022</b>	<b>2,449</b>	
<b>Net Book Value at 31 March 2021</b>	<b>1,713</b>	<b>1,713</b>
<b>Net Book Value at 31 March 2020</b>		<b>1,877</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 2021

Year ended 31 March 2022

Gross Expenditure Restated £'000	Gross Income Restated £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
166,018	(14,978)	151,040	Education	168,138	(16,501)	151,637
133,984	(81,534)	52,450	HSCP – Provision of Services	151,470	(92,587)	58,883
36,297	(6,316)	29,981	Environment	41,098	(11,748)	29,350
21,049	(14,510)	6,539	Business Operations & Partnerships	21,673	(14,300)	7,373
429	(114)	315	Chief Executive's Office	430	(250)	180
5,688	(2,835)	2,853	Other Expenditure & Income	5,111	(31)	5,080
3,463	(263)	3,200	Support Services – Chief Executive's Office	3,624	(279)	3,345
14,096	(53)	14,043	Support Services – Business Operations & P'ships	15,391	(810)	14,581
2,268	(12)	2,256	Support Services – Environment	2,821	(247)	2,574
			Share of operating results of subsidiaries:-			
8,773	(3,084)	5,689	ERC Leisure Trust	10,765	(4,872)	5,893
164	-	164	Common Good	(707)	-	(707)
2	-	2	Trust Funds	10	(9)	1
<b>392,231</b>	<b>(123,699)</b>	<b>268,532</b>	<b>Net Cost of General Fund Services</b>	<b>419,824</b>	<b>(141,634)</b>	<b>278,190</b>
16,201	(13,211)	2,990	HRA	20,351	(13,415)	6,936
<b>408,432</b>	<b>(136,910)</b>	<b>271,522</b>	<b>Cost of Services</b>	<b>440,175</b>	<b>(155,049)</b>	<b>285,126</b>
		(1,892)	Other operating expenditure			229
		12,221	Financing and investment income and expenditure			12,471
		(279,029)	Taxation and non-specific grant income			(277,410)
		<b>2,822</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>20,416</b>
		(509)	Share of operating results of associates			(279)
		(2,879)	Share of operating results of joint venture			(5,134)
		<b>(566)</b>	<b>Group (Surplus) / Deficit (Note 1 Group)</b>			<b>15,003</b>
		(7,324)	(Surplus) / Deficit on revaluation of fixed assets			(27,637)
		23,976	Actuarial (gains)/losses on pension assets/liabilities			(98,169)
		(215)	Share of other comprehensive expenditure and income of associates and joint venture			(1,960)
		<b>16,437</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(127,766)</b>
		<b>15,871</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(112,763)</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	Capital Grants & Receipts Unapplied £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 2021 carried forward</b>	<b>(11,670)</b>	<b>(35,594)</b>	<b>(2,221)</b>	<b>(1,920)</b>	<b>(4,236)</b>	<b>(1,969)</b>	<b>(2,668)</b>	<b>(60,278)</b>	<b>(399,511)</b>	<b>(14,935)</b>	<b>(7,106)</b>	<b>(481,830)</b>
<b>Movement in reserves during 2021/22</b>												
Total Comprehensive (Income) and Expenditure	17,601	-	2,481	-	-	-	-	20,082	(119,785)	(5,079)	(7,981)	(112,763)
Adjustments between accounting basis & funding basis under regulations	(16,813)	-	(2,127)	-	-	-	231	(18,709)	18,709	721	(721)	-
<b>(Increase)/Decrease in 2021/22</b>	<b>788</b>	<b>-</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231</b>	<b>1,373</b>	<b>(101,076)</b>	<b>(4,358)</b>	<b>(8,702)</b>	<b>(112,763)</b>
<b>Net transfer to or from Reserves</b>	<b>(890)</b>	<b>1,177</b>	<b>-</b>	<b>(708)</b>	<b>589</b>	<b>66</b>	<b>(234)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>(11,772)</b>	<b>(34,417)</b>	<b>(1,867)</b>	<b>(2,628)</b>	<b>(3,647)</b>	<b>(1,903)</b>	<b>(2,671)</b>	<b>(58,905)</b>	<b>(500,587)</b>	<b>(19,293)</b>	<b>(15,808)</b>	<b>(594,593)</b>
	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	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 2020 carried forward</b>	<b>(9,643)</b>	<b>(21,818)</b>	<b>(2,316)</b>	<b>-</b>	<b>(5,829)</b>	<b>(1,960)</b>	<b>(2,656)</b>	<b>(44,222)</b>	<b>(431,533)</b>	<b>(10,933)</b>	<b>(11,013)</b>	<b>(497,701)</b>
<b>Movement in reserves during 2020/21</b>												
Total Comprehensive (Income) and Expenditure	(1,630)	-	4,216	-	-	-	-	2,586	13,380	(3,152)	3,057	15,871
Adjustments between accounting basis & funding basis under regulations	(16,562)	-	(2,239)	-	-	-	159	(18,642)	18,642	(850)	850	-
<b>(Increase)/Decrease in 2020/21</b>	<b>(18,192)</b>	<b>-</b>	<b>1,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>(16,056)</b>	<b>32,022</b>	<b>(4,002)</b>	<b>3,907</b>	<b>15,871</b>
<b>Net transfer to or from Reserves</b>	<b>16,165</b>	<b>(13,776)</b>	<b>(1,882)</b>	<b>(1,920)</b>	<b>1,593</b>	<b>(9)</b>	<b>(171)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>(11,670)</b>	<b>(35,594)</b>	<b>(2,221)</b>	<b>(1,920)</b>	<b>(4,236)</b>	<b>(1,969)</b>	<b>(2,668)</b>	<b>(60,278)</b>	<b>(399,511)</b>	<b>(14,935)</b>	<b>(7,106)</b>	<b>(481,830)</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 2021 £000		31 March 2022 £000
733,361	Property, Plant & Equipment	769,911
234	Heritage Assets	260
172	Intangible Assets	118
24,268	Long-term Investments and/or Investments in Associates and Joint Venture	31,193
255	Investments	250
<b>758,290</b>	<b>Long Term Assets</b>	<b>801,732</b>
-	Assets Held for Sale	-
481	Short Term Intangible Assets	481
1,072	Inventories	617
32,405	Short Term Debtors	30,779
7,999	Short Term Investments	13,998
62,900	Cash and Cash Equivalents	66,179
<b>104,857</b>	<b>Current Assets</b>	<b>112,054</b>
(383)	Short Term Borrowing	(828)
(5,083)	Finance Leases including PFI/PPP	(5,211)
(50,492)	Short Term Creditors	(61,512)
(590)	Provisions	(617)
<b>(56,548)</b>	<b>Current Liabilities</b>	<b>(68,168)</b>
(164)	Provisions – long term	(167)
(113,843)	Long Term Borrowing	(118,015)
(93)	Long Term Creditors	(43)
(338)	Liabilities in associates and joint venture	110
(78,712)	PFI/PPP Finance Lease	(73,500)
(125,369)	Defined Benefit Pension Liability	(52,083)
(6,250)	Capital Grant Receipts in Advance	(7,327)
<b>(324,769)</b>	<b>Long Term Liabilities</b>	<b>(251,025)</b>
<b>481,830</b>	<b>Net Assets</b>	<b>594,593</b>
(69,287)	Usable Reserves	(78,198)
(412,543)	Unusable Reserves	(516,395)
<b>(481,830)</b>	<b>Total Reserves</b>	<b>(594,593)</b>

Margaret McCrossan CPFA  
Head of Accountancy (Chief Financial Officer)

The unaudited financial statements were issued on 14th June 2022 and the audited financial statements were authorised for issue by the Head of Accountancy on 26 October 2022

**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>2020/21</b>		<b>2021/22</b>
<b>£000</b>		<b>£000</b>
(566)	Net Group (surplus) or deficit on the provision of services	15,003
(22,616)	Group adjustments to net surplus or deficit on the provision of services for non-cash movements	(41,073)
-	- Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	-
(23,182)	Net cash flows from Operating Activities	(26,070)
19,348	Investing Activities	16,330
(20,789)	Financing Activities	6,461
(24,623)	Net (increase) or decrease in cash and cash equivalents	(3,279)
(38,277)	Cash and cash equivalents at the beginning of the reporting period	(62,900)
<b>(62,900)</b>	<b>Cash and cash equivalents at the end of the reporting period (Including Bank overdraft)</b>	<b>(66,179)</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.

	2021/22 £000	2020/21 £000
<b>(Surplus)/Deficit on East Renfrewshire Council's provision of services</b>	<b>20,082</b>	<b>2,586</b>
<b>(Surplus)/Deficit in year arising from subsidiaries included in Group Accounts:</b>		
Net expenditure/(income) on Trust Funds in year	1	-
Common Good	(707)	164
East Renfrewshire Culture and Leisure Trust	1,040	72
<b>(Surplus)/Deficit in year arising from associates included in the Group Accounts:</b>		
<ul style="list-style-type: none"> <li>• Strathclyde Partnership for Transport</li> <li>• Strathclyde Concessionary Travel Scheme Joint Committee</li> <li>• Renfrewshire Valuation Board</li> </ul>	(303) (51) 75	(382) (122) (5)
<b>(Surplus)/Deficit in year arising from a joint venture included in the Group Account:</b>		
East Renfrewshire Integration Joint Board	(5,134)	(2,879)
<b>GROUP ACCOUNT (SURPLUS)/DEFICIT FOR THE YEAR ON PROVISION OF SERVICES</b>	<b>15,003</b>	<b>(566)</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 along with the Council's Charitable Trust Funds are administered by East Renfrewshire Council (as sole trustee) 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**

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 £1.01m at 31 March 2022. The loss on ordinary activities before and after taxation for the year to 31 March 2022 £1.040m (2020/21 £0.072m).

The accounts are subject to independent audit and are available from Chief Executive, East Renfrewshire Culture and Leisure Trust, St John's Campus, 18 Commercial Road, Barrhead, East Renfrewshire, G78 1AJ.

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**

Is the statutory body responsible for formulating the public transport policy for the 12 local authorities in the West of Scotland. The Council contributed £1.53m or 4.26% to the Council's running costs during 2021/22 and accounted for £20.612m (2020/21 £18.872m) 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, Consort House, 12 West George Street, Glasgow G2 1HN.



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

### **Strathclyde Concessionary Travel Scheme Joint 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 2021/22 the Council contributed £0.182m or 4.45% to the annual running costs and accounted for £0.205m (2020/21 £0.154m) 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, Consort House, 12 West George Street, Glasgow G2 1HN.

### **The Renfrewshire Valuation Joint 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 £0.573m or 20.67% to the organisation's revenue costs and its share of the year-end net asset of £0.110m (2020/21 £0.338m net liability) 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 2021/22 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 2021/22 the Council contributed £92.632m or 41.5% to the annual running costs and accounted for £10.376m (2020/21 £5.242m) 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 £35.101m, representing the Council's net share of the net assets in these entities.

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Surplus/(Deficit) on East Renfrewshire Council's net assets</b>	<b>559,492</b>	<b>459,789</b>
<b>Surplus/(Deficit) in year net assets from subsidiaries included in Group Accounts:</b>		
Trust Funds in year	339	340
Common Good	2,449	1,713
East Renfrewshire Culture and Leisure Trust	1,010	(3,942)
<b>Surplus/(Deficit) in year net assets from associates included in the Group Accounts:</b>		
• Strathclyde Partnership for Transport	20,612	18,872
• Strathclyde Concessionary Travel Scheme Joint Committee	205	154
• Renfrewshire Valuation Board	110	(338)
<b>Surplus/(Deficit) in year net assets from a joint venture included in the Group Account:</b>		
East Renfrewshire Integration Joint Board	10,376	5,242
<b>GROUP ACCOUNT SURPLUS/(DEFICIT) FOR THE YEAR ON NET ASSETS</b>	<b>594,593</b>	<b>481,830</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. 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.

**6. 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 liability. The 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.

**Notes to the Group Accounts (cont'd)****7. TRUST FUNDS**

The Council acts as Trustees for 17 Trusts, 7 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 31.03.21 £	Expenditure £	Income £	Balance 31.03.22 £
Charity Number					
SCO05976	Duff Memorial Fund	7,515	-	15	7,530
SCO16641	Newton Mearns Benevolent Fund	2,447	317	5	2,135
SCO19475	Janet Hamilton Fund	12,890	1,451	63	11,502
SCO19474	John Pattison Memorial	41	-	12	53
SCO19473	Hugh & Janet Martin Fund	952	-	20	972
SCO37293	Netherlee School 1937	2,011	6,875	8,812	3,948
SCO37925	Talented Children & Young People	22	-	-	22
<b>CHARITABLE REVENUE BALANCES</b>		<b>25,878</b>	<b>8,643</b>	<b>8,927</b>	<b>26,162</b>
	Thornliebank War Memorial Fund	705	-	1	706
	Anderson Bequest	78	75	1	4
	Cathcart Cemetery Fund	6,331	-	11	6,342
	Crum Memorial	74	-	2	76
	McNiven Prize	942	-	2	944
	Rev Denis Reen	2,233	-	6	2,239
	James Cowan Bequest	402	-	1	403
	Cowan Park Cropping Fund	27	-	-	27
	Annie Tyson Trust Fund	49,103	1,590	246	47,759
	Rita Donnelly Memorial Prize	20	-	-	20
<b>OTHER TRUST FUND REVENUE BALANCES</b>		<b>59,915</b>	<b>1,665</b>	<b>270</b>	<b>58,520</b>

			Capital Value of Fund	
			31.03.22 £	31.03.21 £
<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
	Talented Children & Young People	For talented children and young people in the fields of arts and crafts	555	555
	Other – Charitable		1,500	1,500
<b>CHARITABLE TOTAL RESERVES</b>			<b>87,063</b>	<b>87,063</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>

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

		2021/22	2020/21
		£	£
<b>Balance Sheet</b> <b>– Charitable</b>	Fund balances	113,225	112,941
	Creditors	-	-
	<b>TOTAL LIABILITIES</b>	<b>113,225</b>	<b>112,941</b>
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	113,225	112,941
	<b>TOTAL ASSETS</b>	<b>113,225</b>	<b>112,941</b>
		<b>2021/22</b>	<b>2020/21</b>
		<b>£</b>	<b>£</b>
<b>Balance Sheet</b> <b>– Other Trust Funds</b>	Fund balances	226,082	227,477
	Creditors	-	-
	<b>TOTAL LIABILITIES</b>	<b>226,082</b>	<b>227,477</b>
	Investments	-	-
	Debtors	-	-
	Due by Loans Fund	226,082	227,477
	<b>TOTAL ASSETS</b>	<b>226,082</b>	<b>227,477</b>

**8. 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 £76,300 (2020/21, £74,031) representing 2% (2020/21, 2%) of the organisation's estimated running costs for the year to 31 March 2022.
- The **Clydeplan** Joint Committee is constituted under a formal agreement of the eight Councils in the Glasgow and Clyde Valley area. Under the Town and Country Planning (Scotland) Act 1997, each member council not only has responsibilities for the local planning matters in their area but also the strategic issues that cover the wider area of Glasgow and Clyde Valley. Accordingly the Committee prepares, monitors and reviews the Structure Plan on behalf of member councils and liaises with central government, Scottish Enterprise and other bodies. During the year, the Council made a contribution of £52,537 (2020/21, £72,437) representing 12.5% (2020/21, 12.5%) of the Committee's estimated running costs for the year to 31 March 2022.
- **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 (2020/21, £18,369.18) representing 4.20% (2020/21 4.19%) of the consortium's estimated running costs for the year to 31 March 2022.



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

- 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 (2020/21, £7,619) representing 5.7% (2020/21 5.5%) of the Committee's estimated running costs for the year to 31 March 2022.
- The **West of Scotland European Forum** was set up in 2007 as a Joint Committee and consists mainly of 12 local authorities. Its purpose is to develop positive links between the communities of the region and institutions of the European Union. In this task it follows on from the work previously undertaken by the West of Scotland European Consortium (WOSEC). During the year, the Council made a contribution of £1,632 (2020/21, £1,632) representing 4.1% (2020/21 3.9%) of the Forum's estimated running costs for the year to 31 March 2022.
- The **Glasgow and Clyde Valley 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 £67,044 (2020/21, £52,061) representing 5.2% (2020/21 5.2%) of the organisation's running costs for the year to March 2022.
- 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 £124,473 (2020/21, £73,415) representing 2.51% (2020/21 2.51%) of the organisation's running costs for the year to 31 March 2022.



## **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.

### **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 whose 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.





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**EAST RENFREWSHIRE COUNCIL****26 October 2022****Report by Interim Chief Social Work Officer****Chief Social Work Officer's Annual Report 2021/22****PURPOSE OF REPORT**

1. The report presented to elected members is the Chief Social Work Officer Annual Report for 2021/22. The report is attached at Appendix 1.

**RECOMMENDATIONS**

2. The Council is asked to comment and approve the content of the Chief Social Work Officer Annual Report attached as Appendix 1 for submission to the Office of The Chief Social Work Advisor, Scottish Government.

**BACKGROUND**

3. In compliance with Chief Social Work Officers statutory functions under the Social Work (Scotland) Act 1968, they are required to produce an Annual Report. This is based on a template agreed with the Office of the Chief Social Work Adviser. This report was presented to the Integration Joint Board on 21<sup>st</sup> September 2021.
4. The report provides a narrative of statutory social work and social care activity. The template outlines the current pressures being experienced across the service and describes:
  - Governance and Accountability arrangements
  - Service Quality and Performance
  - Resources
  - Workforce
5. Performance data and analysis is set throughout the report and reflects the operational delivery of services for childrens services, criminal justice, mental health and adult services including social care.

**CONSULTATION AND PARTNERSHIP WORKING**

6. The Chief Social Work Officer role is key in a number of partnership arrangements including the Health and Social Care Partnership, Multi Agency Public Protection Arrangements (MAPPA), East Renfrewshire Child Protection Committee, East Renfrewshire Adult Support and Protection Committee, and the Violence Against Women partnership as well as being the professional advisor to the council.

## IMPLICATIONS OF THE PROPOSALS

### Finance

7. There are no financial implications arising from this report, however the report does refer to the significant financial challenges facing the delivery of social work and social care services for the Health and Social Care Partnership.

## CONCLUSIONS

8. This report provides an overview of the professional activity for social work and social care within East Renfrewshire for 2021 / 22 through the delivery of the statutory functions and responsibilities held by the Chief Social Work Officer.
9. We have many examples of success to celebrate and build on. There continues to be a number of significant challenges and risks facing social work and social care within East Renfrewshire.
10. The landscape for all Health & Social Care Services will change over the coming years as a consequence of COVID-19 and statutory social work and social care will be required to adapt to ensure we support the rising demand and renewal associated with protecting and caring for our most vulnerable citizens and all those who are at risk in our communities.
11. At the heart of the social work profession lies a commitment to enabling and supporting vulnerable individuals to make positive, sustainable changes to their lives to achieve the best outcomes for them, their families and communities as a whole.

## RECOMMENDATIONS

12. The Council is asked to comment and approve the content of the Chief Social Work Officer Annual Report attached as Appendix 1 for submission to the Office of The Chief Social Work Advisor, Scottish Government.

## REPORT AUTHOR

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Interim Head of Children Services and Criminal Justice,  
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0141 451 0748

October 2022

## BACKGROUND PAPERS

[Chief Social Work Officer Annual Report 2020-21](#)



# **EAST RENFREWSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP**

## **CHIEF SOCIAL WORK OFFICER'S ANNUAL REPORT**

**1 April 2021 – 31 March 2022**



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## Introduction – Reflection on the Past Year

The role of Social Work professionals is to support, care for and protect people across the whole of the life course, to enhance the wellbeing of and improve outcomes for children, young people, families and adults.

The report relates to the period that the previous Chief Social Work Officer was in post and is written by the interim appointed Chief Social Work Officer who assumed this position on 1<sup>st</sup> August 2022.

Over the past year our Social Work professionals have continued to support individuals and families within East Renfrewshire during continued unprecedented and challenging times. This has involved responding to higher demands for support in unpredictable times. We have seen our social work staff respond creatively with a commitment to improve outcomes for the individuals and families we support.

This report provides a detailed summary of our statutory services and the dedication of our staff in supporting our residents and improving outcomes. It also provides some reflections on the impact of Coronavirus (Covid-19) pandemic on our work and our plans as we move forward.

We have many examples of success to celebrate and build on:

- Improved interventions for children and families requiring targeted interventions.
- Increased referral route for Family Group Decision Making e.g. Education and Health Visitors.
- Referrals to Family Wellbeing Service has led to a reduction in the number of re-referrals to GPs by 86%.
- Enhanced participation and engagement of looked after young people by strengthening the support provided via partnership working the Health and Social Care Partnership and East Renfrewshire Culture and Leisure Trust.
- Care Experienced Young People traineeships successfully gaining employment with the Health and Social Care Partnership.
- Self-Directed Support Forum and East Renfrewshire Carer's Centre working in partnership to develop processes and the formation of a Self-Directed Support steering group.
- Enhanced outreach community support for individuals with a learning disability to ensure a blended approach of care in the community and in provision.
- Development and implementation of Care Home Assurance visits to ensure continued visits by senior managers.
- Working with third sector to identify the first "Bairns' Hoose" in East Renfrewshire and nationally in Scotland.
- Continued implementation of Signs of Safety practice model.

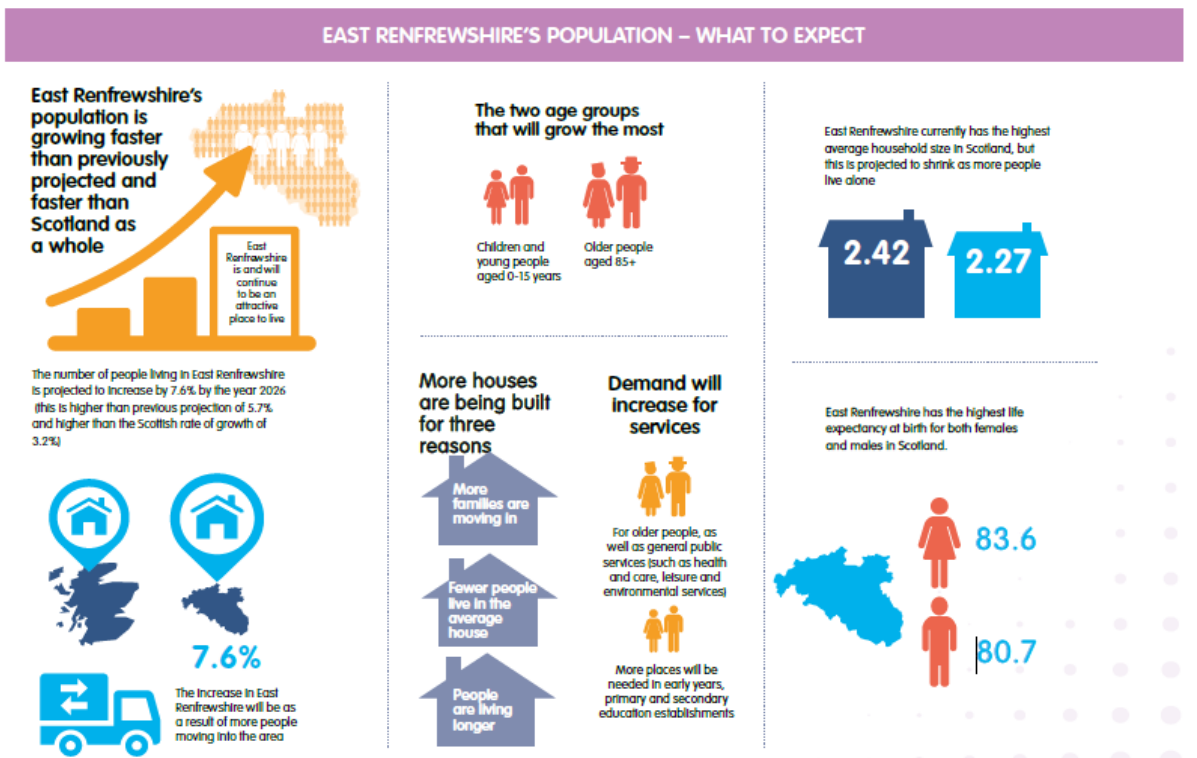
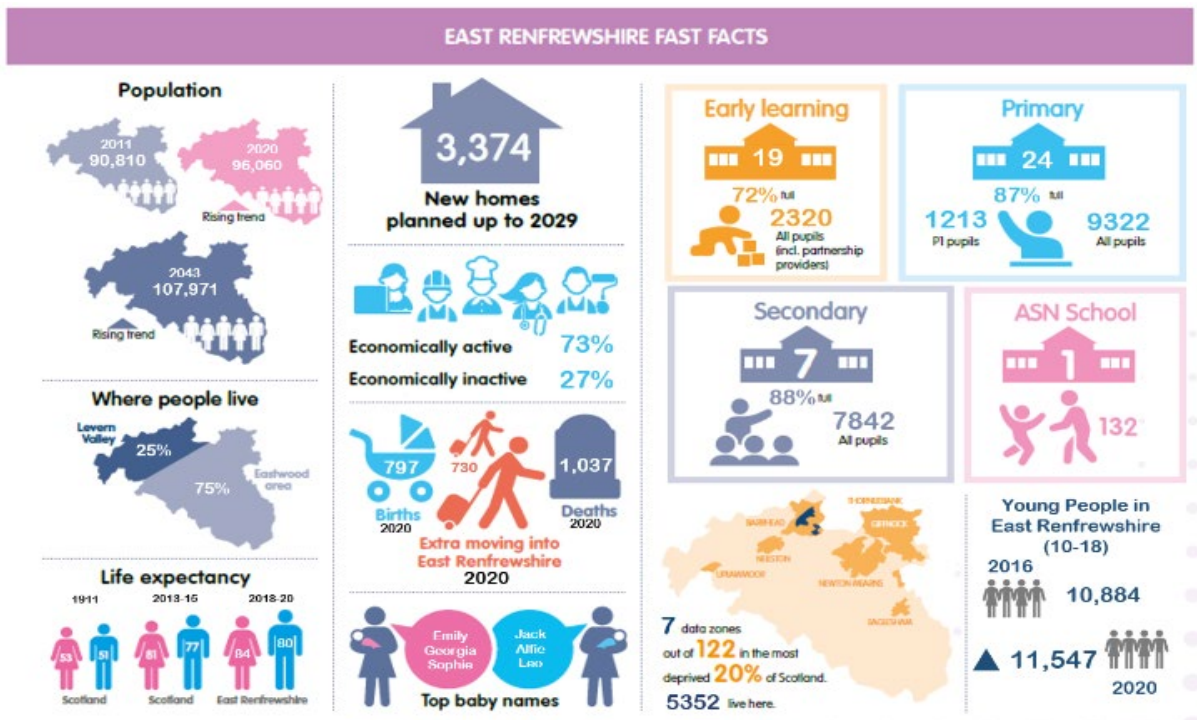
- An audit undertaken by the Multi Agency Public Protection Arrangements (MAPPA) Unit, evidenced that robust risk management arrangements were in place for those offenders who pose a high risk of harm.
- Robust Interagency Referral Discussion audit activity to monitor and quality assure trends in Child Protection work.
- Crown Office recorded that all interviews from the Scottish Child Interview Model team evaluated could be used as evidence in chief in court and there was no inadmissible material.
- East Renfrewshire Safe and Together was accredited gold standard champions in Domestic Abuse Child Protection training.
- Increase in Adult Support and Protection referrals from other professionals linked to high volume of Adult Support and Protection awareness raising and training.
- Initial Contact Team was introduced as a single point of access for all new referrals and contacts for Adult Health and Social Care.
- An implementation plan has been developed to support the launch of adults with incapacity procedures and includes a training programme for all Health and Social Care Partnership staff.

We also know what our most significant challenges are and are making progress in tackling these:

- Increase in child initial assessments requiring intervention has grown due to the pandemic.
- Increased of young people with neurodevelopmental profile, requiring more targeted support and resource.
- The pandemic has significantly affected families with children with additional support needs.
- The implementation of the mandated National Transfer Scheme (NTS) for Unaccompanied Asylum Seeking Children (UASC).
- Challenges of recruitment and retention of staff including care at home staff and Mental Health Officers.
- The suspension of unpaid work and pause in delivery of the nationally accredited sex offender group treatment programme, Moving Forward Making Changes, due to the pandemic.
- Domestic Abuse continues to be one of the main reasons for referrals to children services.
- Significant increase in demand for refuge accommodation and outreach support for woman experiencing domestic abuse.
- Supervision of increased private guardianship orders challenging given increase in complexity and demand.



East Renfrewshire Population Facts



## **Section 1: Governance and Accountability**

East Renfrewshire Health and Social Care Partnership (HSCP) was established in 2015 under the direction of East Renfrewshire's Integration Joint Board and it has built on the Community Health and Care Partnership, which NHS Greater Glasgow and Clyde and East Renfrewshire Council established in 2006.

Our Partnership has always managed a wider range of services than is required by the relevant legislation. Along with adult community health and social work and care services, we provide health and social work services for children and families and criminal justice social work.

During the last 16 years our integrated health and social care management and staff teams have developed strong relationships with many different partner organisations. Our scale and continuity of approach have enabled these relationships to flourish. We have a history of co-production with our third sector partners and we are willing to test new and innovative approaches.

East Renfrewshire Health and Social Care Partnership is one of six partnerships operating within the NHS Greater Glasgow and Clyde Health Board area. We work very closely with our fellow partnerships to share good practice and to develop more consistent approaches.

This Chief Social Work Officer report reflects the seventh year of the move to a Health and Social Care Partnership and whilst it outlines the key statutory social work functions, it also explains how they are delivered within the spirit of the Public Bodies (Joint Working) (Scotland) Act 2014 legislation. The Chief Social Work Officer provides the Health and Social Care Partnership and East Renfrewshire Council with professional advice, leadership and oversight of all social work and social care functions. The Chief Social Work Officer reports to the Chief Executive for East Renfrewshire Council in his role. The Chief Social Work Officer is responsible for the scrutiny and quality assurance of all public protection services in East Renfrewshire. This also includes Violence against Women and Girls. East Renfrewshire Council's Chief Executive chairs the Chief Officer Public Protection Group. The group meets bi-annually and the Chief Social Work Officer acts as their professional advisor. The use of driver diagrams and logic modelling supports the scrutiny of public protection processes, outputs and outcomes. The Chief Officer Public Protection Group met regularly throughout lockdown.

### **Our Strategic Vision and Priorities**

East Renfrewshire has been integrating health, social work and care services for 16 years. From the outset of the Community Health and Care Partnership we have focused firmly on outcomes for the people of East Renfrewshire that improve health and wellbeing and reduce inequalities. Under the direction of East Renfrewshire's Integration Joint Board, our Health and Social Care Partnership builds on this secure foundation. Throughout our integration journey, we have developed strong relationships with many different partner organisations. Our longevity as an integrated partnership strives to improve outcomes for the citizens of East Renfrewshire.



Our vision statement, “*Working together with the people of East Renfrewshire to improve lives*”, was developed in partnership with our workforce and wider partners, carers and members of the community. This vision sets our overarching direction through our Strategic Plan. At the heart of this are the values and behaviours of our staff and the pivotal role individuals, families, carers, communities and wider partners play in supporting the citizens of East Renfrewshire.

### **Strategic Planning and Commissioning**

Our strategic plan is our third iteration since the initial plan in 2015. The seven core strategic priorities have in general remained unchanged with an additional strategic priority providing a strong focus on the mental health and on the wellbeing of our workforce in response to the impact of the Coronavirus (Covid-19) pandemic.

- Working together with children, young people and their families to improve mental and emotional wellbeing.
- Working together with people to maintain their independence at home and in their local community.
- Working together to support mental health and wellbeing.
- Working together to meet people's healthcare needs by providing support in the right way, by the right person at the right time.
- Working together with people who care for someone ensuring they are able to exercise choice and control in relation to their caring activities.
- Working together with our community planning partners on new community justice pathways that support people to stop offending and rebuild lives.
- Working together with individuals and communities to tackle health inequalities and improve life chances.
- Working together with staff across the partnership to support resilience and wellbeing.
- Protecting people from harm.

We will build on our established relationship with our external provider and partners to work together to develop a shared approach to strategic commissioning and market facilitation for East Renfrewshire. Recent policy and guidance has been published over the past few years

which seek to develop an ethical commissioning approach with a strong focus on improving outcomes for people using services. The Independent review of Adult Social care sets out a strong vision for adult social care which is embedded in a human rights, fair work principles person centred, involves people with lived experience, and focuses on other factors other than price.

The Scottish Government proposals for the establishment of a National Care Service for Scotland go beyond the scope and recommendations of the review and set out how a National Care Service will define the strategic direction and quality standards for community health and social care in Scotland. The Bill published in June 2022 sets out a framework which will be consulted on with the view to implementation by 2026. Initial indications are that further engagement is required in relation to children's and young people and criminal justice social work.

Within East Renfrewshire the Health and Social Care Partnership have held a series of collaborative commissioning events with partners and stakeholders from Health and Social Care Partnership services, external third and independent sector, Participation and Engagement Network, service based forums, individuals, families and carers. A shared statement of intent setting out agreed principles and approach which have been co designed. This will build on existing knowledge and expertise across sectors, will be outcome focused and reflect local needs and priorities.

## **Annual Performance Report**

Our [Annual Performance Report 2021-22](#) has given us an opportunity to demonstrate how we have delivered on our vision and commitments over 2021/22. It provides information about the progress we are making towards achieving the national outcomes for children, the national health and wellbeing outcomes, and criminal justice outcomes.

## **Clinical and Care Governance Group**

In order to exercise its governance role in relation to the delivery of effective social work and social care services, the Clinical and Care Governance Group focuses on governance, risk management, continuous improvement, inspection activity, learning, service and workforce development, service user feedback and complaints. Although no longer a formal structure of the Integrated Joint Board it continues to provide regular scrutiny on the areas requiring development and improvement. Quality assurance is fundamental to safe and effective care and the Chief Social Work Officer Annual Report is remitted to the Clinical and Care Governance Group to provide them with assurance concerning the delivery and performance of statutory social work functions. Furthermore, this allows the group to consider the interdependencies of delivering effective and high quality care within the context of integrated practice. More information can be found in the [Annual Clinical and Care Governance Report](#).

## **Section 2: Service Quality and Performance**

### **2.1 Children's Services**

#### **Early Identification and Intervention**

The Request for Assistance team ensures that children and their families receive a thorough and prompt response to any referrals and / or inquiries for a child or young person. We support our partner agencies at the earliest opportunity by sharing information and offering advice that strengthens our preventative approach to children, young people and their families.

From 1 April 2021 to 31 March 2022, the Request for Assistance team completed a total of 872 enquiries and 748 initial assessments, with 24% of those initial assessments requiring targeted intervention.

In September 2021 the screening process was reviewed and in order to provide a more proportionate and timely response, the use of a separate enquiry form was implemented, to ensure that children and families requiring further input and assistance were targeted quickly.

The number of initial assessments requiring further targeted intervention has seen an increase from the previous year reflecting the impact of the Coronavirus (Covid-19) pandemic on our most vulnerable families.

#### **Family Group Decision Making**

In response to the Coronavirus (Covid-19) pandemic and to ensure families have immediate support from the service, there has been continued development and this has widened the referral routes to include education and health visiting as direct referrers.

There were 37 families referred to the service during the reporting period and the team worked with 62 children and 73 adults, this includes supporting both family network meetings and direct work with both parents, carers and children.

#### **Children and Young People's Mental and Emotional Wellbeing**

As a local authority, East Renfrewshire has recognised the extent of mental health concerns among the children's population, and in our new Children and Young Peoples Services Plan 2020 – 2023 we have agreed mental and emotional wellbeing as a key priority. The impact of the Coronavirus (Covid-19) pandemic has exacerbated the circumstances of many children, young people and families, and we are now seeing a significant rise in the number of those experiencing challenges with their mental health and wellbeing. This includes those who have a neurodevelopmental diagnosis.

In response to this a multi-stakeholder Healthier Minds Service approach aligned to school communities has been developed to identify and ensure delivery of mental wellbeing support to promote children and families' recovery. This is working alongside our existing Family Wellbeing Service which links to GP practices. In addition local Youth Counselling provision has also been increased. Demand for these services is outlined below.

#### **Family Wellbeing Service**

Over the past year, the Family Wellbeing Service has successfully supported families while we all continue to emerge from the challenges that the Coronavirus (Covid-19) pandemic brought. Families are still recovering from the physical, emotional, and financial impact of the last couple of years and are presenting at GP surgeries with more acute wellbeing concerns

than that of pre-pandemic. The strength of our relationships with the families and partner agencies have allowed us to manage demand, meet the changing needs and keep children safe.

The referrals to the service continued to be high, although slightly down on the previous year. At the end of the reporting period 2020/21 184 families were still being supported by the service with a further 144 referrals received during the reporting period 2021/22. This meant that across this reporting period 328 children, young people and their families were offered the support of the Family Wellbeing Service.

The latest data suggests that a referral to the Family Wellbeing Service has reduced the presentations of young people experiencing emotional distress at GP surgeries by 86%. This, along with the individual progress made on emotional wellbeing and strengthened family relationships indicates that the service model continues to meet the needs of families within an unpredictable and ever-changing environment.

### **Healthier Minds Team**

The multi-disciplinary team established in autumn 2020 continues to directly respond to the emotional wellbeing needs of children and young people aged 10 – 18 years. Although the majority of referrals are from schools, other agencies can access the service, this includes GP's, Children and Adolescent Mental Health Services (CAMHS), Social Work, Recovery Across Mental Health (RAMH) and Children 1<sup>st</sup> but most importantly includes self-referrals from young people themselves. A total of 568 children and young people have been referred to the service, hub discussions take place weekly resulting in children, young people and their families being supported timeously.

The support offered is holistic, person centred and strengths based, allowing for the right support to be offered at the right time. Young people also have more choice on the support they are offered and how they wish to access it.

The sessions provided through the Healthier Minds Network ensure school communities, Health and Social Care Partnership staff and partners are effectively resourced with access to relevant knowledge, skills and expertise where this is required to support, children, young people and family recovery. These sessions include understanding anxiety, nurture, self-harm and emotional based school absenteeism. An extensive calendar of sessions and training has been planned for the new school year.

Training has also been created and developed to respond to the increased presentations of self-harm, this has evaluated well and will be delivered throughout the authority.

We continue to see positive outcomes for children, young people and their families through the support offered by the Healthier Minds team. All parents who responded to the evaluation said they would recommend this service to others, children and young people said they felt listened to throughout their support and that the team member was understanding.

The success of this work is through the strengths of the partnerships; the relationships, values, understanding and communication.

**Signs of Safety - Our Approach**

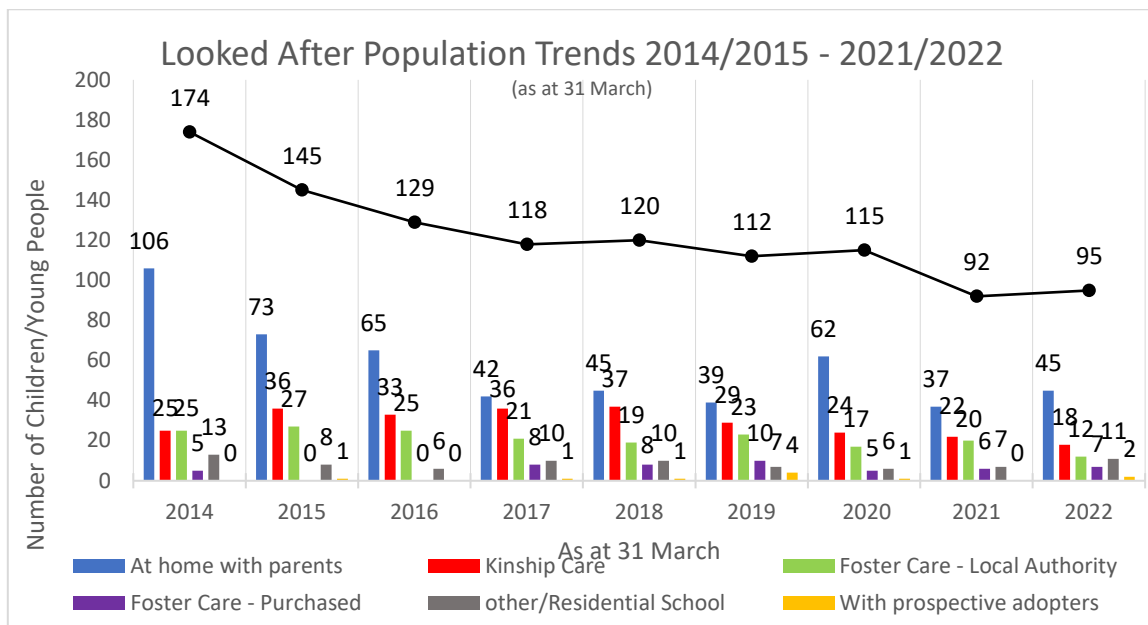
Over 2021/22 we have been able to continue our implementation of the Signs of Safety approach. Whilst we have continued to develop relational interventions with children, young people, their families and carers in order to reduce risk and improve children’s wellbeing, we have also focussed on reviewing the assessment and planning paperwork. This was based on the learning and feedback of using partial assessments under the Coronavirus (Scotland) Act 2020. This review included feedback from children, families, staff and our partners.

Our key achievements for the third year of our five year implementation plan are:

- Continued commitment from the multi-agency Signs of Safety Implementation Team.
- Continued workforce training provided at different levels, advanced and generic for all staff groups including education, health, police and adult services. This was adapted to allow for appropriate social distancing guidelines applicable at the time.
- Review and amendment of the assessment and planning paperwork.
- Continued application of the model in our Child Protection Case Conferences to ensure they are solution orientated, strengths based and risk focused.

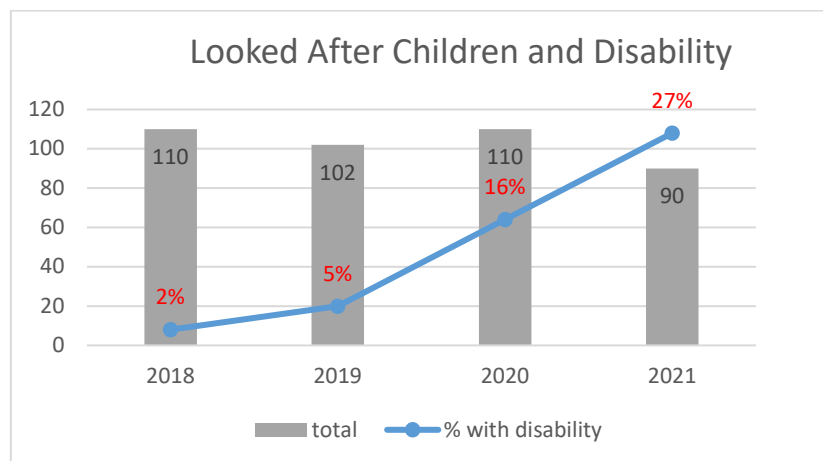
**East Renfrewshire’s Looked After Children and Young People’s Population - A Profile of our Children**

On 31<sup>st</sup> March 2022, 95 children and young people in East Renfrewshire were looked after in a range of settings. This constitutes approximately 0.5% of the total children’s population of the area and remains one of the smallest proportions in Scotland. The gender balance has been consistent in recent years with 58% boys and 42% girls. We have continued to work to improve outcomes for children by securing permanent destinations for them. The number of children looked after at home has returned to pre-pandemic levels and there is an overall reduction in the number of children looked after away from home when compared with pre-pandemic figures.



In this year, the average amount of time children were looked after at home decreased from 20 months to 18 months.

As a result of the pandemic there has been a significant increase in the number of children with complex and additional support needs who have become looked after. Currently 27% of looked after children have a disability evidencing that the pandemic has significantly affected families with children who have additional support needs.



### Intensive Family Support Team

The intensive family support service works alongside community social work, with families of children under the age of 12 years, where a need for more intensive support has been identified. In particular a referral to the team is recommended when children have been, or are at risk of being, removed from the care of their family and if child protection registration is being considered, including at the pre-birth stage.

Between April 2021 and March 2022, 59 children received support from the Intensive Family Support Service. The majority of children supported (52.5%) were in 5 – 11 age group. 45 of those are currently receiving support, as at the end of the year. Parenting concerns was the most commonly recorded concern, followed by child protection and parental mental health issues. Building parent / carer capacity was the primary intervention in 62.2% of cases. 46.7% of current cases are known to be at risk of accommodation.

### Youth Intensive Support Service

The Youth Intensive Support Service (YISS) is the lead service for all looked after young people aged 12 – 26 years, recognising that more intensive interventions are required to improve recovery from trauma, neglect and abuse.

Using a relationship based model the team delivers the statutory duties within the Children and Young People's (Scotland) Act 2014, namely to support young people eligible for Continuing Care up to the age of 21 years and for Aftercare up to the age of 26 years. The service's aim is to successfully engage the most hard to reach young people in East Renfrewshire by providing and co-ordinating multifaceted support plans. The service has the following shared aims across social work and health services:

- To reduce the number of young people looked after and accommodated and at risk of hospitalisation and custody.
- To reduce the impact of historical trauma and abuse for young people.
- To ensure that the transition into adulthood achieves better long term outcomes.



- To maximise social capital.
- To keep whenever safe to do so a connection to their local communities.

In 2021/22 a total of 143 young people received support from Youth Intensive Support Service and the most common age group was nineteen plus years, which made up 36.4% of the total supported.

Currently, Youth Intensive Support Service is directly supporting 116 young people and their families, of which:

- 46.6% are currently looked after
- 26.7% are known to be at risk of accommodation
- 15.5% are at risk of custody
- 12.9% are at risk of hospitalisation
- 24.1% receive additional (commissioned) support.
- In 65.5% of open cases, intervention involved support to gain employment, training or education. This was the most common intervention, followed by a signs of safety plan and participation.

The UK Government has been operating the National Transfer Scheme for unaccompanied minors arriving in England to be transferred to Local Authorities across the UK. The number of unaccompanied asylum seeking children requiring accommodation is projected to increase for every local authority in Scotland. Youth Intensive Support Service (YISS) will be the main support service for these unaccompanied children in East Renfrewshire.

### **Champions Board, Group Work and Participation**

Despite Coronavirus (Covid-19) restrictions in 2021/22, there was continued engagement with children, young people, families and communities. Although participation opportunities were reduced at times, there were key successes in the period.

- An Easter Programme for children supported by Social Work was held by East Renfrewshire Culture and Leisure Trust. This was attended by fifty Children and young people.
- Artivism projects based around The United Nations Convention on the Rights of the Child (UNCRC) were held in Easter and summer. Fifteen children and young people from Champions Board and Mini Champs created showcase of activity which they shared with Corporate Parents.
- The Enrichment Activity Programme was held in partnership with Health and Social Care Partnership and Culture and Leisure Trust (May – August 2021). There were thirty separate six week activity blocks adding up to 341 hours of activity with 104 children and young people took part.
- An Employability Programme was delivered by Andy Robertson Trust. Nine Young People successfully completed this five week programme around employability.

- In September 2021, four care experienced Health and Social Care Partnership trainees came into post. The young people are employed within the Health and Social Care Partnership and are aligned to the Champions Board. They benefit from bespoke opportunities and training within Health and Social Care Partnership and partner organisations.

## **Fostering, Adoption and Supported Care**

The Adoption, Fostering and Supported Care Team have sought to continue to provide safe and stable placements to meet the needs of children and young people. Our carers have been integral in continuing their support to our children and young people. They have provided consistency, stability and care to our children and young people throughout this year.

We have continued to support and work creatively with our current carers by offering direct and indirect support. We continued to progress assessments and foster carer annual reviews through an online Adoption, Fostering and Permanence Panel.

### **Fostering**

During 2021 / 2022, the service has:

- Sixteen foster carer households caring for sixteen children / young people looked after or ceasing to be looked after in receipt of continuing care.
- We have three carer households approved as permanent foster carers and one approved as long-term foster carers for children.
- We have one foster care household supporting two children through short break care to provide support to them and their families.
- We have placed nine children in foster placements with independent fostering agencies.

### **Adoption**

During 2021 / 2022, the service has:

- Assessed and approved two adoptive families.
- We have linked and matched four adoptive families to five children.
- Our post adoption support group has a membership of approximately 35 families.
- We have continued to provide indirect letterbox exchange between adoptive and birth families.
- We offer origins counselling to individuals and families through our service agreement with Scottish Adoption Support Services.

### **Supported Care**

During 2021 / 2022, the service has:

- Six foster carers who are also approved as supported carers for young people from age of 16 years to 26 years of age. They are providing support to five young people.

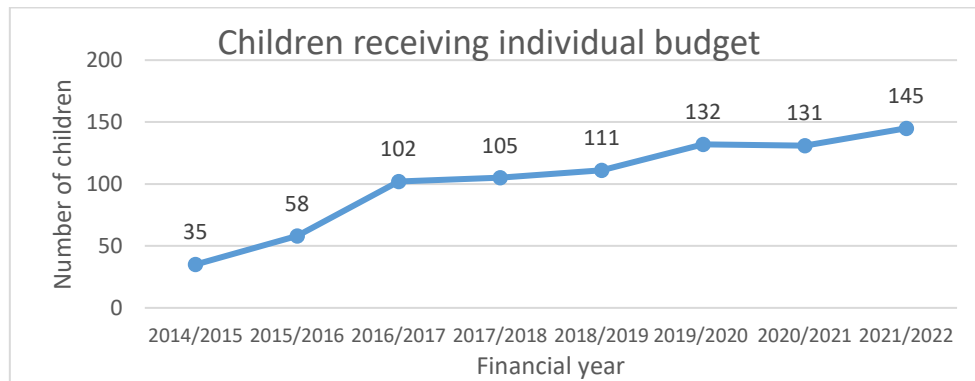
- We have integrated our support groups to include our supported carers as all of them have a dual approval to include foster care.

### Registered Services Inspection

Our three registered services, fostering, adoption and adult (supported care) placement were last inspected in October 2019 and all services received Grade 5 (very good).

### Children with Disabilities

We have fully adopted the principles of Self-Directed Support in partnership with children, their families and other people who are important to them. We recognise that good support planning is reliant on relationship based practice, starting with the family recognising what matters to them, and we are embedding this way of working throughout children's services. Given that 38% of children known to social work teams have a disability, we have undertaken a review of our assessment and planning and have implemented Signs of Wellbeing, a strengths based approach, adapted from Signs of Safety.



The number of children in receipt of an individual budget has quadrupled since 2014 as shown in the chart above. In 2021/22, three quarters of children with disabilities allocated to social workers were in receipt of an individual budget. This will continue to be an area of significant growth and budgetary pressure. Expenditure has increased from £471,558 for option one payments in 2020/21 to £611,222 which is a 29% increase with the same period last year.

It is anticipated that this will continue to be an area of significant demand over the years, considering the migration of families who have children with disabilities into East Renfrewshire.

### Cygnets Parenting Programme for Parents

East Renfrewshire Cygnets Parenting Programme for parents of children with an autism diagnosis has been a very successful programme with high attendance and completion rates and programme evaluation which reflected improvement in parental confidence in supporting children and young people with autism. It has not been possible to deliver this programme face to face due to Coronavirus (Covid-19) restrictions. A virtual programme was piloted over the summer months. However digital fatigue was commented on with many parents indicating a preference to wait until face to face programmes could recommence.

### Inclusive Support Service

The Inclusive Support Service (ISS) is comprised of three distinct services: holiday provision, out of school activity clubs and individualised support services. The service provides a range of targeted support for children and young people aged 5 – 18 years. All of the children and

young people who access the service have either complex health or behavioural support needs, with a significant number having limited verbal communication.

East Renfrewshire Inclusive Support Team in consultation with social work refocused activity during Coronavirus (Covid-19) pandemic by closely working with partners in Education and Health to ensure support for our most vulnerable children and young people. The team organised and delivered the holiday programme for 130 children over the spring, summer and autumn at Isobel Mair School. This approach targeted provision toward children and young people with complex support needs.

During spring 2022, the team delivered seasonal activity boxes to children and young people within the service who were not able to access the targeted Holiday Programme. We also linked with partners to support our young people to access Youth, Sports and Outdoor camps. This was done by ensuring staff with appropriate training and experience were available to support individuals and groups.

We reinstated our out of school activities in line with Coronavirus (Covid-19) restrictions, supporting our young people's engagement in activities such as football, drama, music and cooking. The individualised support provided for our most complex young people continued throughout. Staff within our service flexibly supported Education when required including during the extended school year.

Our ongoing planning and modelling for the service will take account of the different profile of need that has emerged during the pandemic, and will be carried out in consultation with others, including children and their families. We will refresh our learning and development programme, consider our staffing structure and plan for further recruitment of staff to ensure that the service can effectively support this group of children and young people.

## **Rights of Children**

Through The United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, Scotland is the first country in the UK to directly incorporate The United Nations Convention on the Rights of the Child (UNCRC) into domestic law. Introduced to the Scottish Parliament on 1<sup>st</sup> September 2020 the Bill was passed unanimously on 16<sup>th</sup> March 2021. The new law was due to come into force six months after Royal Assent but shortly after the Bill was passed, the UK Government raised concerns that parts of the Bill exceeded the powers of the Scottish Parliament and referred the Bill to the UK Supreme Court. In October 2021, the Supreme Court judges decided that four sections of the Bill went beyond the powers of the Scottish Parliament, these related to definition of public authority and court powers.

Whilst the Scottish Government is looking at the changes that need to be made to the Bill to address the Supreme Court judgment, the Scottish Government have indicated that work by public bodies to implement The United Nations Convention on the Rights of the Child (UNCRC) should continue whilst these technical issues with the Bill are resolved.

In view of this East Renfrewshire Council and the Health and Social Care Partnership agreed to the establishment of a United Nations Convention on the Rights of the Child (UNCRC) Implementation Group made up of United Nations Convention on the Rights of the Child (UNCRC) champions representing East Renfrewshire Council, Health and Social Care Partnership, East Renfrewshire Culture and Leisure and other key partners. Key achievements of the group have included:

- Implementation of an audit tool to gather baseline data and identify next steps in promoting children's rights.

- Incorporation of Children’s Rights and Wellbeing Impact Assessment into East Renfrewshire Council’s Impact Assessment process and delivery of training to support staff.
- Engagement with children and young people to inform actions of group. In particular vulnerable children and those within pre-school age groups.

Over the last year the local United Nations Convention on the Rights of the Child implementation group has refocused their work to three areas: Participate, Promote and Publicise. This has allowed the group to continue to develop and promote children’s rights locally whilst incorporating the work being actioned at a national level.

### **Corporate Parenting and The Promise in East Renfrewshire**

East Renfrewshire Health and Social Care Partnership and the wider children’s partnership in East Renfrewshire are committed to delivering the necessary changes to meet the requirements of The Promise. Within our Children’s and Young People’s Services Plan 2020 - 2023 we have set the high level priority as follows - *Deliver on our Corporate Parenting responsibilities to our care experienced children and young people by fully implementing The Promise*. The plan was approved by East Renfrewshire Council thus ensuring progress is reported to elected members, Chief Officers, Scottish Government, and the public too. The commitment is accompanied by a detailed Corporate Parenting Plan and a multi-agency delivery group links to the Champions Board and Mini Champs groups.

A key aim within the plan is improving the quality of transition into young adulthood and the processes and procedures that can make this happen. Care experienced young people tell us their transition into young adulthood can often be often disappointing, with their experience of the adult world falling far from their expectations. Pathway planning is a crucial step in making the transition more satisfactory and more in line with their wider peer group.

In 2020 an application to the Corra Foundation (The Promise) was made to support a programme to deliver a new pathway planning framework for care experienced young people and care leavers. The programme, working in collaboration with young people, has achieved its key aims of locating best practice in this area and establishing a local framework and tools to assess the needs of those young people accessing aftercare services in particular. Furthermore the programme has strengthened the role and contribution of the multi-agency corporate parents who occupy the adult services world in enhancing the part they play in improving the outcomes for care leavers. With a growing population of care experienced young people in East Renfrewshire - approximately 240 in 2021 - we are now in the position to report more accurately on their needs and with partners redesign services in response to this.

Moving forward over the next year delivering on the Promise will be the key priority of the Health and Social Care Partnership along with other children’s services partners especially as we coordinate the local response to the Whole Family Wellbeing Framework.

### **East Renfrewshire’s Children’s and Young People’s Services Plan 2020-2023 – “At Our Heart”**

Despite the Coronavirus (Covid-19) pandemic, national lockdowns, and ongoing restrictions, East Renfrewshire’s children’s services partner agencies have continued to work together to implement the local Children’s Services Plan for 2020-2023. Children’s planning has a very high profile in East Renfrewshire and all partners have again demonstrated a determination during difficult times to work together to deliver on the commitments made especially in relation

to keeping children safe, improving children's mental wellbeing, enhancing support to children with complex needs, and ensuring The Promise is at the centre of all that we do.

The East Renfrewshire approach, as laid out in the plan, is underpinned by the Getting It Right For Every Child (GIRFEC) policy framework and informed by the United Nations Convention on the Rights of the Child. Across the partnership from nurseries, schools, youth services, social work, to health, the core values of relational based practice, listening to children, focusing on the strengths of families, and being trauma informed, drive our delivery and inform our understanding of what we need to improve. The next children's plan annual report will provide further detail of what is being achieved and the new challenges ahead.

## **2.2 Adult Social Work and Social Care**

### **Initial Contact Team**

As we continue to respond to the challenges of the Coronavirus (Covid-19) Pandemic, we are seeing increasing pressures on our services, not only in terms of demand but also in complexity.

The Initial Contact Team was introduced as a single point of access for all new referrals and contacts for Adult Health and Social Care. The operation of the Initial Contact Team was significantly impacted by the Coronavirus (Covid-19) pandemic and subsequent restrictions which limited in-person assessments.

The aim of the Initial Contact Team is to engage with people in their homes and communities, and identify alongside them what would make the difference at earlier points in recognising their need for assistance. Utilising the knowledge, skills and expertise of a wide range of disciplines we encourage collaboration and innovation alongside early interventions that supports people to live independently in the community as long as they can.

### **Adults with Incapacity**

The support and protection of the rights of adults who lack capacity to make informed decisions regarding their welfare and finances is a core responsibility of all social work practitioners within the East Renfrewshire Health and Social Care Partnership.

An implementation plan has been developed to support the launch of these procedures and includes a training programme for all relevant Health and Social Care Partnership staff.

The training was delivered in spring / summer of 2022 and included input from Mental Health officers, with implementation of the procedures in July 2022. The training will introduce our process and procedures with a focus on the enhancement of skills for those staff taking on new responsibilities. Training will place an emphasis on ensuring that rights and strength based practice is enshrined in the delivery of all services going forward.

### **Self-Directed Support**

The Social Care (Self-Directed Support) (Scotland) Act 2014 is a key piece of legislation and was enacted as part of the ten year National Self-Directed Support Strategy. The purpose of this legislation was to drive transformation in terms of shifting the balance of power from services to individuals who use them and to provide greater choice, control and creativity to individuals and families in terms of meeting their agreed personal outcomes.

In the last period we worked in partnership with the East Renfrewshire Self-Directed Support Forum and East Renfrewshire Carers Centre to understand the successes and challenges of Self-Directed Support in our area. This was a hugely successful process and led to the development of a Self-Directed Support steering group. This group has been co-chaired by a Head of Service and Self-Directed Support Forum manager with membership including people with lived experience of using self-directed support, practitioners, managers and finance officers. The steering group has contributed to improvements in Self-Directed Support practice in East Renfrewshire and has supported the development of effective collaboration between the Health and Social Care Partnership and Self-Directed Support forum.

In August 2021 we agreed to increase funding for the Self-Directed Support forum to support continuation of the budget management service, allowing this to be embedded in the Self-

Directed Support forum as an ongoing service for all who wished this support. This funding also supported the development of a personal assistant recruitment and employment service as part of the brokerage role provided by the Self-Directed Support Forum.

We have continued to benefit from our strengthened relationship with the Self-Directed Support Forum, inviting them to deliver toolbox talks to front line Health and Social Care Partnership staff. The intention of these sessions was to raise front line workers awareness of the supports available to assist individuals to operate an option one. These toolbox talks explored the practicalities of Self-Directed Support option one, the challenges of employment of friends and family, being flexible and applying the principles of the legislation. These sessions also introduced the role of the Self-Directed Support brokerage service.

### **Learning Disability Team**

The Learning Disability Team continue to support and develop the process of young people transitioning to adult services. Forthcoming developments that will be supported by the Learning Disability Team are the creation of a Transitions Team within adult services, the development and implementation of pathways for transition to the wide variety of paediatric health services to adult health services and earlier robust screening processes, which will identify the appropriate pathways for young people.

### **Learning Disability – Day Opportunities Services**

Since the onset of the Coronavirus Pandemic and subsequent restrictions around service provision, Day Opportunities have been providing services differently. This has involved supporting people within their local communities and homes on an outreach basis, which is a fundamental shift in how the service operated pre pandemic. The service will retain this blended model and will look to engage more with young people, aged fourteen years upwards in preparation for transition to adulthood.

The process of providing support to individuals on an outreach basis provides an opportunity to modernise the service and create more opportunities for a greater number of individuals who use the service and also for staff to develop their skills.

### **Supporting Unpaid Carers - Carers (Scotland) Act 2016**

Improving the support available to unpaid Carers has been challenging during the past year. Even with restrictions eased, with 76% reported their caring role had increased during the pandemic and 46% that the pandemic had impacted on their caring relationship. 76% reported their mental health had been impacted during this time and for 53% their physical health had been affected. Young carers have been affected similarly in their schools, at home and with caring.

Over the past year from April 21 to March 22 there has been a 72% increase in carers identified from the previous year. This means 479 Adult Carers received advice and support which included being signposted where to find this and were informed of their right to a support plan. East Renfrewshire Health and Social Care Partnership staff remain the main source of Adult Carer referrals to East Renfrewshire Carers Centre (ERCC) and Education the main source for Young Carers.

### **Assessment and Review Activity**

The Coronavirus pandemic has continued to affect all of our adult social work services, with sustained pressures affecting service capacity across reception, locality and specialist teams. Not only have we seen an increased demand for our services, the complexity of the issues



facing our clients has grown exponentially. Throughout the initial twelve months of the pandemic, the pressure of urgent new cases and ongoing case management resulted in an increasing waiting list for assessment, and an ever growing backlog of overdue permanent and community care reviews.

In April 2021, East Renfrewshire Health and Social Care Partnership commenced a piece of work to undertake individual reviews for all care home residents who did not have a recent review completed. With pressures upon the existing workforce, adult services moved swiftly to mobilise a dedicated review team.

## **Care Home**

### **Assurance Visits and Care Plan Reviews**

The pandemic has continued to have a significant impact on our care homes, staff, the residents, and their families. Care home support and assurance has been at the forefront of East Renfrewshire's pandemic response.

A care home assurance team was established at the beginning of the pandemic as requested by and reporting to Scottish Government. This team was directed to have regular assurance meetings and carry out assurance visits. There will now be a rolling programme of assurance visits to all the care homes in East Renfrewshire undertaken by dedicated members of the team.

### **In-house Care at Home Service**

Our in house Care at Home Service has continued to provide a pivotal role in the delivery of frontline high quality, person centred care to East Renfrewshire residents. Service delivery has remained a significant challenge in the reporting period due to the increasing complexity of care needs for those that we support and the difficulties we have faced in recruitment and retention within our staff team. The team have continued to deliver a high standard of care to help people to remain safe at home.

The service has maintained a re-enablement focus and we have strengthened our Occupational Therapy resources to ensure outcomes can be maximised for the people we support. Significant resources have been directed to multi-channel recruitment campaigns in the period and these have brought some success in terms of strengthening our resource base, however this remains an ongoing focus and challenge.

The service pressures have caused us to defer our planned redesign of the service and we will recommence this in the second half of 2022. We will use the learning from the pandemic and reflect the changing demands we have experienced post pandemic (including the increased complexity of individuals' care needs) to deliver a model and structure which maximises efficiency and well governed, high quality care delivery.

### **Bonnyton Care Home**

The Bonnyton House team have continued to perform in a strong and resilient manner and have shown considerable commitment to excellent resident care. They have welcomed the relaxation in pandemic restrictions, which have allowed a greater range of interactive activities to be conducted.

The phase two renovations which were originally planned for early 2022 were delayed and will commence in summer 2022.

To maximise the use of the Bonnyton House asset, the Scottish Government winter pressures funding was directed to the development of intermediate care beds and a wider multi-disciplinary team to enable and support this. This has been effective in the early stages in facilitating 'right time, right place' care and we will continue to develop and refine the approach as we embed the national discharge to assess model.

## **Telecare Services**

The in house Telecare team has delivered a service to almost 3000 customers, including carrying out approximately 16,000 emergency response visits over the period. When measured against key performance indicators, the service has performed well. This information will feed into the next annual audit by the Technology Enabled Care (TEC) Services Association in autumn 2022.

**2.3 Mental Health**

Mental Health Officers (MHOs) are responsible for carrying out specific duties on behalf of the local authority detailed within the Mental Health (Care & Treatment) (Scotland) Act 2003, Mental Health (Scotland) Act 2015, Adults with Incapacity (Scotland) Act 2000 and Criminal Procedures (Scotland) Act 1995.

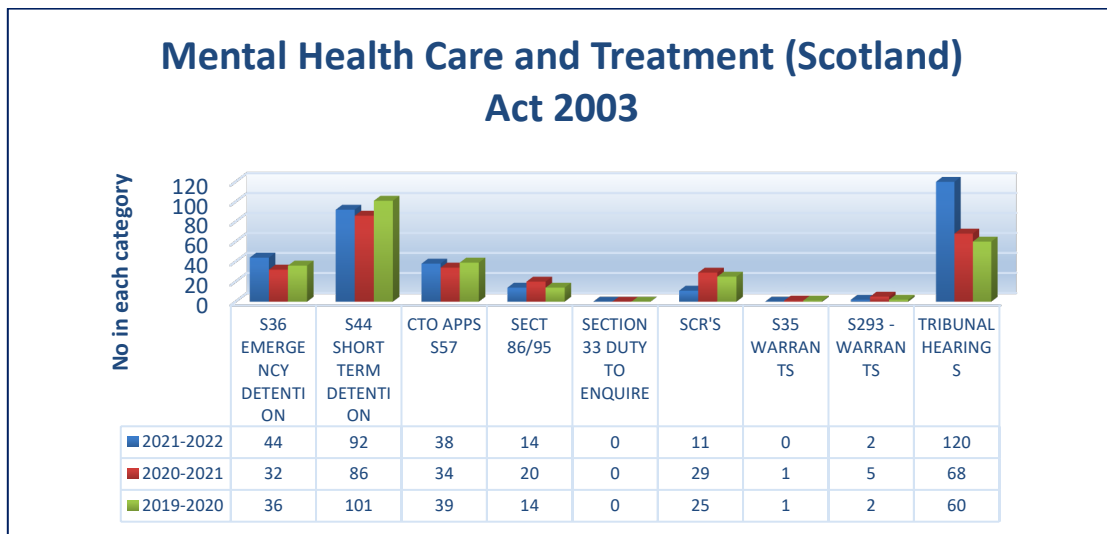
The East Renfrewshire Mental Health Officer service sits within the Mental Health and Recovery side of the partnership. Due to challenges in recruiting Mental Health Officers the team structure was adapted to include social workers who have taken on the majority of the care management responsibilities. This has enabled an increase in the capacity of the Mental Health Officers within the service to focus on statutory duties under the Mental Health and Adults with Incapacity legislation.

Our Mental Health Officers and Social Workers work closely with other agencies and professionals across the partnership to improve the quality of experience of people subject to statutory measures and ensure their rights are protected.

As we moved into the recovery period of the pandemic, the team adapted to an agile model of working which ensures a small staff presence within the office across the week. This ensures the service can be more responsive to service users and colleagues seeking support and advice.

A Development Day for all Mental Health Officers within the partnership was held in November 2021 with a specific focus on the Mental Health Officers National Standards and working toward ensuring that these are being met.

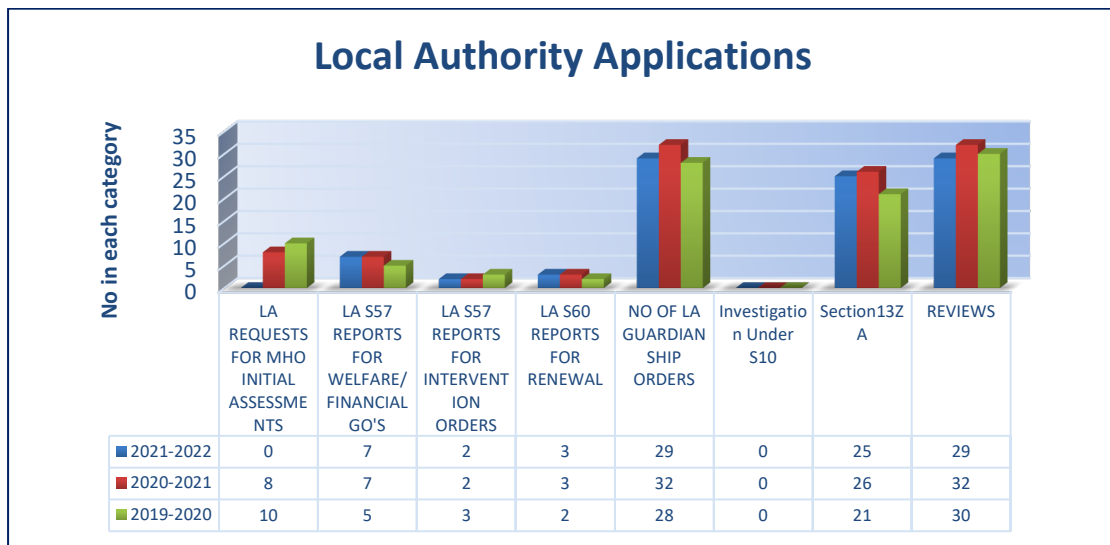
Over the last twelve months while the Mental Health Officers capacity within the partnership has reduced the activity generated by the Mental Health (Care & Treatment) (Scotland) Act 2003 has increased. The table below highlights that statutory work relating to Emergency Detention Certificates, Short Term Detention Certificates, and Compulsory Treatment Order applications has risen in comparison to the previous twelve months. Attendance at Mental Health Tribunals was an area which saw the highest increase. A possible explanation for this is as a result of increased capacity due to these being held virtually and the granting of interim orders.



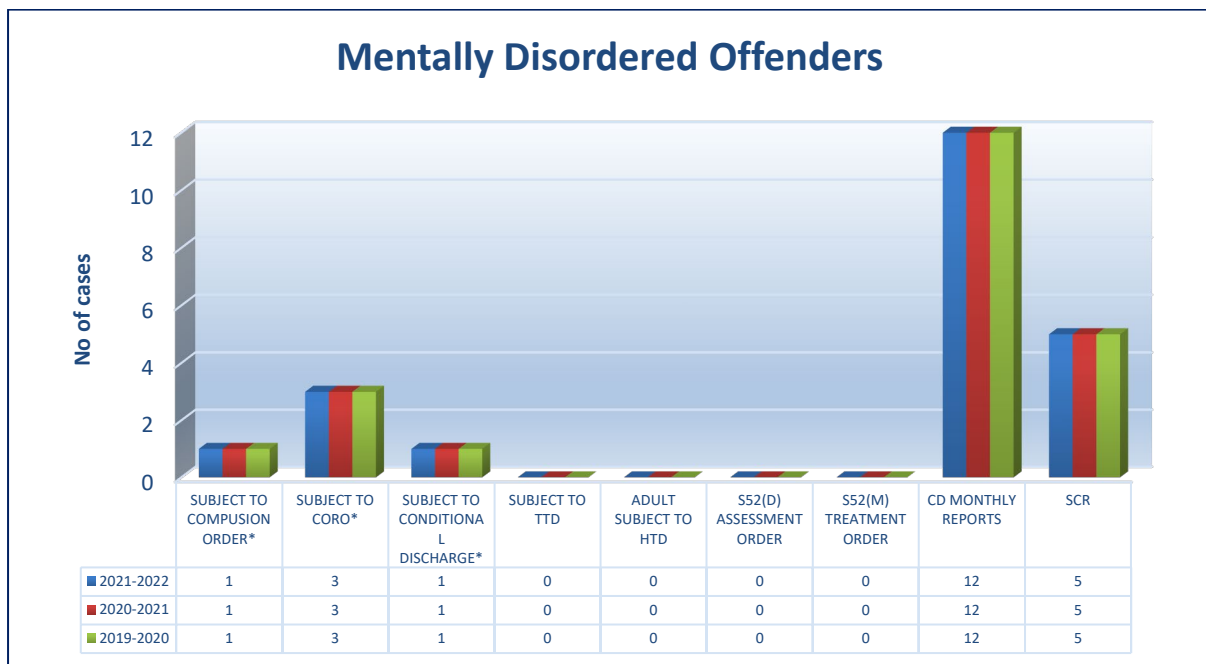
The Adults with incapacity legislation section 57(2) places a duty on the Local Authority to make an application for Welfare and / or financial Guardianship when specific criteria are met.

The graph below indicates:

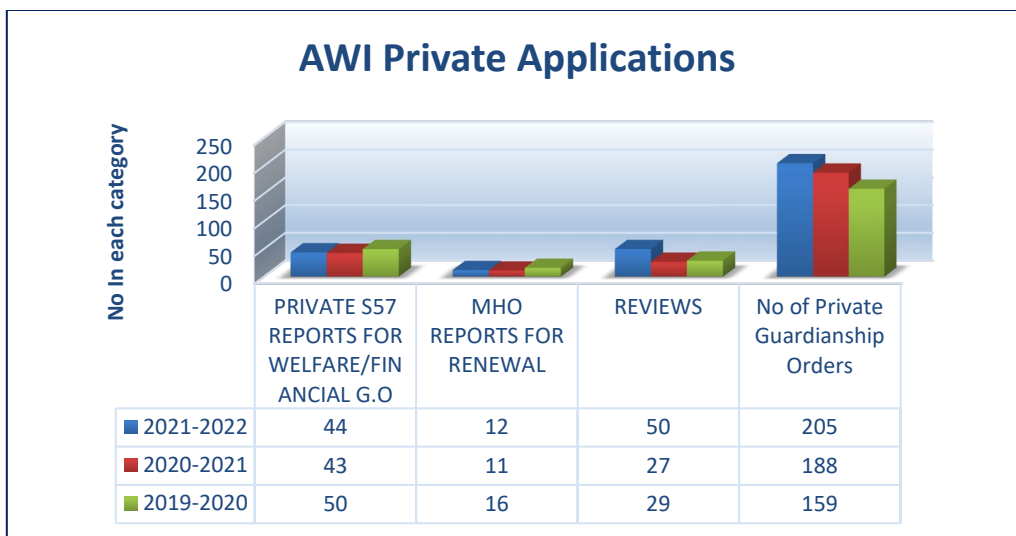
- Individuals currently subject to Local Authority Guardianship has reduced slightly to 29.
- 13za activity requiring the attendance of a Mental Health Officer to ensure appropriate application of the criteria and a human rights approach applied remained consistent.
- No change identified in the number of renewals of Local Authority Guardianship Orders over the last twelve months.



Referral for mentally disordered offenders remains low with only four individuals subject to mental health court disposals.



The demand for Mental Health Officers reports accompanying private applications for Welfare and Financial Guardianship continues to increase and a waiting list remains in place. The supervision of these orders continues to be a challenge due to the ever-increasing amount of guardians to be supervised which currently sits at 205 (an increase of 17 from last year), many of which are joint guardians which can bring with it additional challenges. While the expectation is that private guardianship orders will be reviewed within three months initially and then twelve months thereafter there remains a number of private guardians that require intensive supervision due to the complexity of the situation. The responsibility for these sits exclusively with the Mental Health Team. East Renfrewshire has not ceased supervision of private guardianship orders for any adult despite this being an option since 2015. In preparation for the role out of the new Adults with Incapacity procedures there has been a focus on the reviewing of private guardianship orders. This is reflected in an increase of 54% in review activity from last year.



## 2.4 Criminal Justice

The Coronavirus (Covid-19) pandemic has had a significant impact on the Justice System and associated Justice Service delivery during 2021/22. This is reflected in the table below which illustrates the number of Statutory Orders and requests for Criminal Justice Social Work Reports received by East Renfrewshire during that year.

	Number 2021-22	Number 2020-21	Change (n)	Change %
<b>Justice Social Work Reports</b>	137	55	+82	+149%
<b>Community Payback Orders</b>	80	31	+49	+158%
<b>Community Service Orders</b>	0	0		
<b>Through-care (released prisoners)</b>	9	5	+4	+80%
<b>Drug Treatment &amp; Testing Order</b>	0	0		
<b>Fiscal Work Order</b>	0	0		
<b>Diversion</b>	23	13	+10	+76%

### Community Payback Orders (CPO)

During Lockdown restrictions in 2021/22, there was a limited staff presence in offices with only essential services entering council buildings. Social Workers continued to supervise people by phone whilst maintaining office contact with those offenders who were deemed as vulnerable or assessed as posing the highest risk of harm. As restrictions eased, direct contact with service users increased.

Efforts have continued to reduce the backlog created by the suspension of Unpaid Work in 2020. We have sought to draw upon use of our Unpaid Work units alongside a blended approach. This has included working at home kits, a variety of work-packs for completion at home (with assistance rendered remotely by staff where necessary), all to ensure that the 'other activity' component of Orders were claimed appropriately.

The delivery of the nationally accredited sex offender group work treatment programme Moving Forward Making Changes (MFMC), was suspended during increased lock down restrictions. Whilst restrictions remain, the Justice Team secured a premises for Moving Forward Making Changes and established a commencement date. This will enable us to provide individuals subject to supervision access to the nationally-recognised programme.

### Key Successes

Strong partnership working was evident in planning support for people who were being released from prison. Throughout the Coronavirus (Covid-19) restrictions, we ensured that people being released from custody, including those not subject to statutory supervision, were supported and that housing had been identified for them. Service users released from custody during lockdown necessitated close collaborative working with Housing, Health, Addictions and Police Scotland to ensure needs were met and risks were managed during a particularly challenging time.

We have sought to develop the progress made within the previous year with regards our Unpaid Work Service. We complemented our workshop premises by securing an additional workshop. This increased our capacity, enabling the Justice Team to facilitate additional daily attendance to reduce the backlog of Unpaid Work hours. We have worked hard to ensure our premises enable service users to develop new skills. With the easing of restrictions, our Unpaid Work teams have further been able to resume community requests for assistance. This continues to strengthen our relationship with the local community and increase the profile of Unpaid Work.

As part of our commitment to work in close partnership with the third sector, we commissioned the Wise Group to deliver Community Payback Orders Connect, an online flexible course which provides support in a number of domains including mental health and financial inclusion. This additionally strengthens the digital literacy of those who receive a service from Justice Social Work.

In September 2021, an audit undertaken by the Multi Agency Public Protection Arrangements (MAPPA) Unit, evidenced that robust risk management arrangements were in place for those offenders who pose a high risk of harm.

Qualified social workers in the team, continued to access appropriate risk assessment training which was delivered on Microsoft Teams. This training included: Structured Assessment of Protective Factors (SAPROF), Stable and Acute 2007 (SA07) refresher training and The Spousal Abuse Risk Assessment version 3 (SARA V3).

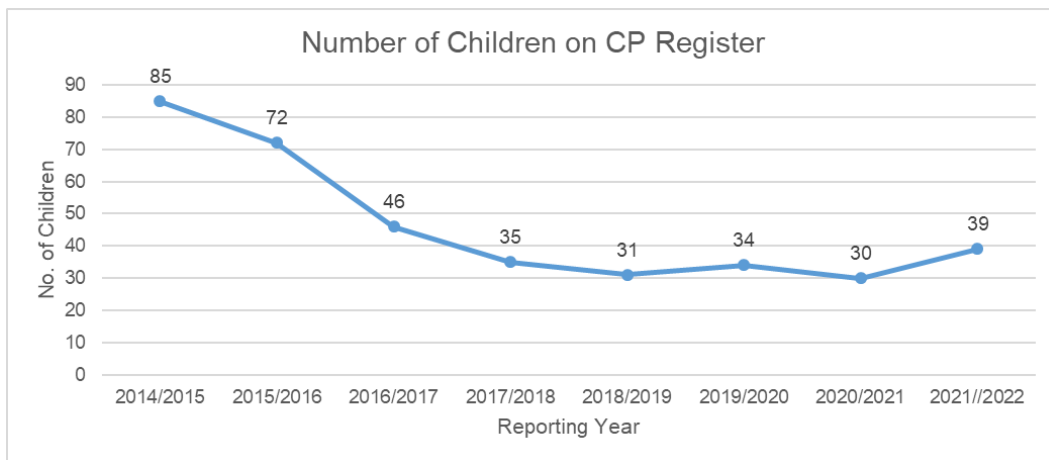
The Justice Team continued to ensure 100% attendance at scheduled Multi Agency Risk Assessment Conferences (MARAC) to complement the work undertaken by the Service.

2.5 Public Protection

Child Protection, Quality Assurance and Continuous Improvement

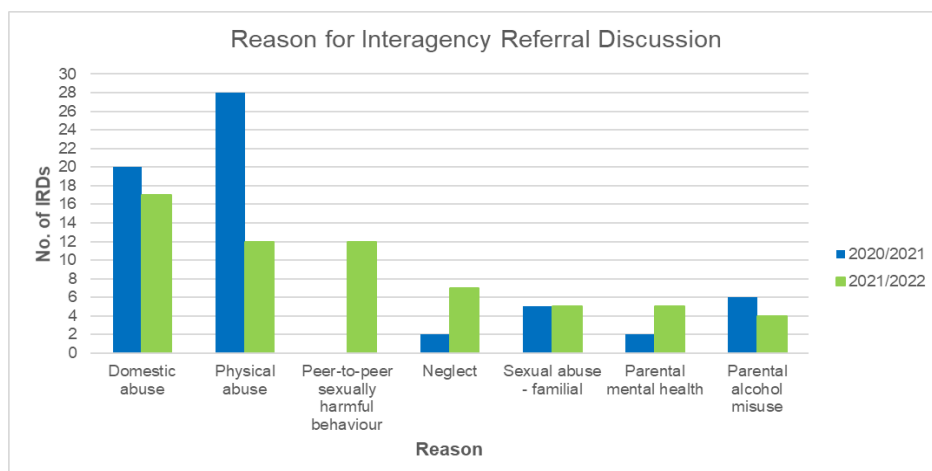
The number of children on East Renfrewshire’s Child Protection Register was 39 in 2021/22. This is an increase of 30% on the previous year. This is contrary to the national data where there has been a decrease of 20% in the year 2020/21. There is a gap of one year in reporting periods so there may be an increase nationally for the year 2021/2022, before we can make any significant conclusions about this difference. In addition to robust management and audit activity, we continue to benchmark against comparator authorities to ensure that the rate of registration activity is proportionate and necessary.

Child Protection Registrations



Interagency Referral Discussions

During the period April 2021 – March 2022, we have undertaken 127 Interagency Referral Discussions (between social work, police, health and where appropriate education services) in respect of 197 children. This is an increase on the previous year and is most likely due to the restrictions being lifted and the ongoing impact of the pandemic.



The most common reasons for initiating an Interagency Referral Discussion (IRD) during 2021/22 are shown in the chart above. The highest reason for an Interagency Referral Discussion in the reporting period was domestic abuse. There has been a decrease in

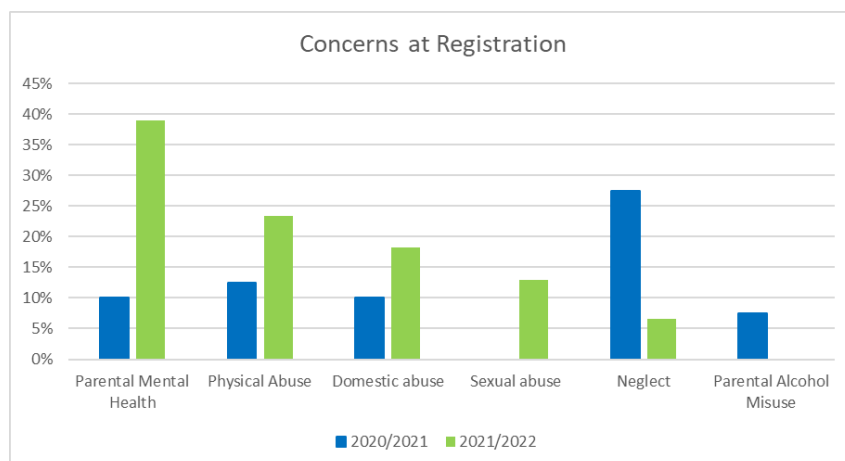


Interagency Referral Discussions for domestic abuse, physical abuse and parental alcohol misuses. There has been a significant increase in peer-to-peer sexually harmful behaviour, neglect and parental mental health.

Of the 197 children and young people subject to Interagency Referral Discussions, approximately half were subject to a child protection investigation. Of these children and young people 38% went on to have an initial or pre-birth child protection case conference. Of those children and young people just under half were subject to an initial / pre-birth child protection case conference, with 55% having their names placed on the child protection register. This is a decrease on the previous year of 27%. This equates to approximately 13% of all the children and young people who were subject to an Initial Referral Discussion, which is close to the 14% from the previous year.

### Concerns Identified at Registration

The proportion of children who were registered for parental mental health has increased significantly. This is a clear indication of the impact of the pandemic on parents' mental health. There was also an increase in children who were registered for physical and domestic abuse. There was a decrease children being placed on the register for neglect and parental alcohol misuse.



### Quality Assurance Activity

#### Interagency Referral Discussion Audits

A quarterly programme of Interagency Referral Discussion audit continues to be an ongoing exercise of our continuous improvement programme for Child Protection, allowing us to maintain an overview of the initial decision making in child protection processes. We have completed three quarterly audits for the reporting period so far, with the fourth audit postponed due to inspection activity.

The findings of the interim audit report were discussed by the Child Protection Committee Continuous Improvement Subgroup and presented to the Child Protection Committee. The feedback is shared with Team Managers to support development of practice. There is a strong link with the ongoing Scottish Child Interview Model work to ensure that the Interagency Referral Discussion process supports any joint investigative interviews.

The following strengths were identified in the interim 2021/22 audit report:

- 88% of Interagency Referral Discussions focussed on identifying, analysing and reaching a clear conclusion about the risk of significant harm.
- 85% of Interagency Referral Discussions considered the historical information relevant to the concern being discussed.
- 77% of Interagency Referral Discussions had clear reasons for subsequent actions and had a clear immediate safety plan respectively.
- 83% of Interagency Referral Discussions were able to reach a clear conclusion of risk.
- The average score in relation to the overall quality of the Interagency Referral Discussion was 'Very Good' (5/6).

## **Single Agency Child Protection Audit**

Due to the ongoing restrictions and pressures on frontline services, a decision was made to postpone the biennial Multi-agency Child Protection Case File Audit which was due to take place week beginning 31 January 2022. This was replaced by a Social Work single agency audit. Partners in Health, Education and Police undertake their own single agency child protection audits and the findings of those that have taken place will be discussed at the next Child Protection Committee with any exceptions brought to the next Chief Officers Meeting.

The following areas were identified as strengths:

- The majority of children had a multi-agency meeting and, in most cases, scored good or above in relation to the multi-agency response with information gathered from relevant appropriate sources and clear decision making recorded.
- Most assessments considered the needs, protective concerns and risks in relation to the child or young person with the majority of the assessments scoring good or above. The majority of these cases clearly evidenced the impact of harm on the child or young person.
- In almost all cases there was evidence of a review of the child's plan being held and the majority of these rated as very good or above.
- In most cases there was evidence of decision making and changes to the child's plan.
- There was clear evidence of relationship-based practice with children, young people and their parents / carers.
- Most cases scored good or above in the effectiveness of the work carried out to reduce the risk of abuse and / or neglect in relation to risk arising from the behaviour of parents / carers and in the community.
- The level of contact with children, young people and their parents / carers by professionals during the Coronavirus (Covid-19) pandemic was rated very good or above in almost all cases.

The following areas were identified as areas for improvement and action has already been taken to address these areas:

- In a minority of cases, reasons for decisions at multi-agency meetings are not always clearly recorded.
- In the minority of cases, the language used in assessments was that of professional and not that of the child and family.
- In a minority of cases the child's plan was not specific as to how the actions will improve the outcomes for the child or young person.

### Joint Inspection

We received notification of the Joint Inspection for Children at Risk of Harm on 22<sup>nd</sup> February 2022. The inspection activity runs until the report is published on 16<sup>th</sup> August 2022. Up to the end of this reporting period the following inspection activity has taken place:

Staff Survey:	21 <sup>st</sup> March 2022 – 15 <sup>th</sup> April 2022
Partnership Discussion 1:	30 <sup>th</sup> March 2022
Further inspection activity:	
Case File Reading:	2 <sup>nd</sup> – 6 <sup>th</sup> May 2022
Partnership Discussion 2:	19 <sup>th</sup> May 2022
Parents and children/young people survey:	23 <sup>rd</sup> May – 3 <sup>rd</sup> June 2022
Position Statement submission:	8 <sup>th</sup> June 2022
Engagement Week:	20 <sup>th</sup> – 24 <sup>th</sup> June 2022
Partnership Discussion 3:	13 <sup>th</sup> July 2022
Report Published:	16 <sup>th</sup> August 2022

### The North Strathclyde Child Interview Team

The North Strathclyde partnership, consisting of four Local Authorities and two Police Divisions went live on the 10<sup>th</sup> August 2020. The partnership works collaboratively with Children1st, NHS Greater Glasgow and Clyde, Scottish Children's Reporter Administration and Crown Office and Procurator Fiscal Service. The pilot continues to develop and fulfil the aim to ensure that all interviews take place in a safe, child friendly, age appropriate way that gives consideration to any developmental or additional needs. All children and their families will receive the practical and emotional support they require to recover.

In the reporting period, 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, the team have received 442 referrals (17% increase from Year 1) and completed 382 interviews (13% increase). Our overall disclosure rate has been above 80% throughout this reporting period (an increase in first year of reporting). This provides evidence that children and young people feel safe to speak, where the time taken by interviewers to develop the child's needs plan in advance ensures a trauma informed approach throughout interview. The main primary concern recorded against referrals to the team is in respect of physical assault with offences under the Sexual Offences (Scotland) Act 2009 recorded as our second highest primary concern.

Over this reporting period, East Renfrewshire made 68 referrals (79% increase) to the child interview team, where 56 progressed (68% increase) to a joint investigative interview. A disclosure rate of 81% was recorded against these interviews with a crime report raised for 62% of these disclosures whereby 8% already had one raised.

In November, work commenced in respect of updating Interagency Referral Discussion guidance to reflect National Child Protection Committee Guidance (2021). This work was signed off by East Renfrewshire Child Protection Committee.

Feedback received from the child or young person and their family's perspective remains a valuable part of the work within North Strathclyde that we want to hear, respond to and influence change on. In respect of justice, as well as providing an opportunity to make a positive difference to these children and young people, as their case progresses, invaluable detail of just how the current system is experienced in the eyes of child victims and witnesses, has allowed us to identify areas for improvement.

In partnership with Children 1<sup>st</sup>, East Renfrewshire were instrumental in securing two premises which will become a 'Bairns' Hoose'. The vision remains, to design a truly child centred, trauma responsive approach with the best interests of children at the centre. These buildings will bring together child protection and justice system to one place. Support to recover will be offered immediately to those who wish it and all court appearances will be carried out via video link. This will be the first model of its kind in the UK and it is hoped that by using research and evaluation the house will be scaled across the whole country and UK.

### **North Strathclyde Child Interview Team Audit Work**

Development work continues under the new Scottish Child Interview Model (SCIM), and audit work to date has included:

- Peer evaluations to be undertaken on a quarterly basis involving three members of the team on each one.
- Quarterly self-evaluation undertaken by each member of the team.
- North Strathclyde have had their first Quality Assurance and Learning Group session, this being multi-agency and covered year on year comparison of the first six months data and a focus on the National Joint Investigative Interviews Quality Standards. The second is scheduled for April with a focus on Scottish Children's Reporter Administration and Crown Office and Procurator Fiscal Service evaluation work.
- Scottish Children's Reporter Administration have evaluated fifteen joint investigative interviews undertaken by the pilot team.
- Crown Office and Procurator Fiscal Office have evaluated four joint investigative interviews.

The audit and feedback work has identified:

- Crown Office recorded that all interviews evaluated could be used as evidence in chief and there was no inadmissible material. Thus reducing the trauma experienced by the child when having to give evidence in a formal court environment.

### **Our Response to Domestic Abuse**

Domestic abuse continues to be one of the most common reasons for referral to children's social work services. In the reporting period 2021/22 East Renfrewshire Health and Social Care Partnership Request for Assistance Team received 748 referrals of which 177 (24%) recorded domestic abuse as the primary concern. Similar to last year domestic abuse remains the main cause of referral to the Request for Assistance Team.

In 2021/22 Women's Aid service reported a significant increase in demand for refuge, outreach support, children and young people's support and advice / drop-provided in the last year. Women's Aid service supported 1226 women and children across their service compared to 805 during the same period the previous year. This is an increase of 72% in duty and helpline contacts, 37% increase in refuge and support, 14% increase in outreach, 12% increase in support for children and young people and a 52% increase across the whole service. The reporting period noted the highest recorded number of women supported in outreach services in the past two years.

Domestic abuse is a significant factor in child protection interagency discussions. In 2021/22 there were 101 child protection Interagency Referral Discussions (IRDs) held for 196 children (32.4% increase on previous year). 25 Interagency Referral Discussion's reported domestic abuse was a significant factor, this is 24.8% of the total Interagency Referral Discussion's and a 2.3% increase in the number of children where domestic abuse was noted (44 children last year compared to 45 this year).

There were 33 adults referred to East Renfrewshire Adult Support and Protection (ASP) where domestic abuse was highlighted as a concern during the reporting period 2021/22. There were 38 Adult Support and Protection inquiries, therefore several adults had multiple inquiries. This is a decrease on the previous year 2020/21 with 36 adults referred to Adult Support and Protection where domestic abuse was highlighted as a significant concern.

It is expected that domestic abuse referrals will continue to increase longer-term and that there are significant challenges in ensuring our services have sufficient capacity to respond.

### **Multi-agency Risk Assessment Conference (MARAC)**

Multi-Agency Risk Assessment Conferences (MARAC) are recognised nationally as best practice for addressing cases of domestic abuse that are categorised as high risk. In East Renfrewshire Multi-Agency Risk Assessment Conferences was first introduced in March 2019. Over the course of the last year Multi-Agency Risk Assessment Conferences in East Renfrewshire have remained online due to Coronavirus (Covid-19). This has continued to work very well and we have 100% attendance from the range of agencies that can attend.

In the reporting period 2021/22 the Multi-Agency Risk Assessment Conferences reported an increase in referrals for high risk victims and children with 125 victims and 205 children discussed at Multi-Agency Risk Assessment Conferences. This is an increase of 4% and 19% respectively in cases discussed compared to the previous year. This increase reflects that core agencies are more aware of Multi-Agency Risk Assessment Conferences and the referral process. Police Scotland remained the main referrer, followed by Children and Families Social Work, Women's Aid, ASSIST (Advocacy, Support, Safety, Information, Services, Together) and Adult Social Work.

A total of 428 actions have been agreed via Multi-Agency Risk Assessment Conference in this reporting period (compared to 592 the same period the previous year). It is important to note that in this reporting period, 32 survivors did not have school aged children compared to 21 survivors the previous year. This is an increase of 52%. Survivors without school aged children were not previously visible in the domestic abuse pathway prior to Multi-Agency Risk Assessment Conferences. The increase demonstrates increased awareness and identification of survivors across services and an improved pathway response from agencies.

Domestic Abuse, Risk Assessment and Multi-Agency Risk Assessment Conferences training continues to be delivered monthly on teams with staff trained across Adult Services, Children and Families, Mental Health, Addictions, Housing, Education, Care at Home, Health Visiting and our partner agencies. The evaluations and feedback have been positive. The awareness

of domestic abuse and understanding of the Multi-Agency Risk Assessment Conferences pathway is supported by the offer at the end of each training session to participants to observe a Multi-Agency Risk Assessment Conferences for their own professional development.

Safe Lives carried out an independent observation of the East Renfrewshire Multi Agency Risk Assessment Conference in May 2021. The observation report and findings were very positive highlighting a range of strengths in best practice, procedure and strategic oversight. This reflects the commitment by all agencies to share information to keep victims of domestic abuse and their children safe and improve outcomes.

### **Safe and Together**

We are one of the first local authorities recognised in Scotland as accredited Safe and Together Champions, delivering gold standard child protection domestic abuse training to staff. As with Signs of Safety training is being delivered at a whole system level, across adults and children's landscapes with the intention to have unity of purpose and delivery. This, in combination with our Signs of Safety approach, has strengthened our overall relational approach.

## **Adult Protection, Quality Assurance and Continuous Improvement**

### **Adult Support and Protection Inquiries**

Within the Reporting Period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 there has been a total of 805 inquiries undertaken by Council Officers (Adult Service Social Workers) of which 182 progressed to investigations. Within the previous reporting period 2020/21 there were 857 inquiries carried out and 224 investigations. This demonstrates that there has been a decrease of 6% (52) in the number of inquiries and of 19% (42) of the number of investigations undertaken compared to the previous period. This is consistent with the changing course of the Coronavirus (Covid-19) pandemic which had driven a significant increase in Adult Support and Protection activity in the previous period.

Of those inquiries carried out during 2021/22, 25% were received from third sector organisations delivering care and support to people in their own homes. This is consistent with last reporting period (27%) and provides assurance that the identification of harm by providers has been maintained. The slight decrease (2%) may be a result of the loosening of restrictions as we move into the recovery phase of the Coronavirus (Covid-19) pandemic.

Police Scotland continues to be the main single agency reporter for Adults at Risk, having generated 16% of inquiries in this reporting period (previously 22%). Our care home reporting shows little variation despite the significant impact of Coronavirus (Covid-19) pandemic on these environments. Referral rate remains at approximately 19% for this period which is consistent with the 2020/21.

We have seen an increase in reporting by a range of professionals including NHS and local authority. This increase is the expected outcome of delivering a high volume of Adult Support and Protection awareness raising / training sessions to these staff groups in this period.

We have enhanced our understanding and data reporting by capturing and analysing qualitative comment from council officers and team managers at the point of inquiry on areas such as time taken to complete inquiry, referral to advocacy and decision-making within inquiries. This has informed our understanding of the adult's Adult Support and Protection journey and allowed us to identify the application of professional judgement and application of the principles of the act in decision-making. We have also identified areas of improvement which have contributed to a review of our Adult Support and Protection procedures.

### **Adult Protection Investigations**

For the period 2021/22 there were 182 Adult Support and Protection investigations that involved 164 individuals, a 19% decrease from 2020/21. This year's rate is similar to investigations in reporting year 2019/20. The conversion rate from inquiry to investigations in this reporting year was 23%, down from 26% in the previous year.

Through the Adult Support and Protection Quality Assurance framework we have considered the application of the three point test by council officers and manager oversight. This process has not highlighted any concerns regarding conversion. We have delivered significant training for council officers which has promoted defensible decision-making and person centred planning in Adult Support and Protection which builds upon the strengths of the adult and their network. This has resulted in increased coproduction and collaboration with adults, their carers and key people in their life. We believed that has been factor in this continued low rate of conversion. This will be further explored through service user feedback and engagement.

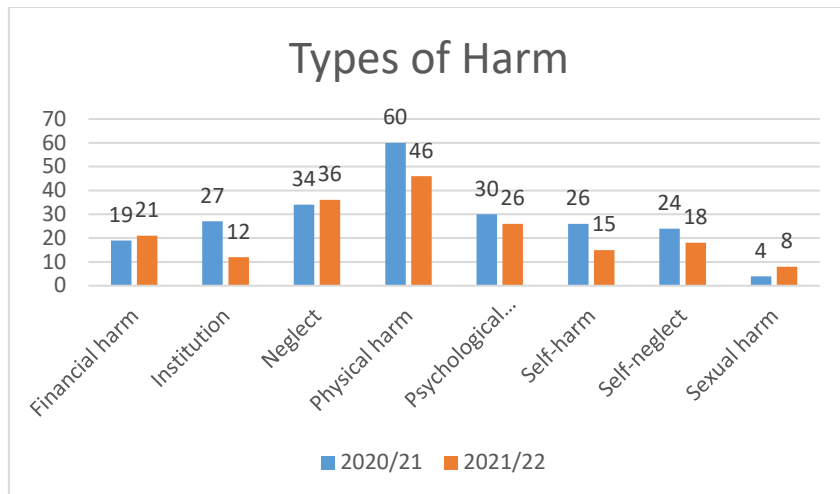
**Type of Harm**

The breakdown of types of harm in the reporting period is as follows

- Neglect, which increased to 20% of total investigations, previous 15%,
- Sexual Harm, which increased to 4.4% of total investigations, previously 1.8 %
- Financial Harm increased from 8.5% to 11.5%.

Physical Harm remains the most common harm experienced by adults, accounting for 24% of investigations, down from 27% in 2020/21. Institutional harm accounted for 7% of investigations, down from 12% in 2020/21. The instances of institutional harm were much higher in 2020/21 due to two large scale investigations within care homes, there have been no large scale investigations in this period.

Financial harm has slightly increased since 2020/21 when it was 9% of the total investigations and in 2021/22 constituted 12%. East Renfrewshire Council Trading standards team have been engaged in consistent awareness raising in the community in recent years and this was promoted throughout the course of the pandemic.



**Key Characteristics**

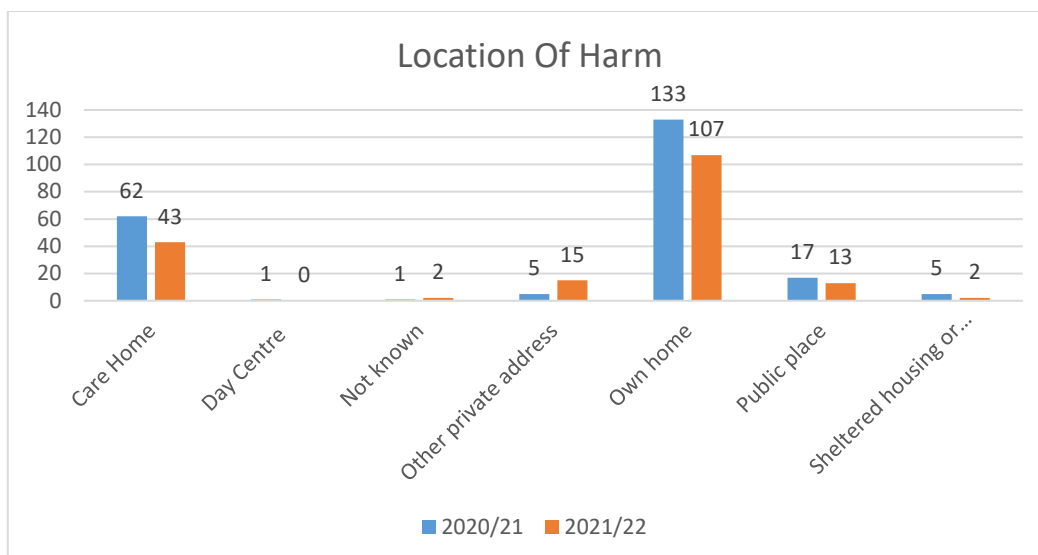
The adults most affected continues to be those with dementia, who make up 34% of all investigations, this is the same rate as 2020/21.

**Location of harm – Adult Support and Protection Investigation**

The primary location of harm in 2021/22 in 59% of investigations was within the adult’s home. This is has remained static since 2020/21 (59%).

In 2021/22 Care Homes were the second highest location of harm in 23% of investigations. This is a decrease compared to the reporting period 2020/21 when this location of harm was identified in 28% of investigations. This reduction is expected as the increase in the last reporting period was driven by the large scale investigations in two care homes.





### Protection Plans in Adult Support and Protection

In 2021/22 we have continued to strengthen our use of protection plans. We have delivered specific training for the assessment and management of risk in Adult Support and Protection. This training provided guidance on effective protection planning and was well-received. This will be followed up in 2022/23 with workshops on the completion of Adult Support and Protection paperwork, including the Protection Plan to promote best practice.

### Adult Support and Protection – Referrals to Advocacy

The pattern of referrals to advocacy has been more effectively tracked in this reporting period and built upon the increased referral rate to advocacy witnessed in 2020/21.

There are now increased strong links at a senior management level between our Advocacy Project colleagues and the Health and Social Care Partnership which has informed our ongoing improvement journey to ensure we have systems that are seamless to ensure adults get the correct level of support.

The use of virtual technology established in the first year of the pandemic has continued with recent moves toward face to face contact with service users as we have progressed into the recovery phase of our response to the Coronavirus (Covid-19) Pandemic.

### Adult Support and Protection Improvement Activity

In this period our Adult Support and Protection team, has greatly strengthened our response to Adult Support and Protection activity. The team have provided practical support and guidance and strengthened relationships between locality services and external partners.

As part of our commitment to ongoing improvement, in spring 2021 we undertook a planned review of the Adult Support and Protection procedures. The review findings identified areas of improvements and changes were introduced to the Adult Support and Protection procedures which were relaunched in July 2021. These changes included:

- Promoting the role of professional decision making and defensible decision.
- Clarifying interface between adult and child protection through a joint process.
- Supported collaboration and engaged with partners.

- Improved oversight of investigations and case conferences.
- Improved recording and reporting of Domestic Abuse / Domestic Violence.
- Improved recording around advocacy.
- Specific recording around delay by council officer, to support recording of defensible decision-making and professional judgement.

We implemented the Adult Support and Protection Quality Assurance framework in April 2021. This has provided assurance of practice and governance throughout Adult Support and Protection activity.

The Adult Protection Committee continue to be updated and appraised of the improvement activity by the lead officer through their report which provides analysis and assurance supported by quarterly data reporting.

### Section 3. Resources

#### Finance Pressures

In 2021/22 we ended the financial year with an underspend of £0.837 million against a budget of £184.5 million (including set aside). This underspend increased our budget saving reserve as part of our pre-pandemic strategy of phasing savings. As with prior year, we recognised we would not achieve all savings required during the year however we received Coronavirus (Covid-19) funding to support us as we did not have capacity to progress our recovery and renewal programme given the continued focus on response.

We spent £8.9 million on Coronavirus (Covid-19) related costs and this was fully funded by the Scottish Government so has no impact on each service's budget.

The Scottish Government recognised the pressures across health and social care and provided additional funding to support winter pressures, to increase capacity and help address recruitment and retention. We received £3.124 million, spent £2.112 million and took the balance of £1.012 million into 2022/23.

The investment in health and social care by the Scottish Government in 2021/22 was welcomed by East Renfrewshire's Integration Joint Board (IJB) and whilst the majority of this new funding supports specific policy decisions such as the living wage for care providers, we were able to mitigate to some degree our pressures.

The £0.837 million operational underspend (0.54%) will be added to our budget phasing reserve. The main variances to our budget were:

- £1.904 million underspend in within Older Peoples Nursing, Residential and Day Care Services. This reflects the ongoing trend of reduction in care home admissions but does offset the increase in community activity; predominantly Care at Home.
- £1.715 million overspend within Intensive Services as our Care at Home costs reflect that we continued to operate a near full service in the second year of the pandemic. This is the position after we applied £0.826 million of winter funding to meet the increases in demand and complexity within this service
- £0.458 million underspend within Learning Disability Community Services from a combination of staff turnover and running costs.

Our unaudited annual report and accounts was considered by East Renfrewshire's Integration Joint Board on 22<sup>nd</sup> June and we plan to take our audited annual report and accounts to East Renfrewshire's Integration Joint Board in November.

#### Financial modelling for Service delivery

East Renfrewshire's Integration Joint Board continues to face a number of challenges, risks and uncertainties in the coming years and this is set out in our current Medium-Term Financial Plan for 2022/23 to 2026/27 and our Strategic Plan for 2022/23 to 2024/25. These key strategies also inform our strategic risk register and collectively support medium-term planning and decision making.

The funding gap in future years could range anywhere from £0 to £5.7 million per year, excluding recent inflation implications, any additional savings requirements in future years and any unknown factors. The resulting funding gap will be dependent on the funding settlement for each year. We expect the coming years to be difficult.

The budget for the year 2022/23 was agreed by East Renfrewshire's Integration Joint Board on 16th March 2022 totalling £180.1 million (including set aside of £37.7 million). Despite the investment in health and social care we had cost pressures of just over £14.4 million (including pre-pandemic legacy savings), funding uplifts of £11.3 million and therefore required savings of £3.1 million to close this gap. We were able to identify £0.5 million of immediately achievable savings so the savings challenge for 2022/23 is £2.6 million.

The delivery of recurring savings will be very challenging; the landscape has changed, particularly around demand and complexity, the ability to introduce new charges or increase criteria for care package support. Our reserves strategy, in place pre the pandemic, should see us through the year as we work towards gaining efficiencies from our Recovery and Renewal programme and also by managing, as best we can, the budget we have allowed for to meet increased demand.

Since setting the budget in March the economic pressures continue to build including costs of utilities, fuel, wider inflation including pay, and some supply shortages. Recruitment and retention of staff across the whole Health and Social Care sector is a real risk and adds to the challenge of meeting increased demand for services.

The baseline for activity and demand that we would normally work to and benchmark against no longer exists as it is still too soon to understand the long term impacts of the pandemic; we continue working to reshape our services with many unknowns still to encounter.

## Section 4. Workforce

### Workforce Development

As at the 31<sup>st</sup> March 2022, East Renfrewshire Health and Social Care Partnership workforce comprised of 1127 (976 WTE) employees consisting of and Council 584 (WTE) and 392 (WTE) from NHS Greater Glasgow and Clyde. As a partnership our workforce are our greatest asset. We want to ensure that those providing invaluable health and care services are happy and motivated; and feel respected and fulfilled in their role for years to come.

The Partnership developed a one year interim Workforce Plan covering the period 2021/22 which has four main sections

- Supporting Staff Physical and Psychological Wellbeing
- Short Term Workforce Drivers (Living with Covid) 12 months
- Medium Term Workforce Drivers 12 – 36 month
- Supporting the workforce through transformational change

In 2020, the total population of East Renfrewshire Health and Social Care Partnership was 96,060. Future projections show that the population will grow and we will have an increasingly ageing population profile. East Renfrewshire also has a projected increase in the school age population as children move into the authority to attend mainstream or specialist schooling. Therefore we anticipate demand for specialist children's services to support children who are neurodiversity, have disabilities or mental health problems.

East Renfrewshire Health and Social Care Partnership ran recruitment campaigns for Care at Home staff in August 2021 and January 2022. These were successful however it only compensated for the reduction in capacity due to Covid absence and restrictions.

During this period the Health and Social Care Partnership redeployed staff from other Care services and trained volunteers from Health and Social Care Partnership and wider Council who do not work within the sector. Ongoing recruitment of staff remains a priority due to increased demand, complexity and growing trends in reduced external provider capacity. This will include recruitment of an additional 30 Home Care Re-enablement Workers and 2 Home Care Organiser posts.

The age profile within social work shows that the majority of main grade social work staff are below the age of 55 years. Due to the younger workforce there is a skills / experience gap as younger employees also tend to be newly qualified. Whilst this improves over time as the workforce develops there is a need to focus future recruitment in attracting more experienced workers.

The recruitment of Mental Health Officers has continued to be a challenge. The job description was revised in line with the changing demands of the role and an advanced practitioner post at a higher grade created to reflect the additional responsibilities the role now carries.

The Health and Social Care Partnership has well established relationships with universities and in supporting students in learning placements. This has continued as part of our recovery and renewal work. We have developed a traineeship programme for care experienced young people.

A Trauma Steering Group has been established to assist with the implementation of the national Trauma training programme and commitment and support has been offered through the Chief Social Work Officer to ensure staff involvement and participation in this area.

## Conclusion

As we continue to recover from the Coronavirus (Covid-19) pandemic our social work and social care workforce responded quickly and compassionately to ensure they continue to support and serve our most vulnerable citizens.

As outlined in the report we continue to see increased demand for social work services both in terms of numbers and the complexity of need. For children's services, we continue to see the impact of the pandemic for our children and their families with an even greater impact on children and young people's mental health and emotional wellbeing. Children with additional support needs have also been adversely affected.

As society moves closer to predictable service delivery we continue to experience a level of complexity in what we manage. Adult services has seen demand in this regard in ways previously unprecedented and complex.

I would wish to thank all the Social Work and Social Care workforce who have and continue to work tirelessly for the benefit of the citizens of East Renfrewshire. This drive, dedication and commitment is what delivers the best of services to those most in need and who require it. The workforce aspiration is to continue to deliver high quality standards in their practice is humbling and respected.

My final word of thanks is to Kate Rocks, who left East Renfrewshire Health and Social Care Partnership on 15<sup>th</sup> August 2022. Her leadership, vision, commitment and hard work to improve the lives of vulnerable children and adults within East Renfrewshire is commendable. Her support to the social work and social care workforce was also received with great thanks, appreciation and respect.

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EAST RENFREWSHIRE COUNCIL26 October 2022Report by Chief ExecutiveNational Care Service Bill: Scottish Parliament Consultation Response**PURPOSE OF REPORT**

1. The purpose of this report is to homologate the Council's response to the Scottish Parliament's Health, Social Care and Sport Committee's consultation on the National Care Service (Scotland) Bill.

**RECOMMENDATIONS**

2. It is recommended that Council homologate the response submitted on behalf of the Council, attached in annex 1.

**BACKGROUND**

3. The Scottish Government introduced the National Care Service (Scotland) Bill on 20 June 2022. The Bill was passed to the Scottish Parliament's Health, Social Care and Sport Committee, whose consultation began on 8 July 2022 and closed on 2 September 2022. East Renfrewshire Council agreed an extension with the Committee until 9 September 2022 to allow time to complete Elected Members engagement. The consultation window was extremely tight for Councils to respond within, as elections had just taken place in May and the majority of the consultation took place over the summer period.

**REPORT**

4. The National Care Service (Scotland) Bill is an enabling piece of legislation that will allow Scottish Ministers to bring forward various components required to establish a National Care Service in phases. The Council's response sets out its opposition to this approach; it highlights the success of East Renfrewshire's current integration arrangements (including the recent inspection rating of Excellent), and our concerns around the National Care Service, as proposed, eroding local democratic accountability. The response also makes it clear that the fundamental challenges we face are not structural in nature but rooted in underfunding for public services and social care as a whole.

**FINANCE AND EFFICIENCY**

5. There are no finance or efficiency implications arising as result of this consultation response submission.

## **CONSULTATION & PARTNERSHIP WORKING**

6. Elected members were given the opportunity to comment and shape the response prior to submission. Groups leaders and Cllr Macdonald were provided with a draft of the response and each discussed it with the Strategic Insight and Communities Senior Manager prior to submission. Group Leaders also shared copies with their members and advised them to engage with the Strategic Insight and Communities Senior Manager if they had any concerns or comments.

## **IMPLICATIONS OF THE PROPOSALS**

7. There are no specific implications of this report in terms of finance, staffing, property, legal, ICT, equalities or sustainability.

## **RECOMMENDATIONS**

8. It is recommended that Council homologate the response submitted on behalf of the Council, attached in annex 1.

## **REPORT AUTHORS**

Jamie Reid, Strategic Insight & Communities Senior Manager  
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## **BACKGROUND PAPERS**

- [National Care Service - Proposed Consultation Response, Council 27 October 2021](#)

**Overview**

*East Renfrewshire Council supports the submissions made by COSLA, SOLACE, and CIPFA Directors of Finance which provide a comprehensive consideration and response to the detailed implications of the Bill.*

*This response is intended to build on, rather than duplicate, those detailed responses by highlighting the particularly high-level considerations of the Bill from an East Renfrewshire Council perspective.*

- 1. The Policy Memorandum accompanying the Bill describes its purpose as being “to improve the quality and consistency of social work and social care services in Scotland”. Will the Bill, as introduced, be successful in achieving this purpose? If not, why not?**

East Renfrewshire Council does not believe that the Bill, as introduced, will be successful in achieving the Scottish Government's stated aims. The reasons for this are threefold:

- i. Structural change is a distraction not a solution – the Bill doesn't address the systemic challenges facing social work and social care services, but it might make them worse.**

The Scottish Government's stated aims for the National Care Service (timely, consistent, equitable and fair, high-quality services) are not addressed by the proposed structural change. The core challenges facing the social work and social care sector are systemic ones (sustainable funding, staff recruitment and retention and consistent national standards) that will not only persist but worsen if not addressed, independent of any organisational configuration. East Renfrewshire Council believes the money being channelled towards implementing structural change would be better invested in local services in ways that will support the delivery of the Scottish Government's outcomes without unnecessary complex structural change.

- ii. Structural change causes disruption, is likely to set us back, unwind excellent partnership service provision, reduce local flexibility and lower the quality-of-service where it is already high.**

As proposed, the Bill will undermine established service provision in areas where integration is deeply embedded and delivering high quality services by:

- undermining established partnership working as a national focus overtakes local needs;
- weakening local leadership and control as power is centralised;
- drawing change resource away from improvement towards structural implementation.

The Bill doesn't address the risks of centralisation itself. The structural change seems to pre-empt any strategic approach. East Renfrewshire recently received the first rating of Excellent in a joint inspection of services for children and young people at risk of harm. East Renfrewshire has spent years building a locally-led multi-agency approach and

remains very concerned that the Bill could undermine years of leadership, hard work and commitment that has led to excellent local service provision.

**iii. The Bill takes a top-down national view, undermines local democracy and avoids any commitment to meaningful local community boundaries.**

The Bill fails to sufficiently value or understand localism. It fails to address Christie’s focus on prevention and partnerships; and runs counter to the European Charter of Local Self-Government, which holds that “Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen”, which received unanimous support in the Scottish Parliament in 2021.

Social care operates in a complex system that has deep rooted dependencies in wider local services including housing, education and community services that impact the preventative and reactive service provision in localities.

The Bill fails to recognise the importance of local democratic accountability and how important it is that local people shape the services they receive. A small but key example of this is how East Renfrewshire’s Champion’s Board (care experienced young people) have been directly able to influence and shape local service provision by direct access to senior local decision makers in the Council and HSCP. Such responsive local flexibility and control would not be possible under a centralised National Care Service, potentially operating at a regional level.

**2. Is the Bill the best way to improve the quality and consistency of social work and social care services? If not, what alternative approach should be taken?**

**A National Care Service should complement, not disrupt, high quality local service delivery. Instead of focussing on structures and centralisation the Scottish Government should learn from what is working well, set standards and apply proven solutions to the challenges facing the sector - only stepping into to take control when the local partnership is at high risk of being unable to deliver.**

East Renfrewshire has been at the forefront of integration in Scotland. We have had an effective and fully integrated HSCP since 2014 and an integrated Community Health & Care Partnership (CHCP) prior to that. Our HSCP has consistently delivered excellent services to our communities as a result of strong local elected and operational leadership, an evidence-based approach to understanding local needs, priorities and delivering outcomes, through deeply embedded partnership working across services and with communities.

We believe that the Scottish Government should take an outcome-focussed, whole-systems view, investing in public services, as a whole, rather than picking and choosing elements to “ringfence”.

The Scottish Government should identify where integration has worked well and look to apply these lessons through national frameworks and standards through a risk-based approach. The Council believes that achieving the best health and social care outcomes requires:

- local leadership and democratic accountability, empowerment and flexibility underpinned by coherent national policy, delivery, finance, improvement, and scrutiny frameworks;

- an effective and collaborative multi-sector, locally-led partnership united by a clear strategic vision and ambition based on local needs and circumstances;
- a relentless focus on improving outcomes, standards, and client pathways;
- a workforce and volunteers who are well-trained, supported and feel valued; and
- a realistic and sustainable funding model.

East Renfrewshire believes that localism should be a core principle that informs the design of any new arrangements and priority focus should be given to:

- improving outcomes;
- improving client pathways;
- never losing sight of how any changes impact the cared for and their carers;
- avoiding unnecessary institutional changes that divert attention away from clients and service improvement;
- embedding and funding prevention and local capacity building in the sector to meet needs and support co-production; and
- ensuring procurement, standards and scrutiny arrangements are proportionate and effective by building on good practice and what has been shown to work successfully.

A National Care Service could provide national leadership on matters such as workforce planning, training, terms and conditions, national standards, ethical procurement, registration, inspection and improvement. This could include a national focus on securing a Real Living Wage for all care workers; developing minimum standards; working to remove charging for non-residential care services; designing new criteria for an entitlements-based model of care; improving the voice of lived experience in care services; and improving the support to unpaid carers. These areas of improvement will progress faster and with more impact if properly resourced and without the distraction of an unnecessary structural change.

**3. Are there any specific aspects of the Bill which you disagree with or that you would like to see amended?**

As stated above East Renfrewshire Council fundamentally disagrees with the centralising and structural focus of the Bill. We believe that the Scottish Government should take an outcome-focussed, whole-systems view as we have outlined.

**East Renfrewshire Council believes the Bill should be amended in such a way that decision-making, staff, functions and assets in relation to the delivery of care should remain with local authorities.**

**The Council believes that the geography of any new Community Health and Social Care Boards should not be permitted to cover more than one Local Authority/Community Planning Partnership area and the roles of local elected members should be explicitly enshrined in the Bill.**

**4. Is there anything additional you would like to see included in the Bill and is anything missing?**

As outlined above East Renfrewshire Council would like to see:

- i. **Protection of local democratic accountability and leadership enshrined in the Bill;**
- ii. **Commitment to the current local government/community planning partnership boundaries being the largest geographic boundaries for Community Care and Health Boards.**
- iii. **A clear strategic, outcome focussed, framework that meaningfully addresses the challenges facing the sector.**

- 5. The Scottish Government proposes that the details of many aspects of the proposed National Care Service will be outlined in future secondary legislation rather than being included in the Bill itself. Do you have any comments on this approach? Are there any aspects of the Bill where you would like to have seen more detail in the Bill itself?**

**East Renfrewshire Council believes the more radical the democratic and legislative change proposed, the greater the scrutiny of it needs to be. This is particularly true when this involves undermining local democratic control.**

**This Bill proposes one of the most radical shifts in power away from local democracy and control in living memory. Yet the Bill fails to provide even the most basic details and proposes utilising a delivery mechanism that avoids full parliamentary scrutiny and debate.**

East Renfrewshire Council has major concerns about the legislative approach to establishing a National Care Service via the Bill. The Bill, as introduced, confers significant powers on Scottish Ministers and, we believe, weakens parliamentary scrutiny and accountability. It potentially prevents the Scottish Parliament seeing the “whole picture” until after several major pieces have been introduced and in place in a piecemeal way.

The Bill proposes one of the most radical shifts in power away from local democracy and control. As such, the Council believe that if the Scottish Government is proposing such a radical and unprecedented step it’s proposals must be laid out in full, in an explicit, coherent and fully transparent basis. We feel the case for such an unprecedented transfer of power from local people to ministers has not been made and must be subject to the highest standards of parliamentary scrutiny, public debate and challenge. While the Bill has a commitment to co-production via the Scottish approach to Service Design, this has a focus on clients but does not cover engagement and co-design with local authorities.

Given the importance of and risks related to the services to vulnerable people involved, the Bill should be fully “stress tested” to ensure that it is evidence based, capable of addressing the challenges facing the social work and social care sector and keeps people safe.

The timescale given for the consideration of the proposals in the consultation was too short given the scale of the proposed changes. This would have been true in normal times but was especially pertinent given the ongoing challenges faced across health and social care services in recovering after the pandemic. The tight time period allotted for the whole consultation process it did not

take account of local elections, did not provide sufficient time to consider in full the implications for social work/care service users, carers, staff, provider organisations and the Council as a whole.

- 6. The Bill proposes to give Scottish Ministers powers to transfer a broad range of social care, social work and community health functions to the National Care Service using future secondary legislation. Do you have any views about the services that may or may not be included in the National Care Service, either now or in the future?**

**Social work and social care outcomes are intertwined with, and interdependent on, a wide range of local services and circumstances. To protect local democratic accountability and a flexible, needs-led, outcomes-based approach local authority control should be retained.**

As previously stated, removing the statutory responsibility for services from Local Government would undermine a joined-up approach across other essential local services that impact on a person's health and wellbeing. The services proposed as being potentially included in the National Care Service have wider linkages with areas such as housing, employability, education, public safety and protection.

There is no evidence outlined within the pre-legislative consultation, the Bill, nor accompanying documents, as to how or why the transfer of accountability and power to Ministers would result in improved quality of support and better outcomes for people.

By changing public protection structures without any apparent strong evidence base that has been rigorously consulted on and reviewed, this Bill is introducing significant risks to our current excellent public protection arrangements. If the plans are taken forward without due consideration and caution, there is a risk that we will be putting our most vulnerable children and adults at further risk of harm. Consideration needs to be given to maintaining service delivery and public safeguarding during this extended period of uncertainty. Furthermore, as this Bill progresses there is not only the question whether services are likely to be more consistent but whether people are more likely to be safer.

Should statutory responsibility for services be removed from local authorities, it is possible that East Renfrewshire may not wish to remain as a provider, only to be commissioned by local care boards. In a scenario where councils no longer retain care staff or functions, there is a need to clarify and identify who takes on the responsibility of being provider of last resort.

- 7. Do you have any general comments on financial implications of the Bill and the proposed creation of a National Care Service for the long-term funding of social care, social work and community healthcare?**

**Structural change is very expensive and public finances are already extremely stretched. The financial commitments in the Bill and Policy Memorandum do not match the stated ambitions or current fiscal reality.**

The Bill, as introduced, has the potential to fundamentally undermine local authorities already overstretched finances. The Bill has significant implications as outlined across our submission, but

which are extremely difficult to quantify and unpack in detail due to the lack of detail in the Bill and the way in which the National Care Service is proposed to be established.

On the face of it, the Bill and its financial memorandum fail to offer the investment needed to help make improvements and ease pressure on staff, services and improve the experience of service users. A detailed breakdown of local authorities, including East Renfrewshire's, financial concerns are set out in COSLA and CIPFA Directors of Finance submissions to the committee.



EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of EducationSCOTTISH GOVERNMENT'S LEARNING ESTATE  
IMPROVEMENT PROGRAMME (LEIP)**PURPOSE OF REPORT**

1. The purpose of this report is to seek the Council's approval to submit a submission(s) to the Scottish Government's Learning Estate Improvement Programme (LEIP).

**RECOMMENDATIONS**

It is recommended that the Council:

- a. Notes the key Learning Estate Improvement Programme (LEIP) guidance and criteria;
- b. Considers the options for submission for funding from the Scottish Government's LEIP;
- c. Agrees which option should be progressed as the proposed East Renfrewshire bid for LEIP funding; and,
- d. Notes that the Cabinet will be advised of the outcome of the bid.

**BACKGROUND**

2. In 2009 the Scottish Government and COSLA published a joint School Estate Strategy: Building Better Schools<sup>i</sup>, with a key aim to improve the condition of the school estate with a focus on improving identified schools to A/B level of condition, i.e. good/satisfactory) with collective investment. Scottish Government through the auspices of the Scottish Futures Trust (SFT) provided support funding that councils could apply for under the Scotland's Schools for the Future (SSF) programme to help take forward local plans.
3. In 2018, the Scottish Government set out its intention to jointly publish a Learning Estate Strategy, co-produced with COSLA and other partners, to set out a joint vision for a learning estate of the future; and in September 2019, Scottish Government and COSLA published the new Learning Estate Strategy *Connecting People, Places and Learning*<sup>ii</sup>.
4. To support the delivery of the strategy the Scottish Government developed the *Learning Estate Investment Programme (LEIP)*, which is an outcomes-based revenue approach to capital funding, provided via a revenue mechanism to local authorities with an annual payment over 25 years, on the assurance of an agreed set of outcomes continuing to be achieved over that period. Local authorities are required to fund upfront the delivery of the new or refurbished assets through capital investment with up to 50% of the capital cost being returned via the revenue funding, based on LEIP financial metrics.

5. A £2 billion commitment to invest in the education estate was made by the Scottish Government through LEIP (£1 billion from Scottish Government to meet 50% of costs with the remaining 50% met by successful local authorities), with capital funding being distributed largely equally across three phases.
6. The objective of the LEIP programme is to increase the number of children being educated in school buildings which are categorised as being condition A (good) or B (satisfactory) status by refurbishing or rebuilding those regarded as condition C (poor) or D (bad) or to ensure sufficiency of school places due to growth in school age population.
7. A condition C status is defined as:
 

*Poor – Showing major defects and/or not operating adequately\_(physical element does not carry out function effectively without continuous repair, shows signs of age and does not consider most of the transverse elements)*
8. In 2019, the Council successfully made a bid for LEIP (phase one) funding for the Learning and Leisure in Neilston programme on the basis of school conditions (graded C for condition and suitability). This will see the creation of a new campus facility which will be home to Neilston and St Thomas' primary schools and the Madras Family Centre, as well as wider regeneration of the village of Neilston, with the education facility at the heart of the community. This project was delayed as a consequence of Covid however construction commenced on site in June 2022 and is progressing well.
9. The Council did not elect to submit a bid for phase two of LEIP in autumn 2020.
10. In December 2021, the Cabinet Secretary for Education and Skills set out her intention to announce the projects that will comprise LEIP phase three by the end of 2022.
11. In July 2022, the Scottish Government updated local authorities on the funding approach and criteria which would be applied in LEIP phase 3. Submitted bids will be reviewed by a working group which will include representatives from Scottish Government, Scottish Futures Trust, COSLA and local authority representative groups. This working group will review potential projects against the criteria, with project selection ultimately resting with Scottish Ministers. As in previous phases, the co-ordination, facilitation and management of the delivery of the programme will be undertaken by Scottish Futures Trust<sup>iii</sup> on behalf of the Scottish Government.
12. For LEIP revenue funding to be provided by the Scottish Government, councils must deliver specific measurable outcomes from their new infrastructure investment. This has recently been updated in preparation for LEIP phase 3 bids and includes the following measurable outcomes:
  - a. Condition of school building: The condition of the school must be maintained as category A or B over the 25 year repayment period;
  - b. Energy efficiency: Authorities must provide evidence that the in-use energy target is achieved;
  - c. Digitally enabled learning: Local authorities must provide evidence that the underlying digital infrastructure of the facility is capable of supporting 11Gbps;

- d. Economic growth: The authority will require to collate and provide evidence that they have met the target for jobs supported as per the Construction Industry Training Board (CITB) benchmarks published July 2017; and,
  - e. Construction embodied carbon: Local authorities should evidence that the construction embodied carbon target is achieved.
13. In addition to the specific measurable outcomes in para 12, there are four additional discrete terms and conditions and outcomes which local authorities must demonstrate, which relate to:
- Electrical Vehicle Charging Points;
  - Infection resilient environments;
  - Outdoor covered areas;
  - Smarter buildings (e.g. use of sensors, automatic opening of windows etc).
14. Bids for LEIP3 funding require political and financial backing by local authorities with submissions to be received by Scottish Futures Trust no later than 31 October 2022.

## REPORT

15. The Council currently has 4 educational establishment (not including St Thomas' and Neilston primary schools) regarded as fully (Carolside and Cross Arthurlie primary schools) or partly being condition C status (Mearns Castle and Woodfarm high schools). The condition of all four schools has been highlighted in the Council's Capital Investment Strategy as those most in need of refurbishment or replacing.

*Carolside and Cross Arthurlie are currently the primary school buildings with the highest priority where their suitability and condition are in need of investment. The Council is intent on addressing these priorities as soon as it is able to do so and is currently progressing feasibility and options appraisal studies for the redevelopment of both schools so that the Council is well placed to submit further submissions for the third phase of the Learning Estate Improvement Programme when this funding contribution is announced by the Scottish Government and local financial conditions permit. As noted, the Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments.*

16. The chief executive's report to Council in December 2019, *Influencing the Future of East Renfrewshire*, included 4 key areas of required funding investment in school buildings to address condition and suitability:

*'The Council needs to improve the following schools building, given their current poor condition (and suitability):*

- *Carolside Primary School, Clarkston*
- *Cross Arthurlie Primary School*
- *Woodfarm High School (original building)*
- *Mearns Castle High School (original building)*

*It is recognised that these schools are currently the most in need of major new build replacement/ refurbishment. There is also the intent to replace/renew other*

*school buildings in the future to ensure all our young people learn in fit for purpose physical environments, with decisions based on ensuring condition (and suitability) ratings of C or below are prioritised. This need will be reflected in future Capital Investment Strategies.'*

17. Carolside Primary School, built circa 1950, has been categorised as condition C for the longest period of time, since 2017 whilst Cross Arthurlie, built circa 1966, has been categorised C condition since 2021. As detailed in the successful LEIP phase 1 bid submitted to Scottish Futures Trust, Carolside Primary School was initially recorded by the Council as a school for future investment to improve condition in 2015 and was recognised as a priority for investment that the Council would be intent on addressing when funding permitted.
18. Both schools are located on challenging sites with regards to ground topology and are encompassed by near-by residential properties. The options appraisals have considered the impact on local residents and have designs sympathetic to residents to ensure any new school would have as little impact as possible.
19. Options appraisals have also considered the impact on children currently attending each school, and where possible, options have been developed where children can continue to learn in the school, or have to be educated in temporary decant facilities on site. Given the demands for sufficiency of places on East Renfrewshire's schools, there are no options to decant to an alternative school whilst building works take place.
20. A new school building will bring significant advantages to both communities with state of the art internal facilities with digital technology at their heart which will enhance learning experiences. A new school building will realise synergies with local community development by facilitating wider community use and will be a resource accessed well beyond the school day. All weather outdoor sports facilities would be welcomed by both schools given the current lack of these and the wider communities would also gain from having these in place. Direct access to outdoor spaces will increase the opportunity for children to engage in outdoor learning, and the wider health and well-being benefits this brings.
21. Both schools pose significant challenges for all service users with access to the buildings challenging for anyone with a physical disability. Both schools are built over several levels, with stairs the only way of moving between levels. A new school facility would ensure accessibility for those with physical challenges.
22. The development of a new school would contribute to the Council's agenda to be carbon neutral by 2040 with the new school being built in accordance with Passivhaus<sup>iv</sup> low energy accreditation. Passivhaus is a leading international design standard, delivering high standards of comfort and health and significantly reducing energy use by buildings compliance with Net Zero Public Sector Buildings Standard.
23. A new school would provide additional carbon reducing facilities such as electrical vehicle charging points. Such charging points could be considered as part of a wider Council strategy of changing light goods vehicles to electrical vehicles, with a ready-made resource to provide overnight recharging for council vehicles. This would support the Council towards achieving the national objectives of phasing out the need for new petrol or diesel light commercial vehicles in public bodies by 2025 and the Council's aspiration to be net carbon zero by 2040.

24. In May 2021, in order to be in a state of readiness the Directors of Education and Environment asked HubWest Scotland (HWS) to produce a feasibility study including options for renewal/refurbishment of Carolside and Cross Arthurlie primary schools. All options had to ensure compliance with the terms and conditions and expected outcomes for successful funding from Scottish Government.
25. The following options were requested to assess feasibility and provide budgeted cost estimates to develop and construct on the existing schools sites:
  - a. New build bespoke replacement schools fit for purpose of 21<sup>st</sup> educational experiences;
  - b. Major refurbishment/remodel/extension of schools focusing on building condition to modernise and make the existing physical environment 'as-is' fit for purpose as possible whilst also addressing suitability issues such as disability access and improved specialist facilities in keeping with a modern new school building;
  - c. A hypothetical new build school on a green/brownfield site for Carolside Primary School given the challenges of the school's location.
26. Following discussions between colleagues in Education and Environment, it was agreed that in both cases, option A, a new built school on the current site would be the preferred option. In reaching this decision, account was taken of the variance in cost between refurbishment options and new build, the impact of a new build/refurbishment on current learners, outcomes in terms of new school facilities and school design and the ability to continue to meet the outcomes based funding criteria which a new build will provide.
27. As noted in paras 12 and 13, the announcement of LEIP phase 3 funding was accompanied by additional terms and conditions and an additional outcome to be met for successful funding.
28. As a consequence, HubWest Scotland was commissioned to provide an updated options appraisal and costing which would also reflect the current market conditions on the preferred option only for each school.
29. The options appraisals produced by HubWest Scotland have taken into consideration wider factors and includes projected levels of inflation and is inclusive of contingencies. Early limited site and subsoil investigations have taken place and have also been considered in the appraisal work.
30. The costings included in the most recent options appraisals indicate a significant increase in cost from the initial options, circa 33%. For Carolside Primary School the cost is now estimated at £54.4m, whilst at Cross Arthurlie Primary School cost is now estimated to be £33.9m. In both cases these costings are based on a 2026 completion which is achievable. Should the projects be completed in 2027, the projected cost for Carolside Primary School would increase by circa £1.1m whilst Cross Arthurlie would increase by circa £880k. These costings are fully inclusive, including inflation and contingency costs.
31. Appendix A provides a copy of the proposed submission for Carolside Primary School whilst Appendix B provides a copy of the proposed submission for Cross Arthurlie. Within each of the proposals provided, only appendix B (most recent options appraisal costing) is included, however the additional appendices will also be included at time of

submission to Scottish Futures Trust. Paragraph 26 of the respective proposals makes the assumption Council has determined to proceed with both submissions in order to ensure that if a bid is to be made, the submission is ready to proceed.

32. Scottish Government has indicated that the £330m LEIP phase 3 funding, which all 32 local authorities are entitled to bid for, is likely to be the last funding model available to local authorities for some time.

33. The Council has three options with regards to LEIP phase 3 funding:

Option 1: Not to submit a bid;

Option 2: Submit a bid for the development of a new school at Carolside Primary School;

Option 3: Submit a bid for the development of a new school at Cross Arthurlie Primary School; and,

Option 4: Submit a bid for the development of a new school at both locations and to identify a priority bid as per the requirement from Scottish Futures Trust.

34. Scottish Futures Trust has indicated that local authorities may submit more than one bid, but when doing so should record the bids in order of preference. Scottish Futures Trust has advised that all bids will be considered on their own merits against the set criteria, and so local authorities may be successful with multiple bids.

35. Bids will be considered by a review group comprising of representatives from Scottish Government, COSLA, Scottish Futures Trust, Directors of Finance, ADES Resources Network and SHOPS. The ultimate decision on bids will rest with ministers with the intention of an announcement of successful bids by the end of the calendar year.

## **FINANCE AND EFFICIENCY**

36. There are financial implications associated with the proposal to submit a bid for LEIP3 funding. The Council will be required to borrow the entire capital cost of the build which will have a significant impact on the Council's revenue budget, in terms of loan charges. Taking account of the forecast revenue grant support, the initial net annual cost pressure on the Council would be approximately £2m for Carolside and £1.5m for Cross Arthurlie from 2025/26 onwards, reducing gradually over the next 25 years.

37. As stated in paragraph 30, estimated capital costs at this time suggest a total cost of £54.4m and £33.9m for Carolside and Cross Arthurlie primary schools, respectively.

38. Borrowing incurred to fund the works would be paid back over the expected life of the asset, and thus spread the cost over more than the 25 years of the LEIP scheme.

39. The current economic conditions are possibly the most uncertain that the United Kingdom has experienced since 1945. As a result predicted costings are subject to change. However, the costings provided above are provided by HubWest Scotland and are based on the most up to date market information.

**CONSULTATION AND PARTNERSHIP WORKING**

40. In order to be in a state of readiness partnership working has already taken place between officers of various departments in the Council and external partners such as HubWest Scotland and Scottish Futures Trust.
41. The replacement of Carolside and Cross Arthurlie primary school will be the product of a collaboration between the various departments of the Council, including the Trust. Extensive consultation with the various departments has already been undertaken and this engagement will continue as the project progresses. In addition, consultation with the local community and services users will be central to all the strands of the project to ensure successful outcomes with new schools which meet the needs of learners and the wider community.
42. In addition technical and financial detail will be required and this will be received from colleagues in Accountancy and Property & Technical Services and legal advice will be required from legal services.

**IMPLICATIONS OF THE PROPOSALS**

43. There are no equalities or staffing implications associated with this report at this point in time. However, there will be IT implications as the Scottish Future Trust outcomes based revenue re-payments are dependent on a set level of IT provision throughout the new facilities.
44. Scottish Futures Trust outcomes based revenue re-payments are also dependent on new buildings maintaining their condition A or condition B status for the duration of the 25 year funding period. Furthermore there is a requirement for energy use at the new schools to be maintained within certain parameters which will support the council's sustainability and climate change agenda. Net Carbon Zero is central to the bids and the proposals support the ambition to achieve net zero by 2040 with new schools built in accordance with Passivhaus accreditation. The funding revenue for this metric is on a sliding scale where higher energy use results in a reduction in the revenue funding on a sliding scale.
45. There will be implications for the Council's Environment Department and specifically Property and Technical Services to monitor the buildings' performance and to report periodically to the Council's Corporate Asset Management Group as well as make submissions of evidence when required to Scottish Futures Trust.
46. The Council's Local Development Plan and emerging Transport Strategy prioritise walking, wheeling, cycling over other forms of transport. In line with this, the Council has recently undertaken a pilot at Giffnock Primary School of removing traffic around the school at relevant points of the day, with results showing a positive impact. Proposals for Carolside and Cross Arthurlie primary schools will look to implement similar approaches to reduce vehicular use in the area and so reduce carbon footprint, increase active travel and improve the health and wellbeing of the local communities.

## CONCLUSIONS

47. As outlined, the developments proposed at Carolside and Cross Arthurlie primary schools are likely to be the last possible developments to the Council's education estate for a considerable period of time give the indications that LEIP phase 3 funding will be the last for some time.
48. Both schools are in condition C status, the poorest evaluations of all schools across East Renfrewshire, and have a variety of challenges as described for service users.
49. The proposals contained within this paper provide an excellent opportunity to improve learning provision at Carolside Primary School and Cross Arthurlie Primary School, transforming the educational experience for children in these communities, by accessing up to 50% of the capital costs.
50. The replacement of the schools will support the Council's objectives of becoming net carbon zero by 2040.

## RECOMMENDATIONS

It is recommended that the Council:

- a. Notes the key Learning Estate Improvement Programme (LEIP) guidance and criteria;
- b. Considers the options for submission for funding from the Scottish Government's LEIP;
- c. Agrees which option should be progressed as the proposed East Renfrewshire bid for LEIP funding; and,
- d. Notes that the Cabinet will be advised of the outcome of the bid.

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October 2022

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Appendices:  
Appendix A: Proposed Carolside Primary School submission for LEIP funding  
Includes Appendix B: Options Appraisal / Costing as at September 2022  
Appendix B: Proposed Cross Arthurlie Primary School submission for LEIP funding  
Includes Appendix B: Options Appraisal / Costing as at September 2022

Background Papers

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<sup>i</sup> Building Better Schools: Investing in Scotland's Future:  
<https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2009/09/building-better-schools-investing-scotlands-future/documents/0086644-pdf/0086644-pdf/govscot%3Adocument/0086644.pdf>



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- ii Scotland's Learning Estate Strategy: Connecting People, Places and Learning: <https://www.gov.scot/publications/scotlands-learning-estate-strategy-connecting-people-places-learning/#:~:text=This%20strategy%20is%20the%20culmination,to%20reach%20their%20full%20potential.>
- iii Scottish Futures Trust: <https://www.scottishfuturestrust.org.uk/>
- iv Passivhaus: <https://www.passivhaustrust.org.uk/>

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Learning Estate Investment Programme: Phase 3  
East Renfrewshire Council Submission  
Carolside Primary School: Condition



Everyone Attaining, Everyone Achieving, Through Excellent Experiences



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## Background: Carolside Primary School

1. This submission by East Renfrewshire Council is for capital funding on the basis of school condition, to allow the replacement of the condition C evaluated Carolside Primary School, replacing it with a state of the art contemporary learning facility fit for the purposes of 21<sup>st</sup> century education, ensuring excellent experiences for children and young people, staff, parents/carers and the wider community. 
2. Carolside Primary School is a 4-stream non-denominational primary school located in the Clarkston area of East Renfrewshire Council. The school was initially built in 1950, is in condition C status and has been regarded as such for the longest period of time (2017) of all schools in East Renfrewshire Council. The school is located on a challenging site in the heart of a residential area, with a significant change in height from north to south and east to west. The school's catchment area is small in geographical size and is a heavily populated area of residential properties with no alternative locations to site a school. Given the location of the school, there are difficulties regarding vehicular access at busy points in the day. Moreover there are no all-weather outdoor facilities available to the school and very few within the area which can be used by the wider community, as well as very limited outdoor covered space. The secondary associated with the school, Williamwood High School, has outdoor weather facilities which are in extremely high demand.
3. Over the years additional extensions have been added to the school in order to accommodate an increase in required school places. These additional buildings, along with 1950s design, have resulted in a school which is extremely difficult for service users with a physical disability to access all areas of. The school has multiple entrance points but few of these are compliant with the Disability Discrimination Act, including an inability to access the school via the front entrance as a consequence of multiple steep stairs. The various components of the school are accessible only via stairs and so to accommodate any child or adult with a physical disability would require physical altering of the building or a change of approach by service users.
4. Given demands on school places in other schools in the surrounding area, there is no opportunity for the decanting of pupils to an alternative school whilst any proposed building works take place. The impact on current learners is as important to the Council as the positive impact on future learners which a new school building provides.

## Proposal: Replacement of Carolside Primary School

## Strategic objective: Vision

5. The strategic objective for Carolside Primary School is to replace the current condition C facility with a state of the art school building fit for 21<sup>st</sup> century learning. Delivering on this intent aligns with East Renfrewshire's corporate and community objectives and the policies of the Education Department, in addition to the jointly developed Scottish Government and Local Authority School Estate Strategy, with commitment to improve the learning estate.
6. The feasibility study/options appraisal for the school site demonstrates that despite the challenging topology of the location of the school that



there is scope to replace the school on the current site without the need to decant children and young people in attendance. It shows that there is scope to provide an excellent school facility as well as outdoor sports facilities which will help realise synergies for education and benefit to the community.

- The anticipated outcomes from the replacement of the school include: enhanced excellent learning experiences for all service users which leads to improved levels of attainment and closing of equity gaps; increased opportunities for learners to develop learning and skills in more varied contexts with a focus on outdoor learning; access to appropriate outdoor sporting facilities which will also meet the demands of the wider community; and an energy efficient Passivhaus accredited building which is accessible to all.



- The school building and its outside areas will be designed to encourage wider community use where it is expected that the facilities will be utilised extensively out of school operational hours to the benefit of the local community. It is anticipated that the Council's close working with out of school care organisations who use school estate to provide their services to support local communities, will be further extended through similar provision in a new Carolside Primary School.



- There is a lack of community spaces within the area to support other groups such as the arts and senior members of the community and a new school will

provide an appropriate local facility for such groups. Whilst undoubtedly the sports facilities would be a huge benefit to a community with a lack of all-weather facilities, it is anticipated that the school building and its specialist resources will also provide a driver for community cohesion by providing a facility for all generations to be able to engage and support one another. Overall the proposed development is envisaged to provide an inclusive approach that will help not only learners but the community to continue to adapt and respond to change, thereby sustaining a healthy and vibrant community for all to prosper.



- The ambition for East Renfrewshire's learning estate is an inclusive one, with educational facilities being at the heart of the community. High quality environments which facilitate excellent experiences for all learners and the wider community, supporting the development of skills for learning, life and



work. East Renfrewshire's educational estate should provide optimum conditions for all service users to thrive. The proposed new school should contribute effectively to: the aspirations, principles and objectives of Scotland's Learning Estate Strategy: Connecting People, Places and Learning; the achievement of the Council's corporate and community objectives; and the policies of the Education Department, which are exemplified in the department's vision of Everyone Attaining, Everyone Achieving through Excellent Experiences<sup>1</sup>.

The intent is to seek investment to continually improve East Renfrewshire's learning estate both physically and digitally.

11. More specifically, the Education Department's vision for Carolside Primary School is of a modern inclusive facility which not only meets the needs of learners in 21st century Scotland but which also



contributes to the wider Clarkston and surrounding community by providing resources accessible to all. The vision includes the development of a physical building which is central to modern inclusive pedagogical approaches, which provides the optimum conditions for excellent joined up learning and teaching in all academic and skills based curriculums, with outdoor learning at the heart. The school should be flexible to change over time to adjust to future educational demands as evidence by the current national discussion on education<sup>ii</sup>; the new school will educate children who will be in the workplace for many decades to come and so it is essential that the facility supports learners' development in the four capacities. As is the case with all East Renfrewshire schools, the vision for a new Carolside is with digital technology at the heart of all learning and teaching. East

Renfrewshire's early learning and childcare establishments and schools are provided with the most up to date technological devices to support the aspirations of the Council's Digital Teaching and Learning<sup>iii</sup> and STEM strategies, including: robotics; digital interactive boards in all learning and teaching spaces; Virtual Reality headsets; and Green Screen room technology. However in order to ensure that the new school is able to access and utilise technology it must have appropriate digital connectivity and infrastructure, not only for now but also for future generations. This aspiration aligns with Council's Digital Transformation Strategy for 2021-2024<sup>iv</sup>.



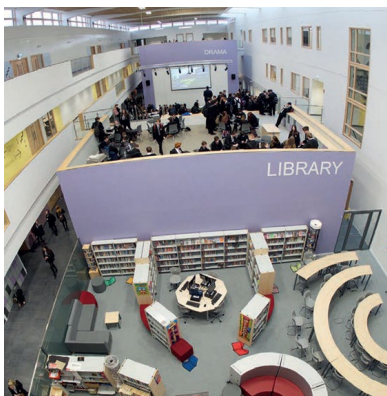
12. East Renfrewshire has approved the development of a new Climate Change Strategy and Action Plan and has set a target to be 'carbon neutral' by 2040, 5 years earlier than the Scottish Government target of 2045. The learning estate is the largest asset base that the Council owns and addressing energy efficiency of schools and early years facilities will be a significant contributor. The outcomes based approach related to LEIP revenue funding support includes challenging targets for energy efficiency, and taking part in the LEIP programme to renew old schools will be a key enabler to delivering East Renfrewshire's ambition to be 'carbon neutral' by 2040. The vision for Carolside is of a school which operates in an energy efficient way in accordance with Passivhaus accredited design and Net Zero Public Sector Buildings Standards and in compliance with the requirements for LEIP 3 phase funding over an extended period of a minimum of 25 years. It is envisaged that a new school would support other departments of the Council on their journey to net carbon zero also. For example, the Council as part of its action plan and wider national guidance is working towards realising significant change in the use of light and heavy good vehicles. East Renfrewshire Council is relatively small in scale and there is limited capital and physical capacity available for such wider projects at this time, albeit further national capital funding may become available. With this proposed development there is clearly an opportunity for future electrical charging vehicles to use charging points being implemented at the school. Discussions regarding this dual use of a new facility have already taken place with the Senior Officers Working group for Net Carbon Zero and within the Council's Corporate Asset Management Group.

13. The Council has recently undertaken a pilot traffic reduction project at Giffnock Primary School which limited the time when vehicles could access the streets adjacent to the school in order to reduce vehicle emissions and to increase the number of children who use active travel to make their way to and from school each day. The results of the pilot were very positive. It is the department's vision that the development of a new school at Carolside provides an ideal opportunity for a similar approach to be introduced around the vicinity of the school to support learners, staff and parents to utilise active forms of travel such as walking, cycling and wheeling.

14. As noted previously, the schools topography is challenging. Outdoor useable space is limited and space which is available is almost all concrete based; the school and nursery class is to be commended for the significant and varied outdoor activities already provided to learners in such a location. There is currently no outdoor all weather facilities for school users as well as the wider community. The vision for Carolside Primary School is of all-weather facilities such as a sports pitch and covered outdoor spaces, which will improve the experiences of learners and which will be accessible to a community where such resources are scarce. Furthermore with a new modern school building with innovative resources there are further opportunities for the wider community to access resources not currently available to other groups such as amateur dramatics and the arts. Ultimately access to such a resource will improve the life chances for all, support the work of the Council, school and other internal and external agencies to reduce any gaps in education or opportunity and will provide the resource to improve the health and wellbeing of the wider community. The close working of the Education and Property and Technical departments and the East Renfrewshire Council Leisure Trust will ensure that the new facility would be utilised effectively and efficiently to provide wider experiences to all of the community, supported and arranged by such entities as Active Schools Co-coordinators, BookBug and local librarians, early years staff and other external groups; the new sporting facilities at the school would support the trust with its objectives detailed in the playing pitch strategy and action plan<sup>v</sup>.



15. All East Renfrewshire Schools have excellent cluster and partnership working locally and beyond. The new facility would support the collaborative working of the school, its community of early years and primary schools as well as the secondary of Williamwood High School. The digital technologies which will be provided in the new school will facilitate wider digital collaboration with between learner and staff locally, nationally and internationally. Furthermore it is envisaged that the facility would support more widely learners across the entire east of the council area. The Council is currently undertaking a full public consultation<sup>vi</sup> on its current provision and approaches to supporting children with additional support for learning needs. Currently all provision for such children is located in the Barrhead community, on the west of the authority. As a consequence any child who resides within the east of the Council area is required to travel significant distances each day to and from the support service in Barrhead. Furthermore the service is currently at capacity. The vision for a new Carolside Primary School is of an inclusive school and as such the consultation proposal is for Carolside Primary School to be home to a new additional support for learning facility, to support learners across the east of the Council area. Carolside Primary School would become a hub for additional support needs in the east of the Council and would be the location for children to be supported by other public and private sector agencies.





16. As is detailed later in this proposal, East Renfrewshire Council is committed to ensuring the best possible learning estate for all of its service users with significant capital and revenue commitments to the estate, but also ensuring appropriate resources are available to support learning and teaching.



The Education and Environment departments work hand-in-hand to ensure all of the Council's education estate is well managed and maintained; this is essential given the very high occupancy rates of our establishments and to ensure the continuation of the excellent experiences and outcomes which East Renfrewshire has become known for. The Council ensures that the condition and suitability of our learning environments support and enhance their function.

17. Finally, the overall vision for a new Carolside Primary School is one which meets the needs of the community which it serves; in order to ensure that this is the case the local community must be at the heart of the development of the new facility.

18. Consultation has always been high on the agenda for East Renfrewshire Council and in taking forward education projects there is a belief that innovative design and change is better informed by experience. This includes improving on past projects through the evaluation process and aspiring to add value on previous best practice. Consultation is of utmost importance in understanding needs of all users and interested parties, addressing any concerns, managing expectations, and ultimately delivering the best solution for all those concerned.



19. The design stage of the project will be an extensive exercise to provide a thorough understanding of the specific requirements for all the users of the facilities. Groups of children and young people, staff, parents, partners and community users will all be involved in informing the design of the new facilities. It will comprise of workshops to explore vision, values and ideas; charrettes to discuss and develop concept for campus designs; and presentation and exhibition to review the preferred design. The authority considers consultation to be an on-going process to inform the 'best fit' solution and consultation will continue as the project progresses through to the construction period, for example

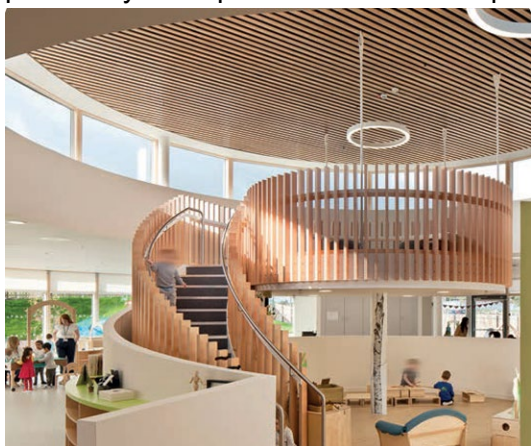
consulting with finer details such as with pupils on outdoor learning and play facilities, colour schemes, furnishings, etc. utilising a participatory budgeting approach throughout.

Readiness to deliver

20. The Council is acutely aware of the link between educational outcomes and a high quality learning estate with regards to condition and suitability. Consequently, the Council has continued to highlight the need for a replacement Carolside Primary School through its various reporting mechanisms such

as the Council's Capital Investment Strategy. From experience, the Council is aware that to be able to apply for funding through the LEIP programme, the Council must be in a state of readiness.

21. In early February 2021, the Directors of Education and Environment agreed to ask HubWest Scotland to assist the costing and feasibility of options for the renewal/refurbishment of Carolside Primary School to address condition and suitability grade C rating. The Education Department provided the vision for Carolside and outlined options for this exercise at that time; HubWest was engaged to provide an options appraisal for the site. The refurbished/renewed schools would need to address the LEIP measured outcomes, as defined at the time, as well as adhere to relevant statutory / national guidance on education physical environments.
22. The initial options appraisal for the school site is contained in Appendix A. This details the five requested options for the school. A new build Carolside Primary School on a new hypothetical green/brown field site is considered in option 5; this was requested given the challenging site of the current school, albeit the Council does not have access to such a site and such a development would have bigger implications for the school and other schools' catchment areas, and more long term, potentially an impact on Local Development Plan 3.



23. The Education Department considered the options and through dialogue with colleagues in the Environment Department it was determined that option A, a new build school on the current site, was the preferred option. Given the extent of works required at the school, it was advised that any benefits, such as embodied carbon savings) from a refurbishment to the school would not significantly outweigh a new build option. Furthermore the schools current layout is not one which is optimum for educational purposes.

24. Following the publication of the LEIP 3 programme of funding in July 2022, the Council re-engaged HubWest to request an updated costing profile for the preferred option on account of the new additional funding outcomes for this phase, extended terms and conditions and the current market conditions. This new costing proposal which addresses the previous and additional criteria is provided in Appendix B.
25. Consequently, the Council is seeking Phase 3 capital funding to support the projected construction capital costs of £49.7 million pounds and additional projected costs of £4.7million associated with the project for such areas as IT and furniture, fixtures and equipment, totaling £54.4 million.
26. At a meeting of the Council on 26 October 2022, the Council committed politically and financially to the proposal which will now be included in the Council's 10-year Capital Plan for 2023/24 and beyond, financially committing the Council to the project. The project is ready to proceed on the basis that an equivalent revenue funding stream covering 50% (in accordance with LEIP metrics) of the investment in the new school facilities will be made available from the Scottish Government which will improve learning and wellbeing and support sustainable and inclusive economic growth.
27. East Renfrewshire Council agrees to implement the LEIP metrics, Terms and Conditions and Funding Outcomes as updated in June 2022, within the LEIP3 project. The initial feasibility study and cost estimate for our chosen project was updated from March 22 to September 22 to include all of the updated requirements. The construction of Neilston Learning Campus which was successful in its bid for Phase 1 LEIP funding, commenced in June 2022, and is making good progress on site; it

incorporates all of the requirements of the LEIP1 funding round as outlined in the presentation attached as appendix C. This presentation was delivered during the pre-construction meeting held with East Renfrewshire Council, the design team and project managers, Scottish Government and Scottish Futures Trust, at which the entirety of the planned project was considered including ensuring a quality project in terms of briefing, design and construction, the Council's plans to maintain the condition of the building throughout its life and the Council's readiness to deliver on the project.

28. Achieving a quality project outcome starts with the project vision, strategic outcomes and objectives which are embodied within the project brief and will be prominent in the selection criteria for the design team and contractor. East Renfrewshire Council will prepare and share their Quality Assurance and Management Plan for our chosen project with the Scottish Futures Trust as part of the funding evidence. The plan will be prepared during Royal Institute of British Architects (RIBA) Stage 1 methodology and will address all stages in the delivery process from project initiation through to post occupancy evaluation. East Renfrewshire Council has evidenced its approach to quality management through our LEIP1 project, Neilston Learning Campus, where there are two clerk of works, one for structure and one for mechanical and electrical installations, along with an independent specialist commissioning consultant and a retained architect as design champion. Our approach to quality planning is further evidenced within the slides as attached at appendix C.
29. East Renfrewshire Council is aware that the Scottish Government's funding model is on an outcomes based approach. Our commitment is to retain the schools condition within the set parameters of condition A or B, by setting aside an appropriate annual budget specifically for repair and maintenance. This will be aligned to the whole life costing exercise and a planned preventative maintenance plan enabled and assisted by our proposed Building Information Modelling (Standard Information Management Plan v2) information management processes which will be embedded within our property team. An annual report on condition will be presented to our Corporate Asset Management Group for oversight and governance.
30. The initial feasibility study dated March 2022 attached as appendix A demonstrates our intention to progress with a phased tandem build adjacent to the existing school. The updated options appraisal (appendix B) focusses on inclusion of the Scottish Futures Trust June 22 additional criteria and updates the costs for only our preferred option namely Option A. From the feasibility study it can be seen that the initial concept has been established, appropriately costed and approved with programme and risks investigated appropriately for this stage. However, it is our intention to refine our requirements, develop the design and incorporate the lessons learned from previous projects. Programmes have been developed that set occupation at August 2026 and August 2027 for costing purposes. We believe we will be able to meet the August 2026 date should funding be confirmed in January 2023. In terms of key risks, the site is in Council ownership and although planning and roads consents have not been progressed at this stage, the use is established and the site is capable of accommodating our proposed development. Initial limited site investigation work has been carried out and utility services are available. An appropriate procurement strategy will be developed for the construction contract that responds to the market conditions at the time. However, our current costings assume a level of inflation and a procurement method for the purposes of council approval.



31. East Renfrewshire Council has a proven track record of development, and shows that each project evolves from the previous project with an aspiration for betterment with each new facility. East Renfrewshire Council promotes engagement with stakeholders and can evidence that stakeholders' requirements are met. East Renfrewshire Council has a strong

management and delivery team who work well in tandem to deliver each new campus. A variety of lessons have been learned across the following areas:

- Authority Construction Requirements (ACR) - it is our intention to revise our ACR document to make changes in some areas, these changes will be implemented during design development. This will involve recent learning around monitoring of internal air, roof and gutter design, external landscape etc. along with inclusion of LEIP3 requirement;
- Internal stakeholder engagement – Although East Renfrewshire Council has engaged well with external stakeholders, and our projects have benefited greatly from this interaction, there is scope to improve our consultation and engagement with internal Council stakeholders/departments, for example we may be able to modify our external grounds design to ensure maintenance aligns with current approaches, whilst not compromising on the enhanced outdoor learning experiences which East Renfrewshire developments have been renowned for. We have made great progress with Building Information Modelling (BIM), and are piloting Standard Information Management Plan (SIMP) v2 on behalf of Scottish Futures Trust; use of the outcome is being embedded within our property team and ongoing engagement is required.
- We will give consideration to procuring specialist design input at an earlier stage for example include sprinklers system pre-tender.

32. The Council has a record of delivering efficient school designs, making buildings work hard and delivering inspirational setting for learners to achieve their very best and the community to engage and use. East Renfrewshire, has always, and continues to welcome the ongoing opportunity to work collaboratively with Scottish Government, Scottish Futures Trust and other local authorities to share learning from previous and current LEIP projects. The Council has experience of delivering new school estate within the Pathfinder Project of the Schools Investment Programme, and worked closely with Midlothian Council to develop Eastwood High School and Lasswade High School in Midlothian. Furthermore the Council has worked collaboratively with many councils over the years in the development of new educational facilities so as to share learning and to be better informed of innovative approaches which will support our learners.

## East Renfrewshire Council: Learning Estate Strategy

33. The following sections provide details of the Council's wider education estate vision, strategy and desired outcomes and objectives. The ambition for East Renfrewshire's learning estate is that the physical environment is fully inclusive for all learners and supports communities to thrive. The council's estate should support and facilitate excellent joined up learning and teaching for all learners, with new school designs incorporating open multifunctional spaces which support integrated approaches, enhancing inclusion and supporting transitions between stages and sectors. The estate should contribute effectively to the national aspirations as defined within Scotland's Learning Estate Strategy Connecting Places People and Learning<sup>vii</sup>, and more recently the objectives defined within the Net Zero Public Sector Standards and the more specific LEIP Phase 3 expectations.

34. The wellbeing for all learners and staff is paramount and the educational estate is key in providing optimum conditions for all to excel. The use of materials which are easy-clean and well-designed leading to less likelihood of the spread of infections is a core consideration within the Council's strategy. Furthermore the Council' strategy includes investment in smart technologies across the entirety of the education estate to allow the monitoring of CO2 and heat conditions through the use of intelligent sensors aligned with automatic window opening actuators, to ensure optimum conditions for learning and teaching. The Council's approach to this allows on going real time data gathering analysis using the Internet of Things technology.

35. Maximising opportunities for outdoor learning is a key objective for the learning estate with many developments in this area in recent times, most obviously with new school developments. Most recently the development of directly accessible outdoor learning space at Uplawmoor Primary School,

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funded from developer contributions, facilitates easy outdoor access, allows pupil to lead their learning and supports playful pedagogy. Furthermore, the Council has invested almost £2m on a new sports facility consisting of running track and all weather sports pitch at Mearns Castle High School to support the delivery of the curriculum given the increasing school roll, and to address somewhat the condition and suitability of the school's sporting resources. The Council strategy is focusing on opportunities to reduce vehicular traffic around school estates and has recently piloted street closures around schools at peak times. These approaches ensure that the learning environment is greener, more sustainable, and allows safe and accessible routes for walking, cycling and wheeling.

36. The Council's vision is to be a 'modern, ambitious Council, creating a fairer future with all' with the ultimate goal to 'make people's lives better'. The Council has a clear strategy consisting of 5 outcomes to local residents, two of which are: *All children in East Renfrewshire experience a stable and secure childhood and succeed*; and *East Renfrewshire residents are healthy and active and have the skills for learning, life and work*. In order to attain these objectives the Council has identified 5 capabilities which align with the aspirations of Scotland's Learning Estate Strategy in Prevention, Empowering Communities, Data, Modernisation and Digital.

37. East Renfrewshire Council is renowned for the excellent educational experiences and outcomes which it supports our children and young people to achieve. The Council has a clear and relentless focus on closing the poverty related attainment gap whilst raising the bar for all learners and the Council sees the educational estate as being central to these objectives, by working towards providing modern fit for purpose learning environments for the 21st century which lead to improved learning outcomes and sustainable and inclusive economic growth.

38. Within this context the Education Department's vision is supported by providing quality educational environments that are also designed with, and available to residents, to help enrich the communities they serve and the lives of learners and families. The Council recognises that a quality built environment, internal and external, based on an inclusive learning estate at the heart of the community signals the value it places on learning from early years through school and beyond, and the experiences of all who use the facilities for personal development and to support economic growth. Internal and external partners make good use of the school estate, serving the wider community and supporting delivery of other public services in line with the place principle.

• 100% of ELC establishments and Primary School have achieved Family Friendly Status at Bronze level



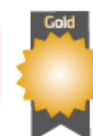
• 100% of ELC establishments and 61% of primary schools have achieved Family Centred Status at Silver level (up from 52% in 2019)



• Two ELC establishments maintained accreditation as Family Focused at Gold level



• One Primary school has achieved Gold Family Focused Status.



39. The Council's Local Development Plans<sup>viii</sup> (LDP1 & LDP2) are the Council's key strategic land use planning documents, which with our Capital Investment Strategy<sup>ix</sup> and associated capital plans<sup>x</sup> directly supports East Renfrewshire's Community Plan<sup>xi</sup> and the Council's corporate plan entitled, Vision for the Future<sup>xii</sup>.

40. The Chief Executive's report to Council in December 2019, Influencing the Future of East Renfrewshire, included key area 4 about funding investment in school buildings to address condition and suitability:

*'The Council needs to improve the following schools building, given their current poor condition (and suitability):*

- *Carolside Primary school, Clarkston*
- *Cross Arthurlie Primary School*
- *Woodfarm High School (original building)*

- Mearns Castle High School (original building)

*It is recognised that these schools are currently the most in need of major new build replacement/refurbishment. There is also the intent to replace/renew other school buildings in the future to ensure all our young people learn in fit for purpose physical environments, with decisions based on ensuring condition (and suitability) ratings of C or below are prioritised. This need will be reflected in future Capital Investment Strategies.'*

41. More recently, the Council re-iterated its intention to address the condition of the primary schools it regards as being highest priority as a consequence of their condition, in the Capital Investment Strategy in March 2022:



*'Carolside and Cross Arthurlie are currently the primary school buildings with the highest priority where their suitability and condition are in need of investment. The Council is intent on addressing these priorities as soon as it is able to do so and is currently progressing feasibility and options appraisal studies for the redevelopment of both schools so that the Council is well placed to submit further submissions for the third phase of the Learning Estate Improvement Programme when this funding contribution is announced by the Scottish Government and local financial conditions permit. As noted, the Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments.'*

42. The Council's Corporate Asset Management Group of Senior Officers is responsible for oversight of all Council assets and the strategies associated to them. The educational estate is a strategic priority for the group, ensuring the optimum condition and suitability of all educational establishments is maintained and championing the cause of education for capital investment.

## Investment in New Early Learning and Childcare and School Estate

### School Condition

43. Given the considerable investment to meet demand for places, to date East Renfrewshire has perhaps not had the same opportunity as in other councils to modernise and refurbish existing school buildings, albeit investment to increase places also improves the condition and suitability of those schools and early years centres. The need to ensure that all educational buildings are 'fit for purpose' is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all.



44. More recently the Council's focus has diverged to take greater consideration of the condition of the school estate; there is a real intent to improve the condition of our most poorly rated establishments and to increase the number of learners who are educated in condition A buildings. Within the Council's Capital Investment Strategy, the Education Department identifies schools of most concern with regards to their current condition and need for replacement/refurbishment, thus ensuring that the school estate is at the heart of all considerations regarding capital investment. Recently the Council has undertaken major school refurbishment projects. Barrhead and Eastwood high schools and Crookfur primary schools have benefited from new build replacements with support investment released by the Scottish Government to improve the condition of schools. These schools were in the worst condition at that time.

45. In July 2022, on-site work commenced at Neilston Primary School to develop a new Learning and Leisure Campus approach in the village of Neilston which will not only address the replacement of condition C rated Neilston Primary School, but will also bring condition C rated St Thomas' Primary School and Madras Family Centre together in the one modern learning estate, fit for the 21<sup>st</sup> century. The



The new school is being built in accordance with all conditions set for LEIP phase 1 and will be an energy efficient building in accordance with Passivhaus accredited design. From the outset all stakeholders were consulted in the development of the new campus, including a full public consultation on the campus approach, and will continue to be consulted as the project progresses to ensure their needs and

experiences are considered, and that they are involved in the decision making processes, leading to better outcomes for all. The wider regeneration of the village of Neilston is being developed with a planned new leisure facility and library with all being at the heart of the community.

46. The Neilston development was possible following a successful bid to Scottish Future Trust in Phase 1 of the Learning Estate Improvement Programme. Despite the impact of Covid the new campus will be built within the planned capital budget with an expected completion of October 2023.

### School Capacity & Sufficiency of School Places

47. East Renfrewshire Council ensures that it manages its school estate effectively to ensure that facilities are well maintained, managed and make best use of existing resources, maximizing occupancy levels and ensuring flexibility of use by the establishment and wider community; in East Renfrewshire we make our school buildings work hard for their communities ensuring best value. East Renfrewshire facilities are widely used and accessible to other internal and external partners such as the Council's Leisure Trust and external organisations such as the NHS and childcare groups, allowing greater support and opportunity for our communities, in their community.

48. Across East Renfrewshire Council 75% of educational establishments in the primary and secondary sectors are operating at in excess of 75% of school capacity with 31% operating at in excess of 90% of school planning capacity. The number of East Renfrewshire resident pupils has risen by 15% from 2011 to 2021; and based on the National Records of Scotland projections the school age population within East Renfrewshire is expected to continue grow in coming years which is contrary to the national expectation. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing is in part facilitating this increase; however pupil numbers are also increasing in more established residential areas with families attracted by the education and the local environment.

49. Providing sufficient pupil places for East Renfrewshire residents has accorded high priority over recent years and is continuously under close monitoring and review with close partnership working between the Education Department and the Council's Planning Department. Ensuring the sufficiency of school places, in the main, has historically been the driver for change in the school estate since the inception of the Council.



50. It is evident with new schools and extended provision that the educational estate has been developed to date to ensure there is sufficient school capacity in accordance with residential developments within East Renfrewshire's current and previous Local Plans. The new Maidenhill Primary School and Nursery Class (£15.3m) was planned as part of the infrastructure requirement of Local Development Plan (LDP1) and opened in August 2019. The school was purpose built to accommodate the projected

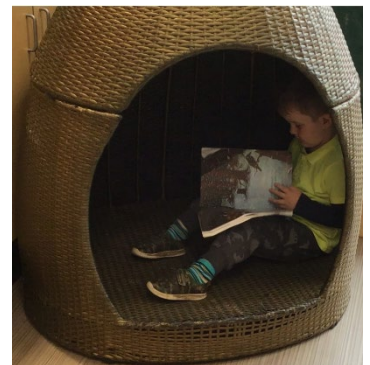


number of new pupils from residential areas developed as part of a masterplan, with the school's roll continually increasing over the years as new properties have developed. East Renfrewshire Council's new educational estate developments are highly acclaimed for quality, innovation and supporting excellent learning experiences, winning the Architectural Excellence Award for Public Use award as well as Scotland's national architecture awards by the Royal Incorporation of Architects in Scotland (RIAS).

51. Likewise St Clare's Primary School opened in August 2017 as part of the faith schools' joint campus also comprising a new build replacement for Calderwood Lodge Primary School and Nursery Class (£17.3m). St Claire's Primary School was developed in order to accommodate new children taking up residence in LDP1 masterplan area and in order to reduce the increasing capacity pressures on other denominational schools.

52. The Council has also increased school capacities to cope with the increasing school age population in other schools such as a £2.2m investment at St Ninian's High School to accommodate an increase in pupils as a consequence of the implementation of a new school admissions policy. Furthermore through the Council's Capital Investment Strategy other schools have been prioritised and planned for extension to ensure sufficiency of school places.

53. The increase in East Renfrewshire pupil numbers at primary and secondary schools has also been experienced at nursery, where the number of 3 and 4 year olds in East Renfrewshire attending Council and funded (partnership) provider early learning and childcare facilities over the past 10 years, has increased by 20%. The Council has invested to meet this need opening in 2017 a larger new build replacement for Arthurlie Family Centre.



54. East Renfrewshire's ambitious plans to build new and extend some existing early year's establishments in readiness for the introduction of 1140 hours by August 2020 were fulfilled with all establishments being opened as planned. East Renfrewshire Council was one of a few councils which managed to open its establishments in 2020, regardless of the extension to the implementation of 1140 hours as a

consequence of Covid. In total 8 new/replacement/extended facilities were created across the Council with enhancements at further establishments.



55. A funding package of investment by the Council of some £25.4m, supplemented by Scottish Government capital contribution of £12.27m, was provided towards the expansion. This financial commitment to the introduction of 1140 hours across East Renfrewshire by the Council, further demonstrates the Council's commitment to education and the education estate.



## Council Commitment to the Education Estate: Current Capital Provision

56. The Council's General Capital Plan allows for planned capital works to take place over a ten year period and is an indicator of the priority of the school estate for the Council and that the learning estate is being well-managed and maintained, that the Council is making the best use of existing resources, is maximising occupancy and representing and delivering best value. Furthermore such a focus and investment in the estate demonstrates the council's desire to ensure that the condition and suitability of learning environments support and enhance their function.

	2021-22 to 2020-31 General Capital Plan (includes previous years spend for Maidenhill and ELC)
ELC Expansion	£25.4m
Maidenhill PS & NC	£22m
St Ninian's Extension	£2.5m
Learning & Leisure in Neilston	£30m
Major Estate Maintenance	£9.5m
Improving Learning	£2m
Crookfur PS Extension	£2.3
Mearns Castle HS Sports Facility	£1.9m
Other Education Capital Plans	£1.2m
	£96.8m

Table 1

57. As consequence of the impact of Covid the Council has committed £3.7m pounds to ventilation works. A significant proportion of this will be dedicated to the education estate, providing additional mechanical ventilation or implementing actions to increase natural ventilation. The Council's approach to the monitoring of air quality and temperature of learning spaces has been highlighted by Capita as one of the most innovative and comprehensive in the country<sup>xiii</sup>.
58. In addition to capital investment, each year revenue provision of £1.3m is made for general repairs and maintenance of the education estate, together with total annual revenue payments of almost £15m in respect of the provision and maintenance of our 7 PFI/PPP/hub funded schools

## Emerging Council Priorities for the Education Estate (Outwith Current Capital Plan)

59. The Education Department and colleagues from the Council's Environment departments work closely to monitor condition and suitability of the education estate to identify schools for development as well as ongoing residential property developments (housing land supply audit) and the pupil product ratio from these, to project new pupil intake and to allow planning for sufficiency of places.
60. Given high occupancy of many existing schools in East Renfrewshire, we need to build new provision to meet population growth related to inward migration and new residential development in accordance with the LDP process.
61. Any new residential development will require significant new education infrastructure and the Council owns little land in the areas where school capacity is most pressurised. For example, the scale of proposed residential developments contained in the LDP2 proposals (and projected pupil product from these) could not have been accommodated within the current educational estate capacity. Should the initial proposals in LDP2 have gone ahead, there would have been the need for 2 new primary schools and a new secondary school to accommodate projected children from these properties, and the required land would have required to be acquired. The extent of developer contributions alone from the proposed LDP would not have been sufficient to meet the costs of such new educational estate and so the Council would welcome any future new schools investment programme as a means to help augment resources; this will be invaluable when taking forward

infrastructure to meet demands from population growth associated with any plans for Local Development Plan 3.

62. The Council has plans within its estate planning strategy for further extensions and remodeling of educational establishments to increase the sufficiency of school places.
63. Having undertaken a full assessment of the demand for Gaelic Medium Education within East Renfrewshire Council, and determining the demand for such provision exists, the Council is currently undertaking a full public consultation on the location of this provision. It is proposed that this service will be located at Thornliebank Primary School. The Council is working with colleagues at the Scottish Government's Gaelic and Scots Team of the Learning Directorate in order to progress plans to submit a request for capital in order to ready the school estate for this new school. The Council is the first in Scotland to consult on the location of GMPE and is working to tight timescales with colleagues in the Council's property and technical department in order to ensure the school is in place for August 2023.



64. In accordance with the Education Scotland Act 1980, parents/carers of children aged 4 when their child is due to commence primary education, have the right to defer their child's commencement of primary school education for one more year. Currently, parents/carers of children who do not become 5 years of age until January or February are entitled to another year of fully funded early learning and childcare; for those born between August and December, parents/carers can request another fully funded year of early learning and childcare, however where this is not approved, parents/carers are required to meet the cost of the additional year. As a consequence of changes to legislation coming into effect from August 2023, parents/carers of children who are four years of age when commencing primary school will be entitled to a fully funded year of early learning and childcare,

regardless of when the child is due to become 5 years of age. The Council has identified concerns over its ability to meet the expected additional demand for places in the Barrhead and Levern Valley and is progressing with plans to repurpose areas of an existing school, St John's Primary School, (areas currently used by Education Department staff), to become an early learning and childcare establishment. This will be primarily funded via developer contributions gathered from new residential property developments but will also require part funding by the Council. The repurposing of the school building has become possible as a consequence of changes to the way Education Department staff work and subsequent rationalisation and more efficient and effective use of school and wider council estate.

65. Half of the Council's education estate is currently regarded as being in B (14 establishments) or C condition (2 establishments). It will be vital for the Council to make the most effective use of the annual school capital and revenue maintenance budgets in order to maintain these condition levels. Many of these schools have been in B condition for some time and with some being circa 50 years old, these are the most likely to enter C condition. Consequently the Council would welcome future investment in the school estate with regards to improving school conditions and ensuring that as many children as possible are educated in buildings fit for purpose.

66. In October 2021, the Council declared a climate emergency and consequently a strategy and action plan to address the Council's climate change ambitions is being finalised. The education estate makes up a significant part of Council buildings and will be at the centre of plans to reduce carbon use and support the Council's objectives of net carbon zero by 2040. This submission for the development of a new school building for Carolside Primary School will help drive the Council's ambitions in this area by means of an energy efficient facility which will also be inclusive of other net carbon zero aspirations such as electrical charging vehicle points.



67. The planned expansion of free school meal provision within the primary sector to be inclusive of P6 and P7 pupils is an area of planning and development for the council's school estate strategy. With school estate being 'worked hard' in terms of school roll as a proportion of school planning capacity, communal areas within schools are also utilised extensively. In many schools this means that school catering and dining experiences have to be well planned in order to ensure that all learners are able to experience a healthy nutritious lunch as well as appropriate dining experience, in an appropriately timely fashion. With the expansion of free school meal provision to P1 to P5 pupils, several schools in East Renfrewshire Council are already operating at (and in some cases beyond) catering and dining capacity, with impact on catering and teaching staff as well as pupil experience. Previously the Education Department met with Scottish Futures Trust to discuss the plans for extension works to dining and catering facilities in identified schools. The position at that time, as a consequence of wider school estate factors, is likely to have changed and so the Council would welcome the opportunity to reconsider the demands of P6 and P7 free school meal extension in the current climate. In any case, in order for the Council to provide free meals to all pupils in the primary sector it will be essential for additional capital funding to be provided in order to implement catering and dining works.

68. Table 2 below provides some details of future education estate projects as part of the education estate strategy:

<b>Project</b>	<b>Sufficiency of places / Condition</b>	<b>Anticipated Year</b>
Crookfur PS Extension	Sufficiency of places	2023/24
Introduction of Gaelic Medium Primary Education	Sufficiency of places	2023/24
Repurpose of current Education Estate to support ELC legislation	Sufficiency of places	2023/24
St Luke's HS Reconfiguration	Sufficiency of places	2023/24
Busby PS Extension	Sufficiency of places	2025/26
Eaglesham PS Extension	Sufficiency of places	2026/27
Cross Arthurlie Primary School	Condition	Commence when future funding
Mearns Castle HS	Condition	Commence when future funding
Woodfarm HS	Condition	Commence when future funding

Table 2

## Summary

69. As evidenced, East Renfrewshire Council has a strong track record of investing in its educational estate and delivering quality projects on time and within allocated budgets; and we have both the need and the ambitions to do more as we develop the learning estate.

70. In so doing we ensure that there are sufficient educational places offering modern curricular experiences in inclusive and digitally enabled settings that are flexible to adapt to future changes, are safe, secure, efficient to operate and maintain, energy efficient, comfortable and healthy.

71. The Council has a record of delivering efficient school designs, making buildings work hard and delivering inspirational settings for learners to achieve their very best and the community to engage and use. East Renfrewshire welcomes the opportunity to submit a bid for LEIP Phase 3 funding and has experience of delivering multiple similar previous projects such as the new Eastwood and

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Barrhead high schools, Maidenhill, St Clare's and Calderwood Lodge primary schools, and the current LEIP 1 phase bid for the Neilston Learning Campus.

72. The Council has identified Carolside Primary School as its top priority for replacement and would welcome the opportunity to continue with the strong relationships developed with Scottish Futures Trust and Scottish Government to realise the transformation of another school for our local communities. The project is in a state of readiness to proceed having received political commitment and provision to be made within the Council's Capital Plan. The development is in keeping with the national objectives and principles attached to the Learning Estate Strategy supporting excellence and equity for all.

Appendix A: Carolside Primary School Options Appraisal March 2022

Appendix B: Carolside Primary School Options Appraisal September 2022

Appendix C: Pre-Construction Presentation

Appendix D: Bibliography/References

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<sup>i</sup> ERC Everyone Attaining Everyone Achieving Through Excellent Experiences:

<https://blogs.glowscotland.org.uk/er/public/meetinglearnerneeds/uploads/sites/16100/2018/08/Advancing-Excellence-and-Equity-in-Education-in-East-Renfrewshire.pdf>

<sup>ii</sup> Scottish Government's National Discussion on Education: <https://www.gov.scot/news/national-discussion-on-education/>

<sup>iii</sup> Digital Learning and teaching Strategy: <https://sites.google.com/er.glow.scot/digihub/staff-clpl/professional-reading#h.wgplkvb2chmy>

<sup>iv</sup> East Renfrewshire Council's Digital Transformation Strategy for 2021-2024:

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<sup>v</sup> East Renfrewshire playing pitch strategy and action plan: [https://www.eastrenfrewshire.gov.uk/media/2624/Cabinet-Item-10-30-August-2018/pdf/Cabinet\\_Item\\_10\\_-\\_30\\_August\\_2018.pdf?m=637353368906070000](https://www.eastrenfrewshire.gov.uk/media/2624/Cabinet-Item-10-30-August-2018/pdf/Cabinet_Item_10_-_30_August_2018.pdf?m=637353368906070000)

<sup>vi</sup> Additional Support for Learning Consultation: <https://getinvolved.eastrenfrewshire.gov.uk/education/additional-support-for-learning-provision/>

<sup>vii</sup> Scotland's Learning Estate Strategy: <https://www.gov.scot/publications/scotlands-learning-estate-strategy-connecting-people-places-learning/>

<sup>viii</sup> East Renfrewshire Council's Local Development Plan 2: <https://www.eastrenfrewshire.gov.uk/ldp2>

<sup>ix</sup> East Renfrewshire Council's Capital Investment Strategy: [https://eastrenfrewshire.gov.uk/media/7406/Council-Item-12-03-March-2022/pdf/Council\\_Item\\_12\\_-\\_03\\_March\\_2022.pdf?m=637813801444530000](https://eastrenfrewshire.gov.uk/media/7406/Council-Item-12-03-March-2022/pdf/Council_Item_12_-_03_March_2022.pdf?m=637813801444530000)

<sup>x</sup> East Renfrewshire Council's Capital Plan 2022-23 to 2031-32: [https://eastrenfrewshire.gov.uk/media/7407/Council-Item-13-03-March-2022/pdf/Council\\_Item\\_13\\_-\\_03\\_March\\_2022.pdf?m=637813801450370000](https://eastrenfrewshire.gov.uk/media/7407/Council-Item-13-03-March-2022/pdf/Council_Item_13_-_03_March_2022.pdf?m=637813801450370000)

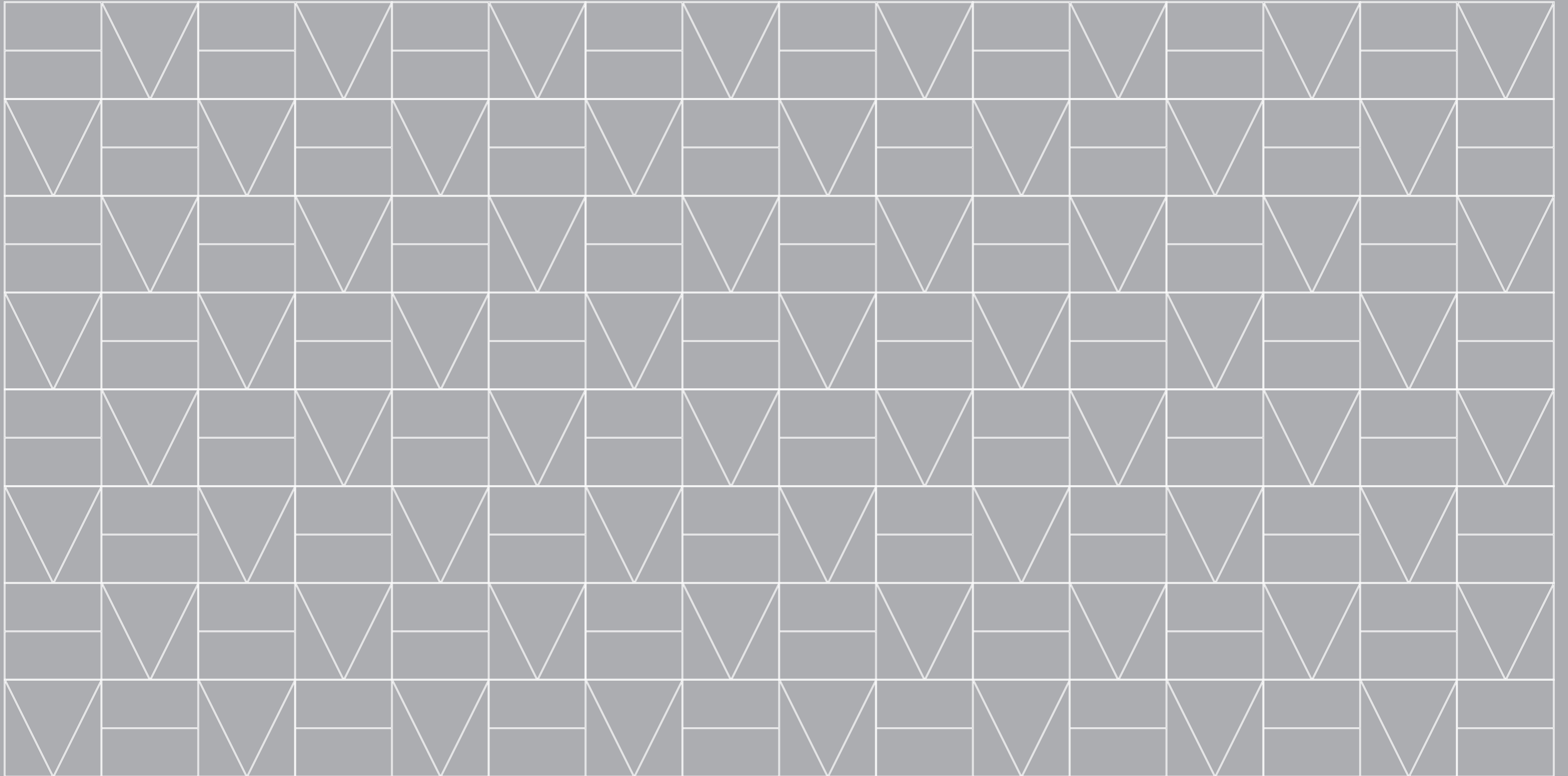
<sup>xi</sup> East Renfrewshire Council's Community Plan 2017 to 2027: <https://www.eastrenfrewshire.gov.uk/media/233/Community-plan-2017-to-2027/pdf/community-plan.pdf?m=637539164354170000>

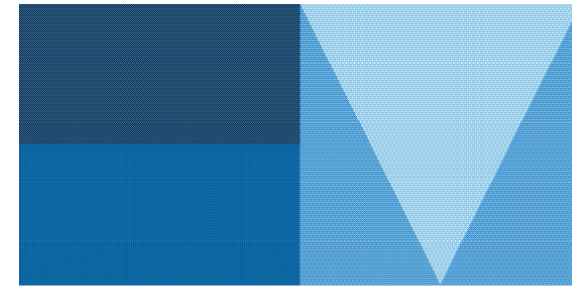
<sup>xii</sup> East Renfrewshire Council's Vision for the Future: <http://intranet.erc.insider/CHttpHandler.ashx?id=10024&p=0>

<sup>xiii</sup> Capita & ERC Innovative Ventilation: <https://www.capita.com/our-work/using-smart-technology-monitor-co2-east-renfrewshire-schools>

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September 2022





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- Section 1** Executive Summary
- Section 2** Selected Design Option
- Section 3** LEIP3 Funding Criteria

**Client / End User:**

East Renfrewshire Council  
Strategic Services - Major Capital Projects  
Spiersbridge Business Park  
Thornliebank  
G46 8NG

**Project Management:**

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Merchant Exchange  
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G1 1LG

**Architect:**

Holmes Miller  
89 Minerva Street  
Glasgow  
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**Net Zero Operational Carbon (NZOC) Consultant:**

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**Mechanical & Electrical Engineer**

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Glasgow  
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Glasgow  
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**Cost Consultant**

Faithful + Gould  
Canning Exchange  
10 Canning Street  
Edinburgh  
EH3 8EG

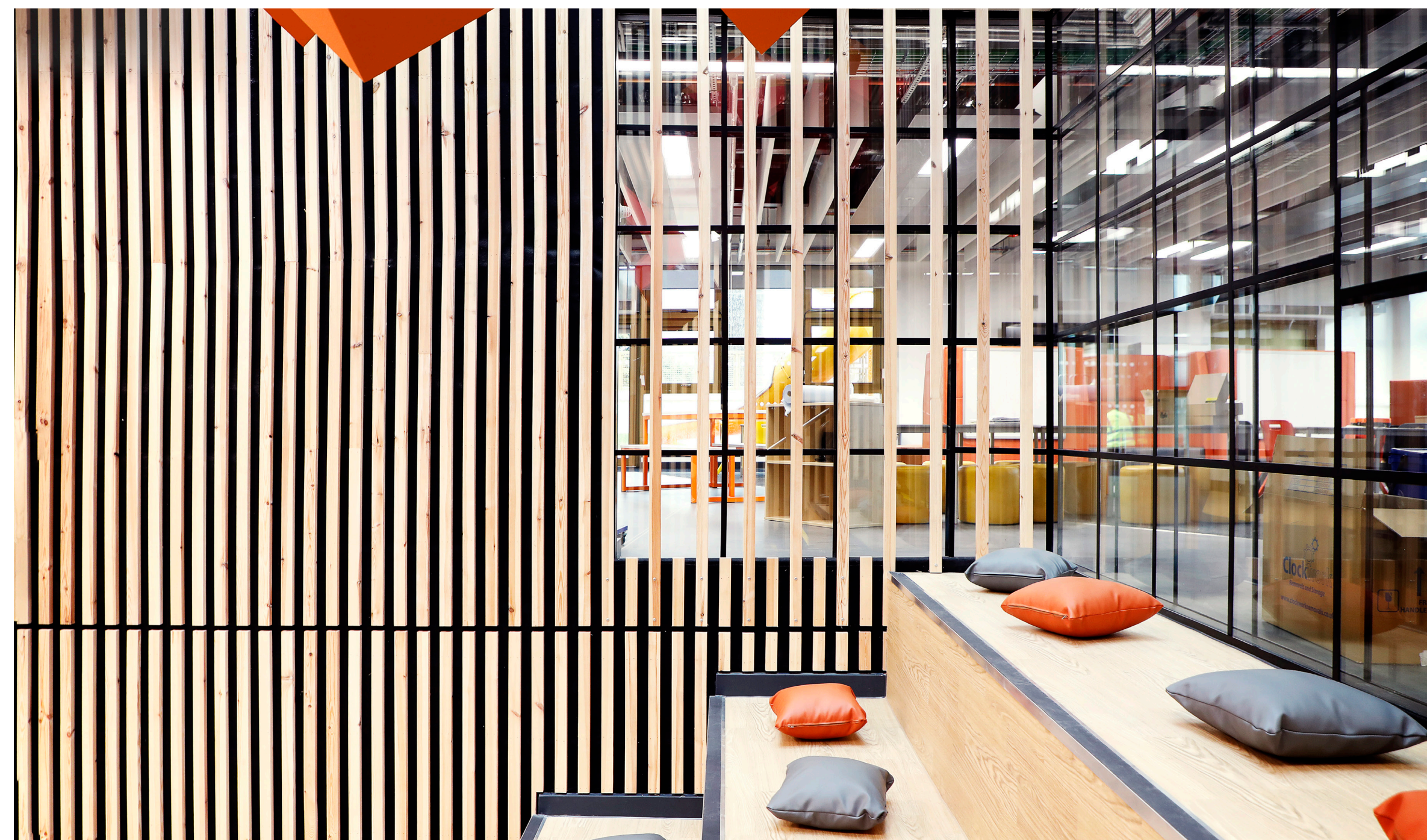




# 1

## Executive Summary

# An opportunity to create an optimised centre for learning, and a sustainable, and inclusive community asset



## //Executive Summary

East Renfrewshire Council are looking to secure Scottish Governments Learning Estate Investment Programme (LEIP 3) funding for the delivery of a new enhanced educational facility at Carolside Primary School.

The new facility will represent a significant investment by the Council in the area and improve educational facilities for the local people of Clarkston. It will significantly reduce ongoing maintenance and running costs of the existing facilities and will respond to the Scottish Governments Climate Change Bill to target net-zero carbon emissions by cutting greenhouse gas emissions by 2045. There are also significant educational benefits that a new school can bring to the learning environment, such as the development of STEM rooms to enhance learning experiences and enhanced outdoor learning resources such as pitches etc.

The most recent evaluation of the condition and suitability of Carolside Primary School has graded the school as 'C' for condition and grade 'C' for suitability for learning and teaching. A 'C' grade suitability rating indicates that the building is not operating optimally and that the delivery of some activities for children and the community are being impeded. The condition and suitability evaluations indicate that the school is regarded as being in generally poor condition and that the school has less than 50% service life remaining before major repair or replacement is required.

An earlier Feasibility Study prepared in March 2022 investigated and considered multiple options including a mixture of new build and retrofit solutions. In all options consideration was given to maintaining a live school environment on site whilst the works are undertaken via either a phased construction process and/or a decant school facility. Options also sought

to address minimising impact on neighbouring housing whilst maximising orientation and form factor that will be crucial in achieving design principles that deliver an energy efficient solution that better LEIP3 funding requirements and delivers on the aspirations of the SFT Net Zero Carbon Public Sector Building Standard.

Following detail consideration of the options contained within the earlier Feasibility Report, East Renfrewshire Council has taken the decision to progress with a phased new build solution on the site of the existing Carolside Primary School - Option referenced 'A1'.

This report is designed to address the specific requirements set out in the LEIP Phase 3 'Guiding Principles, Programme Metrics, Terms and Conditions, and Funding Outcomes', updated June 2022.

The report also includes updated costs for the selected option, prepared in September 2022, which considers the development and construction programme based on completion in the summer of 2026 and 2027 respectively.

A more detailed response how the new facility will respond to other key LEIP criteria including Low Carbon Design, NZPSBS, Digital, Quality and Outdoor Learning is contained within the earlier Feasibility Report, dated March 2022.



2

Selected Design Option

Greenbank House + Gardens

# //Education Requirements

## Carolside Primary School

Carolside Primary School, established in 1950, is situated in the Clarkston area of East Renfrewshire where it caters for non-denominational children from Nursery to Primary 7.

The school is a community resource, used most weekday evenings to support local clubs and groups, with a high demand due to the complete lack of outdoor facilities within the area.

The existing school is generally in a poor condition with limited opportunities to offer an appropriate environment for learning and working without significant investment. The split levels across the building floor plate with no passenger lifts or hoists means it is difficult to deliver a fully inclusive environment in accordance with DDA legislation

Similarly, the site topography makes it challenging to provide on-site sports facilities and embrace opportunities for outdoor learning which makes it challenging for the school to deliver excellent experiences for the children.

Aligned with the Scottish Governments Net Zero ambitions the intent is to create a low-carbon efficient building which will reduce future running costs and demands on Council revenue budgets.

The ambition of this project will be the creation of an accessible and inclusive community hub, fully integrated as part of the local community, and drawing together key support services within a single location.

## Feasibility Report [March 2022]

This report should be read in conjunction with the earlier Feasibility Report prepared in March 2022.

This report considered the following development options for Carolside Primary:

- Option A1 ERC Model new school [North Site]
- Option A2 SFT Model new school [North Site]
- Option B Stepped ERC Model new school [North Site]
- Option C ERC Model new school [Courtyard]
- Option D Refurbishment/Remodel/Extend Option
- Option E ERC Model new school (Hypothetical Site)

Each option considered the appropriate solution to meet the client brief, site constraints whilst also embracing the requirements of the Net Zero Public Sector Building Standard and LEIP funding criteria.

## Selected Design Option

Following detail review of the options, East Renfrewshire Council have selected 'Option A1' as their preferred solution for the redevelopment of Carolside Primary School.

This option will deliver a total new build construction which will be built in two phases to enable the existing school to remain operational throughout and minimise disruption and costs associated with temporary decant facilities.

The selected design option will:

- provide a two storey compact and efficient building form with accommodation based on a comparable area/facilities provision per pupil as that provided at the recently completed Maidenhill Primary School.
- deliver enhanced area for hard and soft playspace on site with improvements to general playground and traffic management.
- incorporate and enhance the existing Nursery provision on the site.
- provide a solution that has embraced the NZPSBS and Passivhaus principles of design to meet and better Operational and Embodied Carbon targets.
- provide external covered areas to support play, learning and dining.
- provide appropriate digital infrastructure.
- provide on-site EV charging points, together with infrastructure for future expansion.
- Providing an aspiring learning environment, comparable to the standard of other recent new build schools across the ERC Estate.

## Design Metrics:

In the absence of defined school rolls, this feasibility study has used the following metrics:

Area is calculated based on a defined metric per pupil with an uplift in area to accommodate enhanced school and community facilities comparable with other ERC facilities to provide parity of learning environment across the school estate.

Pupils - 28 classrooms of 33 pupils = 924 pupils  
Area per Pupil = 6.5m2 [SFT allowance]

Area = 924x6.5 = 6,006m2

Utilising 'Maidenhill Primary School' as the benchmark, the area has been increased by a further 705m2

**Total Area = 6,711m2**

## Early Year Centre:

Pupils = 80  
Area per Pupil = 5.8m2 [SFT allowance]

Total Area = 80x5.8 = 464m2

## Schedule of Accommodation

The attached draft Schedule of Accommodation illustrates the facilities to be provided within the replacement Carolside Primary School.

Specific accommodation schedule will need to be prepared and agreed with ERC Education Department before further development is undertaken.

Carolside Primary   4 Stream School - Accommodation Schedule				
	No of Rooms	Room Area (m2)	Total Area (m2)	Sub-Total (m2)
<b>Primary Classes &amp; School Staff Social Bases</b>				<b>2229</b>
Classroom P1	2	130	260	
Classroom P2-P7	24	60	1440	
Joint Flexible Space	8	17.5	140	
Joint Flexible Space P5-P7	6	20	120	
Support for Learning	4	18	72	
Staff Social Base	1	135	135	
Staff Work Base	2	15	30	
Staff Toilet	4	8	32	
<b>Curricular Specialist Rooms</b>				<b>555</b>
E-Library Zone	1	135	135	
Technology Classroom	2	70	140	
Creative Art Classroom	2	70	140	
Creative Art Store	2	10	20	
Music Practice (Small)	4	10	40	
Music Practice (Large)	2	20	40	
Music Store	2	20	40	
<b>PE   Dance</b>				<b>1121</b>
Games Hall	1	684	684	
Changing	4	32	128	
GH Storage	4	18	72	
Dance & Drama Studio	1	100	100	
DD Storage	1	18	18	
Bleacher Storage	1	19	19	
Feature Stair	2	50	100	
<b>Medical &amp; Therapy</b>				<b>60</b>
Medical Office	1	10	10	
Multi Sensory Room	1	15	15	
Hygiene Room	1	20	20	
Accessible Toilet	1	5	5	
Laundry Room	1	10	10	
<b>Street</b>				<b>959</b>
Assembly   Dining	1	525	525	
Kitchen	1	150	150	
Dining Furniture Store	1	45	45	
School Entrance foyer	1	30	30	
Male Pupil Toilets	2	50	100	
Female Pupil Toilets	2	50	100	
Accessible Toilet	2	4.5	9	
<b>Management</b>				<b>148</b>
HT Office	1	20	20	
Conference/Meeting Room	1	50	50	
SMT Group Office	1	40	40	
SMT Interview Room	2	10	20	
Staff Toilets	4	4.5	18	
<b>Administration</b>				<b>173</b>
Office	1	50	50	
Interview Room	2	10	20	
Central Store	1	20	20	
Reprographics	1	22	22	
Sick Bay   Waiting	1	12	12	
Secure Store	1	15	15	
Staff Toilets	2	4.5	9	
Accessible Toilet	2	5	10	
Kitchen   Cloak Room	1	15	15	
<b>Facilities Management</b>				<b>245</b>
FM Office	1	15	15	
FM Store	1	30	30	
Cleaners Large Store	1	22	22	
Cleaners Small Store	4	2	8	
ICT Hub 1	2	10	20	
Plant	1	150	150	
<b>NIFA</b>				<b>5490</b>
Circulation				1221
<b>GIFA</b>				<b>6711</b>
Sprinkler Tank + Pump Compound	1	94	94	
External Plant	1	145	145	

# //Site Plan

## Option A1

Development of the Carolside Primary School has carefully adopted a terraced approach to the site by optimising the site topography and orientation whilst considering neighbouring properties and retention of the existing school building as a tandem build.







On the northern terrace, at the top of the site, a new build four stream school will be constructed. This location enables the existing Carolside Primary School to remain operational throughout with minor enabling demolitions. The main teaching block is orientated to the south to maximise solar gain within, whilst also providing direct access to adjacent external playground learning environment. Covered south facing teaching space is provided at the roof level, accessed from adjacent library and flexible resource area to support external curricular activities. Additional external covered areas for dining are provided at ground level, providing overspill from the adjacent dining room.

The central terrace will be developed following demolition of the existing school to provide school parking (with designated EV parking and infrastructure), a 60x40m all weather pitch and a large south facing playground. Further external covered shelters, built into the sloped embankment along the northern edge provide multi-use area for play and learning.

The existing and extended Carolside Early Years Centre (EYC) is located on the lower terrace with its own parking area, incorporating EV parking and infrastructure. A unifying perimeter screen and roof is to be built around and over the existing and new EYC buildings to facilitates free movement between the inside and outside of the buildings in a secure and covered manner.

An appropriate soft and hard landscape scheme will unify the site by providing screening to neighbouring properties as well as providing an enhanced learning environment. Slopes between terraces to be designed as part of the learning environment by integrating climbing walls, slides, planters, insect hotels, and external classrooms etc. which utilise natural materials including gabion walls, timber sleepers and wild meadow grass to create a vibrant setting for the school.

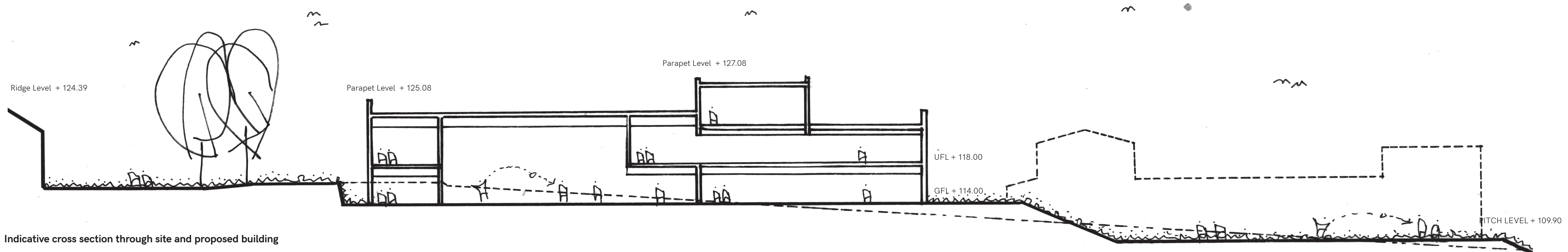


-  SQUARE CONED TENSILE FABRIC UMBRELLA WITH OFFSET COLUMN
-  TENSILE FABRIC HYPAR CANOPY WITH STEEL COLUMNS
-  POWERED RETRACTABLE LEAN-TO PERGOLA SYSTEM
-  EV CHARGING POINT
-  DISABLED PARKING
-  EV PARKING INFRASTRUCTURE
- 1 CAROLSIDE PRIMARY SCHOOL
- 2 CAROLSIDE EARLY YEARS CENTRE
- 3 60 x 40m ALL WEATHER PITCH
- 4 PLAYGROUND
- 5 CAR PARK
- 6 SERVICE AREA

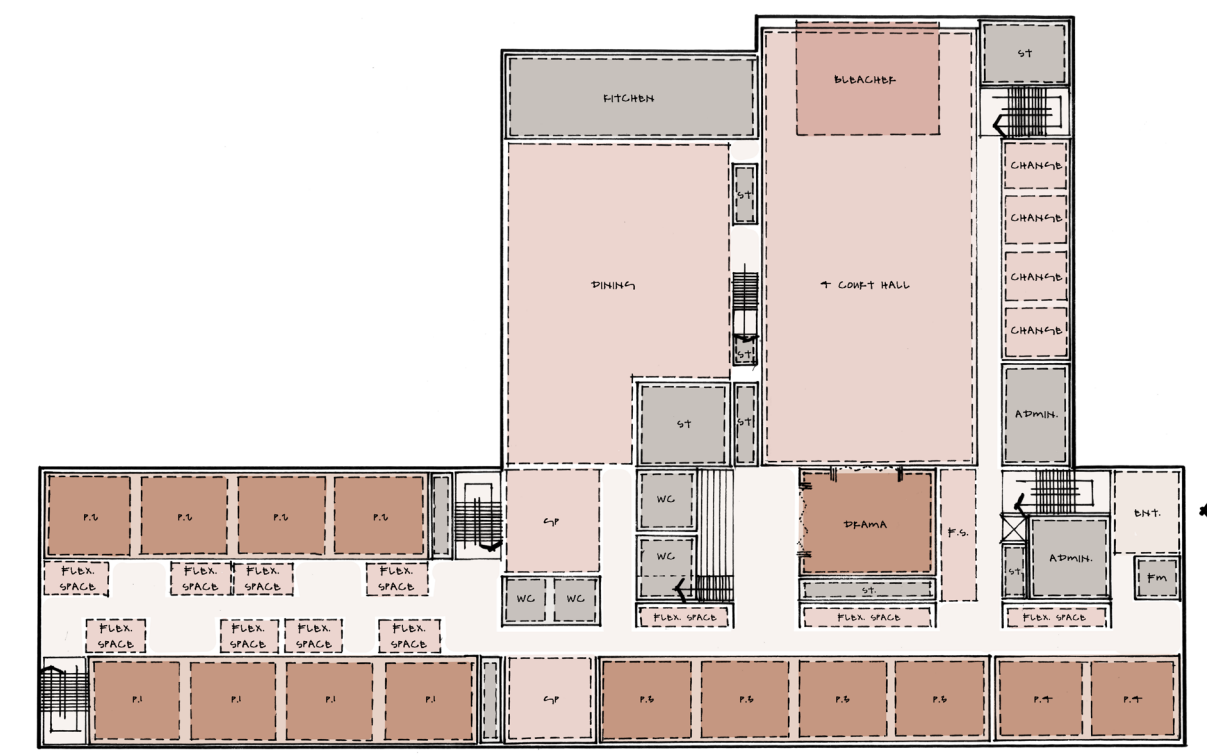
# //Pros & Cons

Pros *	Cons *
<b>Buildability:</b>	
Phased construction allowing existing school to remain operational throughout with no decant temporary accommodation requirements. Phase 1 will provide new kitchen/dining and sports block, allowing demolition of existing kitchen/dining facility to free site area for Phase 2 build.	Extensive engineering works required to northern portion of the site to manipulate existing slope. Ground conditions and risk of low-lying rock unknown. Extensive retaining /revetment wall (approx. 3 metres high) adjacent to Mansfield Road may be unacceptable to the Roads Department.
Building cut into the slope on the northern portion of the site which will lower the height of the building relative to adjacent neighbouring properties on Greenfield and Mansfield Road.	
<b>Inclusion:</b>	
Fully DDA compliant building with level floor plate and lift access between floors.	Terraced site will require extensive external staircases/ramps to navigate to the different levels
<b>Carbon:</b>	
Operational: Design allows incorporation of a fabric first approach and the following PH Principles, which will validate compliance and betterment of the LEIP operational energy requirements: <ul style="list-style-type: none"> <li>▪ good form factor</li> <li>▪ classroom spaces orientated north and south to optimise solar heat gain.</li> <li>▪ triple glazed windows</li> <li>▪ MVHR system</li> </ul>	Embodied: Whilst design and specification of new build will seek to optimise materials with no or limited embodied carbon, the demolition and construction of a new school will always lead to greater carbon pollution.
<b>Digital:</b>	
New build school with new infrastructure can fully meet the Scottish Government 'Digital Strategy for Scotland' and SFT LEIP funding criteria require all school buildings to achieve a data speed of 1GBps	
<b>Quality:</b>	
Utilisation of a 'soft landings' approach, including a programme of POE will ensure rigorous design and construction validation.	
<b>Outdoor Learning:</b>	
<ul style="list-style-type: none"> <li>▪ Enhanced external sports provision with the provision of a new 60x40m all-weather pitch.</li> <li>▪ Site topography with slopes and terraces utilised to generate a series of different external learning and play environments.</li> </ul>	
<b>MEP</b>	
<ul style="list-style-type: none"> <li>▪ New building services all electric solution providing a building energy use of 67 kWh/m2/annum.</li> <li>▪ Optimised classroom daylight/lighting design in accordance with 'Daylight Design - Design Bulletin 90'</li> <li>▪ Optimised classroom ventilation design in accordance with 'Ventilation Design - Design Bulletin 101:2018'</li> <li>▪ New electric vehicle infrastructure.</li> </ul>	Removal and replacement of existing gas fired Early Years Nursery
<b>Utilities</b>	
Upgrade of all incoming utility network connections to serve new build all electric school including new 1GBps digital IT service.	Diversion of existing gas supply from Mansfield Road currently serving the existing kitchen facility.
<b>C+S</b>	
<ul style="list-style-type: none"> <li>▪ New building school - anticipated hybrid Glulam CLT frame, timber infill and high GGBFS concrete floor for ease/speed of build.</li> <li>▪ Shallow bedrock encountered - anticipate standard foundations / trench fill / vibro</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential breaking out of very shallow bedrock for services</li> <li>▪ Retaining walls to form new platform for school</li> <li>▪ Underbuilding to work with terracing</li> </ul>

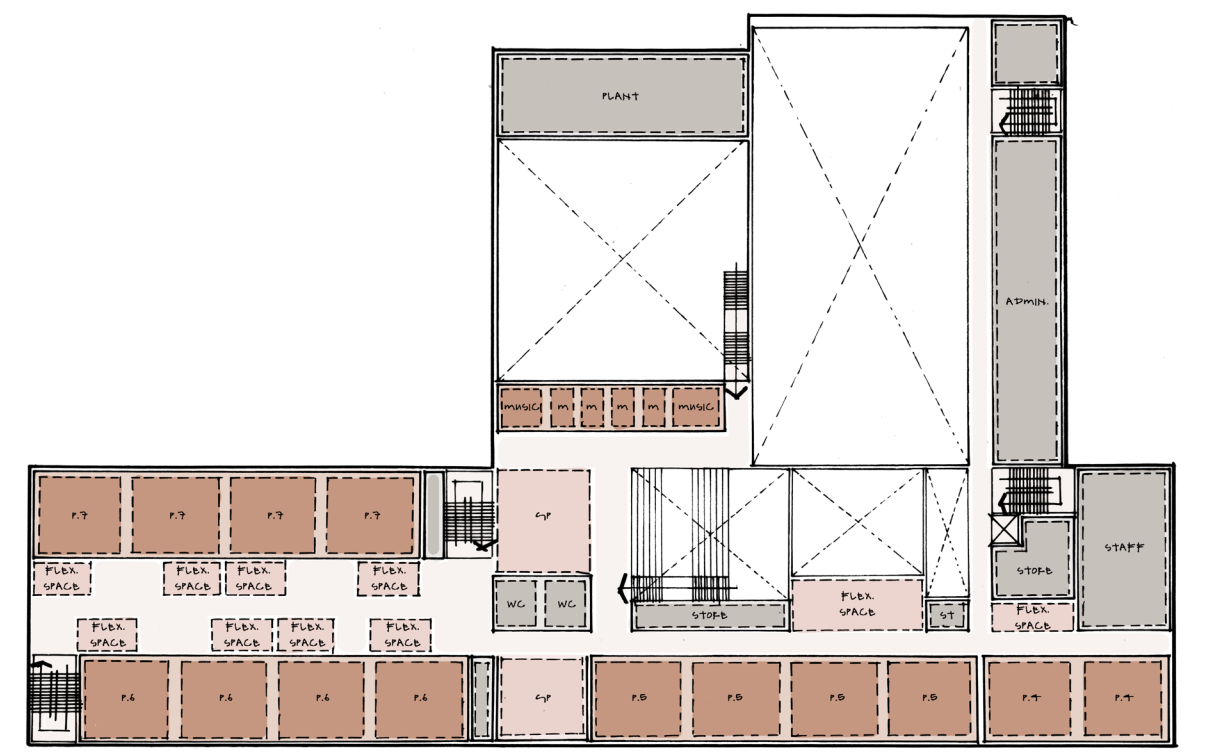
# //Floor Plans + Section



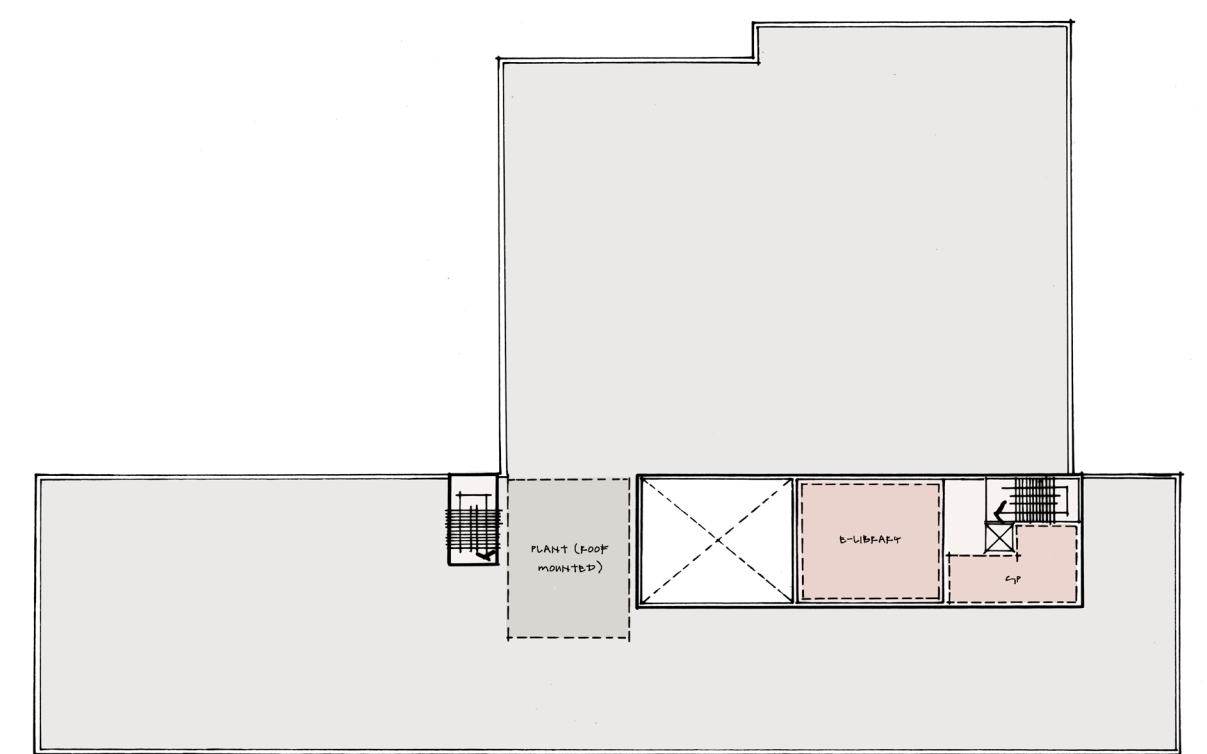
Indicative cross section through site and proposed building



Ground Floor Plan



Upper Floor Plan



Roof Plan

# //Order of Cost

## Introduction

HubWest Scotland approached Faithful+Gould (F+G), on behalf of East Renfrewshire Council (ERC) to carry out Quantity Surveying Services for new-build Carolside Primary School project.

The design team Feasibility Report, has captured all the engagement to date with all key stakeholders for the project.

The project has been designed to align with the Terms and Conditions and Objectives of the Scottish Government's Learning Estate Investment Programme Phase 3 (LEIP3) funding package.

## LEIP Phase 3 Objectives

The LEIP3 funding includes the original LEIP1 and 2 Terms and Conditions and Objectives + the following additional objectives:

Proposal 1 - Require Zero Emissions Heating

Proposal 2 - Including Electric Vehicle Charging Infrastructure

Proposal 3 - Introduce an Embodied Carbon Target

Proposal 4 - Enhance Infection Resilience

Proposal 5 - Provide Covered Outdoor Spaces

Proposal 6 - Smart Building Sensors in all Habitable Spaces

Proposal 7 - Enhance Digital Infrastructure to Achieve 11Gbps

## Methodology

The estimates are based on the Holmes Miller's area schedule contained within the feasibility report. These areas have been developed in conjunction with ERC education department. The total Gross Internal Floor Area (GIFA) for Carolside Primary School is 6,711 m<sup>2</sup>. Additionally, as the school has recently upgraded the nursery provision, the cost includes for the associated works to this structure.

The budget has been assembled using benchmarking other similar facilities (as part of the exercise carried out with Scottish Future's Trust) and making appropriate adjustments based on information provided by the project team. Allowances have been made for risk in accordance with the New Rules of Measurement guidance based on the stage and the complexity of the project, this allowance is included at 10%. The main contractors' preliminaries are based on previous project experiences. No allowance has been included for the participant direct costs. This is to be developed with council input.

## Site Specific Abnormals

Considerations have been made to ensuring the continuity of maintaining a live school environment whilst the works are undertaken. The delivery methodology that has been agreed to maintain this tandem build environment is a phased construction approach. We have accounted for this specific requirement within our abnormals. Allowances have also been made for the demolition of existing school, works associated with the Disability Discrimination Act, works to existing nurseries, site works and recent industry knowledge of Passivhaus Certification uplift (lack of supply, lack of capacity, lack of competition, etc).

## 2026 Completion Date

Carolside Primary Campus	Area m2	Rate £/m2	Cost (£)
<b>Prime Cost</b>	<b>6,711</b>		
Order of cost - Main Campus	6,711	3,111	£20,878,667
Order of cost - Nursery Portal Frame			£1,401,023
Order of cost - Nursery M&E Plant Structure			£520,000
<b>Prime Cost Sub-Total</b>		<b>3,397</b>	<b>£22,799,690</b>
Site Specific Abnormals			£4,188,683
<b>Abnormal Cost Sub-Total</b>		<b>624</b>	<b>£4,188,683</b>
<b>Prime + Abnormal Cost Total</b>		<b>4,022</b>	<b>£26,988,373</b>
<b>Risk</b>			
Risk at this early stage of design process	10%		£2,698,837
<b>Risk Sub-Total</b>		<b>402</b>	<b>£2,698,837</b>
<b>Inflation on Prime Cost &amp; Risk</b>			
4Q 2019 - 3Q 2022 (current day uplift)	9.91%	438	£2,941,976
3Q 2022 - 2Q 2025 (inflation forecast to FC)	14.75%	717	£4,814,142
2Q 2025 - 1Q 2026 (mid point Construction)	2.14%	120	£802,357
<b>Inflation Sub-Total</b>		<b>1,275</b>	<b>£8,558,475</b>
<b>Overall Prime Cost Total</b>	<b>6,711</b>	<b>5,699</b>	<b>£38,245,685</b>
Prelims	11.5%		£4,398,254
<b>Prime &amp; Prelims Total</b>	<b>6,711</b>	<b>6,354</b>	<b>£42,643,939</b>
Project Fees	16.56%		£7,062,324
<b>Total Participation Costs</b>		<b>7,407</b>	<b>£49,706,263</b>

## 2027 Completion Date

Carolside Primary Campus	Area m2	Rate £/m2	Cost (£)
<b>Prime Cost</b>	<b>6,711</b>		
Order of cost - Main Campus	6,711	3,111	£20,878,667
Order of cost - Nursery Portal Frame			£1,401,023
Order of cost - Nursery M&E Plant Structure			£520,000
<b>Prime Cost Sub-Total</b>		<b>3,397</b>	<b>£22,799,690</b>
Site Specific Abnormals			£4,188,683
<b>Abnormal Cost Sub-Total</b>		<b>624</b>	<b>£4,188,683</b>
<b>Prime + Abnormal Cost Total</b>		<b>4,022</b>	<b>£26,988,373</b>
<b>Risk</b>			
Risk at this early stage of design process	10%		£2,698,837
<b>Risk Sub-Total</b>		<b>402</b>	<b>£2,698,837</b>
<b>Inflation on Prime Cost &amp; Risk</b>			
4Q 2019 - 3Q 2022 (current day uplift)	9.91%	438	£2,941,976
3Q 2022 - 2Q 2026 (inflation forecast to FC)	17.76%	863	£5,794,801
2Q 2026 - 1Q 2027 (mid point Construction)	1.86%	106	£713,206
<b>Inflation Sub-Total</b>		<b>1,408</b>	<b>£9,449,983</b>
<b>Overall Prime Cost Total</b>	<b>6,711</b>	<b>5,832</b>	<b>£39,137,193</b>
Prelims	11.5%		£4,500,777
<b>Prime &amp; Prelims Total</b>	<b>6,711</b>	<b>6,502</b>	<b>£43,637,970</b>
Project Fees	16.56%		£7,226,947
<b>Total Participation Costs</b>		<b>7,579</b>	<b>£50,864,917</b>



### 3

#### LEIP 3 Funding Criteria

- Section 1 | Guiding Principles
- Section 2 | Programme Metrics
- Section 3 | Terms & Conditions
- Section 4 | Funding Outcomes



## // Section 1 | Guiding Principles

### Guiding Principles for Programme

East Renfrewshire Council confirm that a pre-construction review workshop for Carolside Primary School will be held with Scottish Government and SFT representatives to evidence how the project responds to the following ten guiding principles of the Learning Estate Strategy:

1. Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners
2. Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners
3. The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value
4. The condition and suitability of learning environments should support and enhance their function
5. Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle
6. Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled
7. Outdoor learning and the use of outdoor learning environments should be maximised
8. Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all
9. Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential
10. Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth



## //Section 2 | Programme Metrics

Carolside Primary School is a new-build replacement 4-stream Primary School which will have a maximum capacity of 924 pupils. In addition, on-site there is a 80 place Early Years Centre which comprises partial re-use and part new-build to provide an enhanced facility.

Whilst Area Metric allows for a Primary School of 6,006m<sup>2</sup> (924x6.5), it is proposed that the new Carolside Primary School GIFA will be circa 6,711 m<sup>2</sup>. The increased area supports enhanced community use and standardises school provision/facilities across the East Renfrewshire school estate.

External environment has included the provision of at least 924m<sup>2</sup> of external covered area to support a range of activities including social/dining and outdoor learning.

East Renfrewshire Council acknowledge that the LEIP3 cost metric will be utilised to fund Carolside Primary School if selected as part of the programme.

### Area per Pupil:

Primary Capacity (Pupils)	Internal Sqm/Pupil	External covered Sqm/Pupil
463+	6.5	1.0

### Cost per Square Metre

School Type	Cost Metric/sqm £	Base Index	
Primary (inc. co-located ELC)	4,200	333 (Q4 2019)	Base index based on All-in-TPI published on 10 <sup>th</sup> June 2022.

## // Section 3 | Terms & Conditions

### Internal Environmental Quality

Internal environmental quality analysis will be undertaken to assess and achieving thermal comfort and indoor air quality standards.

To assess performance against these requirements, dynamic thermal modelling in accordance with BB101: 2018 and CIBSE TM52 will be completed.

This will include optimising the design of the façade and modelling of the natural and mechanical (mixed mode) ventilation strategies to inform the building design and ventilation flow rates required to achieve compliant operative temperatures and indoor CO2 concentrations.

### Internal Monitoring

During the COVID-19 pandemic, the Scottish Government guidance required CO2 monitoring within the learning estate to ensure that good ventilation and air quality is provided. To improve and monitor this work, and allow local authorities to ensure the highest quality internal environment is delivered within their learning estate, the programme requires the installation of sensors in all internal habitable spaces to record the following for each Teaching Space:

- Internal Thermal Environment Performance
- Heat Energy Use
- Ventilation System Status

This would be achieved at Carolside Primary School by installing sensors in each Teaching Space linked to the Building Energy Management System (BEMS) providing a graphical output on the BMS Front End. This graphical output could be reviewed and integrated to record the performance of the internal teaching environment. The performance of each Teaching Space could also be monitored with the occupancy recorded by East Renfrewshire Council.

Within each Teaching Space, there will be a display indicator panel to confirm the internal performance during the occupied day. This will allow the Teaching Staff to have an element of control of the Teaching Space by the opening windows for example.



Typical BEMS Graphical Output



Teaching Display Indicator Panel

### Quality Agenda

East Renfrewshire Council will prepare and share their Quality Assurance and Management Plan for Carolside Primary School with the Scottish Futures Trust as part of the funding evidence.

Plan will be prepared during RIBA Stage 1 and will address all stages in the delivery process from project initiation through to post occupancy evaluation and will be kept up to date as the project progresses.

The Quality Plan will address and consider the following:

- Project Vision and Ethos for Quality
- Governance, Roles and Responsibilities
- Information Management and Technology
- Briefing & Procurement
- Design & Construction
- Commissioning and Handover
- In Operation
- Other Considerations

### Baseline Skillsets

East Renfrewshire Council will utilise the Baseline Skillset Toolkit at the outset of the project to determine and any resource gaps and to identify how these will be addressed to ensure the appropriate resources are in place for Carolside Primary School.

### Zero Emissions Heating

East Renfrewshire Council support the UK's Climate Change Committee and the Scottish Government's commitment to decarbonisation of heat to new and existing buildings in the public sector estate and confirm that fossil fuels will not be utilised as the primary heat source on the new Carolside Primary School.

It is currently proposed that Carolside Primary will be an all-electric school. This approach puts the school on a trajectory of ever improving carbon performance as the national grid becomes decarbonised over the next 25 years in tandem with on-site photovoltaics powering Air Source Heat Pumps.

### Electric Vehicle Charging

In line with the Scottish and UK Governments plans to phase out the sale of petrol and diesel cars in 2035, the Carolside Primary School project has proposed a provision of 5 (10%) EV Charging Points together with ducting to a further 20 (40%) spaces to facilitate future EV installation expansion.



## // Section 3 | Terms & Conditions

### Healthier Learning Environments

The new Carolside Primary School will be designed with a real focus on providing the best Learning Environment that promotes health, wellbeing and attainment.

Recognising lessons learnt from the Covid-19 pandemic the following measures have been incorporated within budget cost plan to minimise infection spread within the school.

**Specification** - all finishes and products have been specified to be robust, long lasting and easily cleaned. This favours materials such as low carbon resilient flooring (vinyl, rubber, timber) over carpet, and HPL finish to all doors, FF&E and toilet cubicles. Softer fabric-based materials will be required to provide absorption within the school but will be specified as cleanable and sited where there is less frequent contact.

**Touch Points** - wherever possible systems will be automated to minimise multiple user contact. An integrated Biophilic Design with Passivhaus Standards, utilising localised MVHR systems, optimises the internal environment (temperature, ventilation, daylighting etc.) which naturally requires less need for user control. Openable windows are not required to control the environment, but are provided to allow building users a sense of control which allows a significant reduction in the number of openable lights to limit touch points. Sensor taps have been proposed in all wet areas but careful consideration is required to assess the increased energy load of these taps on the overall operational energy. Desire for schools to be open and flexible means that we will seek to eliminate doors wherever possible

and/or use hold open devices and/or use automatic control doors at final entry and exit points to minimise barriers, obstructions and frequent touch points.

**Improved Hygiene** - An additional seven number hand washing/ sanitation stations points have been proposed at Carolside Primary School in addition to toilet areas. Stations have been evenly distributed around the building at key activity spaces including flexible break-out, sports hall and dining areas.



### Infrastructure Technology

East Renfrewshire Council will appoint a client-side Information Manager for Carolside Primary School to manage the specification, delivery and management of information throughout the project lifecycle utilising the SFT Standard Information Management Plan (SIMP v2).

The active deployment and adoption of BIM shall be undertaken by the design and contracting team to help deliver the project.

BIM activities shall be developed in accordance with the RIBA Workplan Stages and the associated deliverables in way of Level of Detail (LOD) and Level of Information (LOI), all as indicated and agreed within the BIM Execution Plan (BEP) to meet the SFT SIMP.

### Project Data

East Renfrewshire Council confirm that they will submit project data for Carolside Primary School to the 'Community Benchmark Database' at contract close and at the agreement of the final account.

Information will follow principles currently being provided for the Neilston Community Campus.

### Project Evaluation

East Renfrewshire Council support post occupancy reviews to capture lessons learned to inform current and future and decisions about their school estate.

To support the continuous improvement of existing and future investment programmes, East Renfrewshire Council will undertake the following for Carolside Primary School:

- Post Project Review (PPR) within 3 months of construction completion. The PPR will measure and evaluate the achievement of project success criteria at the point of handover and will focus on the process to reach that key milestone.
- Post Occupancy Evaluations (POEs) within 12-18 months after construction completion. The POE will measure and evaluate if the completed project has responded successfully to the project success criteria as defined at the project outset. The POE will focus on in-use outcomes and build on lessons learned through the PPR.

## // Section 4 | Funding Outcomes

East Renfrewshire Council are aware that Scottish Government (SG) funding will be available through the Outcomes Based Funding (OBF) model with funding released in line with evidencing achievement of the following agreed outcomes.

### Condition

East Renfrewshire Council will provide evidence, through their annual returns that the new Carolside Primary School is kept in condition A or B for a period of 25 years.

### Energy Efficiency

East Renfrewshire Council are proposing to utilise Passivhaus Certification to monitor and validate the design and construction to deliver an Operational Carbon performance of >67/kWh/sqm/p.a for core hours of 2,000 p.a. and core facilities is achieved at the new Carolside Primary School.

Evidence of the in-use energy will be provided at the end of year 2 to allow for an initial period to optimise systems and behaviours. Future figures will be provided in years 7, 12, 17 and 22 to validate ongoing performance and/or refinements required.

### Digitally Enabled Learning

The East Renfrewshire Council vision is that everyone will be given relevant, engaging and meaningful opportunities to develop their digital skills and capabilities in order to ensure that they have the necessary skills for learning, life and work.

Working with the utility infrastructure, and any restrictions, that surround the Carolside Primary School site, East Renfrewshire Council are committed to provide and evidence that the underlying digital infrastructure of the new school is capable of supporting 11Gbps and will extend to at least one point within every learning and teaching space throughout the facility.

### Economic Growth

East Renfrewshire Council (ERC) fully support job creation through their programme of investment in public buildings.

Utilising the CITB published benchmarks for how many new jobs should be supported from investment in the education sector, the new Carolside Primary School (budget between £40.1-50m) should support 15 jobs.

ERC will work with our Procurement Partner and their Supply Team, including Designers, Contractors, and Sub-contractors to realise and evidence that the minimum number of jobs has been provided, and exceeded. Measure will also include the provision of training places and that learner engagement is embedded in the design and construction process through site visits and work experience placements.

### Construction Embodied Carbon

East Renfrewshire Council (ERC) fully supply a Whole Life Carbon approach recognising that Embodied Carbon can account for as much as 70% of the total emissions over a building's lifecycle.

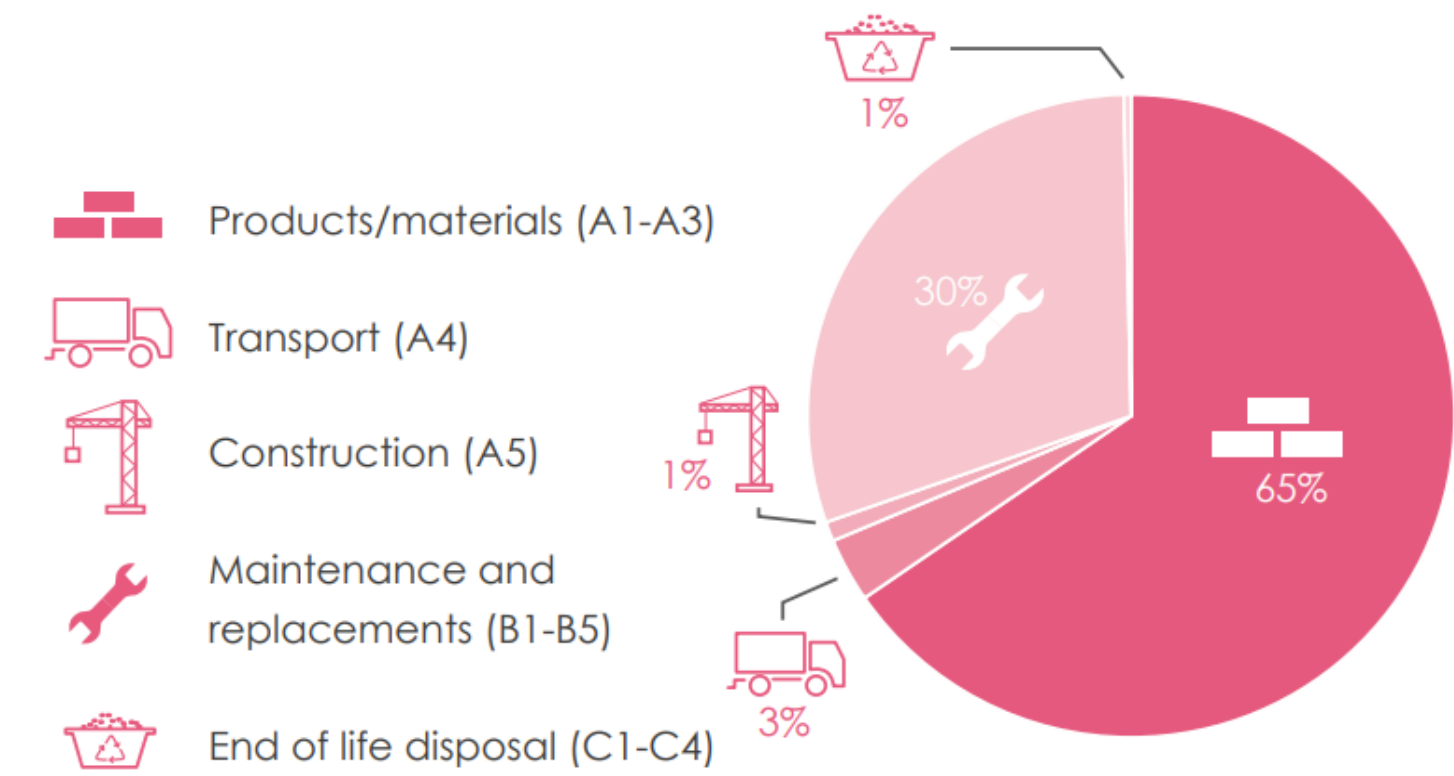
ERC are targeting an embodied carbon target of >600kgCO2e/m2 for Carolside Primary School core facilities. At the outset of the project a Net Zero Consultant will be appointed to work with the Design Team and the Contractor to set and monitor A1-A5 Embodied carbon targets. From experience, on similar scaled education projects, a typical split between A1-A5 would equate to:






A1-A3 : Products/Materials		
Substructure	95 kgCO2e/m2	[16%]
Superstructure	180 kgCO2e/m2	[30%]
Façade	95 kgCO2e/m2	[16%]
Internal Finishes	125 kgCO2e/m2	[21%]
MEP	80 kgCO2e/m2	[13%]

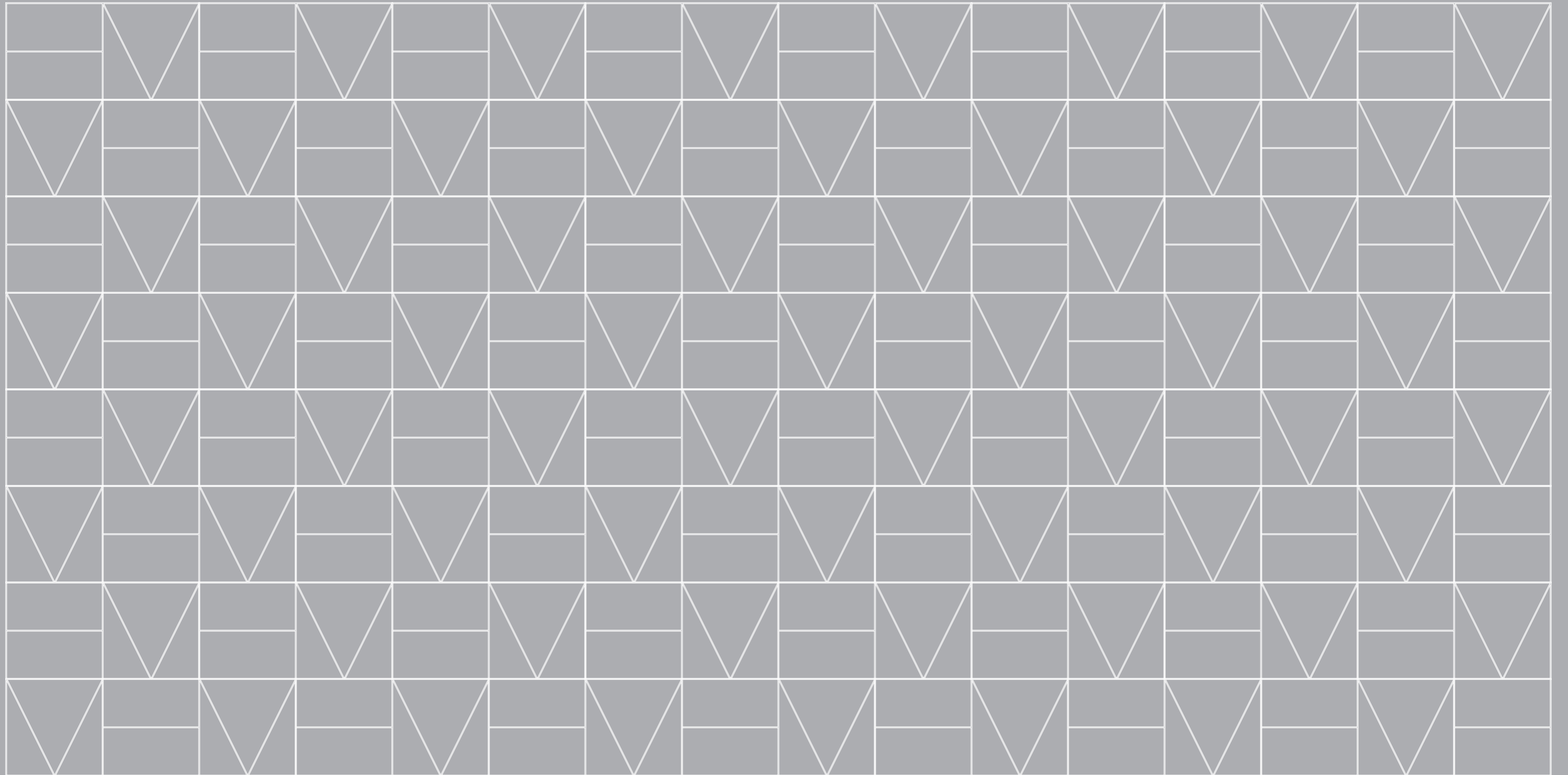
A4 : Transport of materials and products to site		
	18 kgCO2e/m2	[3%]

A5 : Construction site operations		
	6 kgCO2e/m2	[1%]

Utilising software such as One Click LCA an embodied carbon model will be developed and tracked throughout the projects development and construction to confirm the final Embodied Carbon figure for the built school. This output together with evidence gathered on all material, product, transport and contractor activity will be provided to validate the funding.



-  Products/materials (A1-A3)
-  Transport (A4)
-  Construction (A5)
-  Maintenance and replacements (B1-B5)
-  End of life disposal (C1-C4)



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Learning Estate Investment Programme: Phase 3  
East Renfrewshire Council Submission  
Cross Arthurlie Primary School: Condition



Everyone Attaining, Everyone Achieving, Through Excellent Experiences



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## Cross Arthurlie Primary School and Nursery Class: Replacement School: New Build Proposal: Condition

### Background: Cross Arthurlie Primary School

1. This submission by East Renfrewshire Council is for capital funding on the basis of school condition, to allow the replacement of the condition C evaluated Cross Arthurlie Primary School replacing it with a state of the art contemporary learning facility fit for the purposes of 21<sup>st</sup> century education, ensuring excellent experiences for children and young people, staff, parents/carers and the wider Barrhead community.
2. Cross Arthurlie Primary School is a 2-stream non-denominational primary school located in the Barrhead area of East Renfrewshire Council. The school's catchment area is diverse with residential properties regarded as being some of the least and most affluent in Scotland, as measured by Scottish Index of Multiple Deprivation (SIMD). The school was initially built in 1966, is in condition C status and has been regarded as such since 2020. The school is located on a challenging site in the heart of a residential area, with a significant change in height from north to south and east to west. The site is further complicated as a large proportion of the site is not developable due to the site topology on the western half, where the school meets the foot of the Fereneze and Gleniffer braes. The school's catchment area is small in geographical size and is a heavily populated area of residential properties with no alternative locations to site a school. Given the location of the school, there are difficulties regarding vehicular access at busy points in the day. Moreover there are no all-weather outdoor facilities available to the school and very few within the area which can be used by the wider community, as well as very limited outdoor covered space. The secondary associated with the school, Barrhead High School, has outdoor weather facilities which are in extremely high demand.
3. Recently a new nursery class has been create at the school to support the implementation of the increase in provision of early learning and childcare to 1140 hours; proposals for the new school ensure the ongoing and future use of the facility is not affected. Given the topology of the site and with 1960s design of the school, there are several changes in floor plates which make the school extremely difficult for service users with a physical disability to access all areas. The school has multiple entrance points but few of these are compliant with the Disability Discrimination Act, including an inability to access the school via the front entrance as a consequence of multiple steep stairs. The various components of the school are accessible only via stairs and so to accommodate any child or adult with a physical disability would require physical altering of the building or a change of approach by service users.
4. Given demands on school places in other schools in the surrounding area, there is no opportunity for the decanting of pupils to an alternative school whilst any proposed building works take place. The impact on current learners is as important to the Council as the positive impact on future learners which a new school building provides.



## Proposal: Replacement of Cross Arthurlie Primary School

### Vision

- The strategic objective for Cross Arthurlie Primary School is to replace the current condition C facility with a state of the art school building fit for 21st century learning. Delivering on this intent aligns with East Renfrewshire’s corporate and community objectives and the policies of the Education Department, in addition to the jointly developed Scottish Government and Local Authority School Estate Strategy, with commitment to improve the learning estate.
- The feasibility study/options appraisal for the school site demonstrates that despite the location’s challenging topology there is scope to replace the school on the current site without the need to decant children and young people in attendance to alternative schools. It shows that there is scope to provide an excellent school facility as well as outdoor sports and recreation facilities which will help realise synergies for education and benefit to the community.



- The anticipated outcomes from the replacement of the school include enhanced excellent learning experiences for all service users which leads to improved levels of attainment and closing of equity gaps; increased opportunities for learners to develop learning and skills in more varied contexts with a focus on outdoor learning; access to appropriate outdoor sporting facilities (all-weather Multi-Use Games Area (MUGA)) which will also meet the demands of the wider community; and an energy efficient Passivhaus accredited building which is accessible to all.



- The school building and its outside areas will be designed to encourage wider community use where it is expected that the facilities will be utilised extensively out of school operational hours and school holiday periods. It is anticipated that the Council’s close working with out of school care organisations who use the school estate to provide their services to support local communities, will be further extended through similar provision in a new Cross Arthurlie Primary School.



- The ambition for East Renfrewshire’s learning estate is an inclusive one, with educational facilities being at the heart of the community. High quality environments which facilitate excellent experiences for all learners and the wider community, supporting the development of skills for learning, life and work. East Renfrewshire’s educational estate should provide optimum conditions for all service users to thrive. The proposed new school should contribute effectively to: the aspirations, principles and objectives of Scotland’s Learning Estate Strategy: Connecting People, Places and Learning; the achievement of the Council’s corporate and community objectives; and the policies of the Education Department, which are exemplified in the department’s vision of Everyone Attaining, Everyone Achieving through Excellent Experiences<sup>1</sup>.

The intent is to seek investment to continually improve East Renfrewshire’s learning estate both physically and digitally.

10. The Education Department's vision for Cross Arthurlie Primary School is of a modern inclusive facility which not only meets the needs of learners in 21st century Scotland but which also contributes to the wider Barrhead and surrounding community by providing resources accessible to all. The vision



includes the development of a physical building which is central to modern inclusive pedagogical approaches, which provides the optimum conditions for excellent joined up learning and teaching in all academic and skills based curriculums, with outdoor learning at the heart. The school should be flexible to change over time to adjust to future educational demands as evidenced by the current national discussion on education<sup>ii</sup>; the new school will educate children who will be in the workplace for many decades to come and so it is essential that the facility supports learners' development in the four capacities. As is the case with all East Renfrewshire schools, the vision for a new Cross Arthurlie is with

digital technology at the heart of all learning and teaching. East Renfrewshire's early learning and childcare establishments and schools are provided with the most up to date technological devices to support the aspirations of the Council's STEM and Digital Teaching and Learning<sup>iii</sup> strategies, including: robotics; digital interactive boards in all learning and teaching spaces; Virtual Reality headsets; and Green Screen room technology. However in order to ensure that the new school is able to access and utilise technology it must have appropriate digital connectivity and infrastructure, not only for now but also for future generations. This aspiration aligns with Council's Digital Transformation Strategy for 2021-2024<sup>iv</sup>.



11. The Council has recently undertaken a pilot traffic reduction project at Giffnock Primary School which limited the time when vehicles could access the streets adjacent to the school in order to reduce vehicle emissions and to increase the number of children who use active travel to make their way to and from school each day. The results of the pilot were very positive. It is the department's vision that the development of a new school at Cross Arthurlie provides an ideal opportunity for a similar approach to be introduced around the vicinity of the school to support learners, staff and parents to utilise active forms of travel such as walking, cycling and wheeling.

12. As noted previously, the schools topography is challenging. Outdoor useable space is limited and space which is available is almost all concrete based; the school and nursery class is to be commended for the significant and varied outdoor activities already provided to learners in such a location. There is currently no outdoor all weather facilities for school users as well as the wider community. The vision for Cross Arthurlie Primary School is of all-weather facilities such as a Multi-Use Games Area and covered outdoor spaces, which will improve the experiences of learners and which will be accessible to a community where such resources are scarce. There will naturally be a significant focus on outdoor spaces and learning, exercise and play for children of all ages, providing invaluable experiences whilst improving the health and wellbeing of our residents.



13. Furthermore with a new modern school building with innovative resources there are further opportunities for the wider community to access resources not currently available to other groups such as amateur dramatics, the arts and senior members. Ultimately access to such a resource will provide a driver for community cohesion by providing a facility for all generations to be able to engage and support one another improving the life chances for all, supporting the work of the Council, school and other internal and external agencies to reduce any gaps in education or opportunity and will



provide the resource to improve the health and wellbeing of the wider community. The close working of the Education and Property and Technical departments and the East Renfrewshire Council Leisure Trust will ensure that the new facility would be utilised effectively and efficiently to provide wider experiences to all of the community, supported and arranged by such entities as Active Schools Co-ordinators, BookBug and local librarians, early years staff and other external groups; the new MUGA at the school would support the trust with its objectives detailed in the playing pitch strategy and action plan<sup>v</sup>.

14. All East Renfrewshire Schools have excellent cluster and partnership working locally and beyond. The new facility would support the collaborative working of the school, its community of early years and primary schools as well as the secondary of Barrhead High School. The digital technologies which will be provided in the new school will facilitate wider digital collaboration with between learner and staff locally, nationally and internationally.



15. As is detailed later in this proposal, East Renfrewshire Council is committed to ensuring the best possible learning estate for all of its service users with significant capital and revenue commitments to the estate, but also ensuring appropriate resources are available to support learning and teaching. The Education and Environment departments work hand-in-hand to ensure all of the Council's education estate is well managed and maintained; this is essential given the very high occupancy rates of our establishments and to ensure the continuation of the excellent experiences and outcomes which East Renfrewshire has become known for. The Council ensures that the condition and suitability of our learning environments support and enhance their function.

16. East Renfrewshire has approved the development of a new Climate Change Strategy and Action Plan; and has set a target to be 'carbon neutral' by 2040, 5 years earlier than the Scottish Government target of 2045. The learning estate is the largest asset base that the Council owns and addressing energy efficiency of schools and early years facilities will be a significant contributor. The outcomes based approach related to LEIP revenue funding support includes challenging targets for energy efficiency, and taking part in the LEIP programme to renew old schools will be a key enabler to delivering East Renfrewshire's ambition to be 'carbon neutral' by 2040. The vision for Cross Arthurlie is of a school which operates in an energy efficient way in accordance with Passivhaus accredited design and Net Zero Public Sector Buildings Standards and in compliance with the requirements for LEIP 3 phase funding over an extended period of a minimum of 25 years. It is envisaged that a new school would support other departments of the Council on their journey to net carbon zero also. For example, the Council as part of its action plan and wider national guidance is working towards realising significant change in the use of light and heavy good vehicles. East Renfrewshire Council is relatively small in scale and there is limited capital and physical capacity available for such wider

projects at this time, albeit further national capital funding may become available. With this proposed development there is clearly an opportunity for future electrical charging vehicles to use charging points being implemented at the school. Discussions regarding this dual use of a new facility have already taken place with the Senior Officers Working group for Net Carbon Zero and within the Council’s Corporate Asset Management Group.



17. Finally, the overall vision for a new Cross Arthurlie Primary School is one which meets the needs of the community which it serves; in order to ensure that this is the case the local community must be at the heart of the development of the new facility.

18. Consultation has always been high on the agenda for East Renfrewshire Council and in taking forward education projects there is a belief that innovative design and change is better informed by experience. This includes improving on past projects through the evaluation process and aspiring to



add value on previous best practice. Consultation is of utmost importance in understanding needs of all users and interested parties, addressing any concerns, managing expectations, and ultimately delivering the best solution for all those concerned.

19. The design stage of the project will be an extensive exercise to provide a thorough understanding of the specific requirements for all the users of the facilities. Groups of children and young people, staff, parents, partners and community users will all be involved in informing the design of the new facilities. It will comprise of workshops to explore vision, values and ideas; charrettes to discuss and develop concept for campus

designs; and presentation and exhibition to review the preferred design. The authority considers consultation to be an on-going process to inform the ‘best fit’ solution and consultation will continue as the project progresses through to the construction period, for example consulting with finer details such as with pupils on outdoor learning and play facilities, colour schemes, furnishings, etc. utilising a participatory budgeting approach throughout.

Readiness to deliver

20. The Council is acutely aware of the link between educational outcomes and a high quality learning estate with regards to condition and suitability. Consequently, the Council has continued to highlight the need for a replacement Cross Arthurlie Primary School through its various reporting mechanisms such as the Council’s Capital Investment Strategy. From experience, the Council is aware that to be able to apply for funding through the LEIP programme, the Council must be in a state of readiness.

21. In early February 2021, the Directors of Education and Environment agreed to ask HubWest Scotland to assist the costing and feasibility of options for the renewal/refurbishment of Cross Arthurlie Primary

School to address condition and suitability grade C rating. The Education Department provided the vision for Cross Arthurlie and outlined options for this exercise at that time; HubWest was engaged to provide an options appraisal for the site. The refurbished/renewed schools would need to address the LEIP measured outcomes, as defined at the time, as well as adhere to relevant statutory / national guidance on education physical environments.

22. The initial options appraisal for the school site is contained in Appendix A. This details the four requested options for the school:
- a. new school;
  - b. refurbished and remodeled school;
  - c. refurbished, remodeled and extended school; and
  - d. refurbished, remodeled and extended school with a gym hall.



23. The Education Department considered the options and through dialogue with colleagues in the Environment Department it was determined that option A, a new build school on the current site, was the preferred option. Given the extent of works required at the school, it was advised that any benefits, such as embodied carbon savings) from a refurbishment to the school would not significantly outweigh a new build option. Furthermore the schools current layout is not one which is optimum for educational purposes.

24. Following the publication of the LEIP 3 programme of funding in July 2022, the Council re-engaged HubWest to request an updated costing profile for the preferred option on account of the new additional funding outcomes for this phase, extended terms and conditions and the current market conditions. This new costing proposal which addresses the previous and additional criteria is provided in Appendix B.
25. Consequently, the Council is seeking Phase 3 capital funding to support the projected construction capital costs of £31.2 million pounds and additional projected costs of £2.7million associated with the project for such areas as IT and furniture, fixtures and equipment, totaling £33.9million.
26. At a meeting of the Council on 26 October 2022, the Council committed politically and financially to the proposal which will now be included in the Council's 10-year Capital Plan for 2023/24 and beyond, financially committing the Council to the project. The project is ready to proceed on the basis that an equivalent revenue funding stream covering 50% (in accordance with LEIP metrics) of the investment in the new school facilities will be made available from the Scottish Government which will improve learning and wellbeing and support sustainable and inclusive economic growth.
27. East Renfrewshire Council agrees to implement the LEIP metrics, Terms and Conditions and Funding Outcomes as updated in June 2022, within the LEIP3 project. The initial feasibility study and cost estimate for our chosen project was updated from March 22 to September 22 to include all of the updated requirements. The construction of Neilston Learning Campus which was successful in its bid for Phase 1 LEIP funding, commenced in June 2022 and is making good progress on site; it incorporates all of the requirements of the LEIP1 funding round as outlined in the presentation attached as appendix C. This presentation was delivered during the pre-construction meeting held with East Renfrewshire Council, the design team and project managers, Scottish Government and

Scottish Futures Trust, at which the entirety of the planned project was considered including ensuring a quality project in terms of briefing, design and construction, the Council's plans to maintain the condition of the building throughout its life (see also education estate strategy) and the Council's readiness to deliver on the project.

28. Achieving a quality project outcome starts with the project vision, strategic outcomes and objectives which are embodied within the project brief and will be prominent in the selection criteria for the design team and contractor. East Renfrewshire Council will prepare and share their Quality Assurance and Management Plan for our chosen project with the Scottish Futures Trust as part of the funding evidence. The plan will be prepared during Royal Institute of British Architects (RIBA) Stage 1 methodology and will address all stages in the delivery process from project initiation through to post occupancy evaluation. East Renfrewshire Council has evidenced its approach to quality management through our LEIP1 project, Neilston Learning Campus, where there are two clerk of works, one for structure and one for mechanical and electrical installations, along with an independent specialist commissioning consultant and a retained architect as design champion. Our approach to quality planning is further evidenced within the slides as attached at appendix C.
29. East Renfrewshire Council is aware that the Scottish Government's funding model is on an outcomes based approach. Our commitment is to retain the schools condition within the set parameters of condition A or B, by setting aside an appropriate annual budget specifically for repair and maintenance. This will be aligned to the whole life costing exercise and a planned preventative maintenance plan enabled and assisted by our proposed Building Information Modelling (Standard Information Management Plan v2) information management processes which will be embedded within our property team. An annual report on condition will be presented to our Corporate Asset Management Group for oversight and governance.
30. The initial feasibility study dated March 2022 attached as appendix A demonstrates our intention to progress with a phased tandem build adjacent to the existing school. The updated options appraisal (appendix B) focusses on inclusion of the Scottish Futures Trust June 22 additional criteria and updates the costs for only our preferred option namely Option A. From the feasibility study it can be seen that the initial concept has been established, appropriately costed and approved with programme and risks investigated appropriately for this stage. However, it is our intention to refine our requirements, develop the design and incorporate the lessons learned from previous projects. Programmes have been developed that set occupation at August 2026 and August 2027 for costing purposes. We believe we will be able to meet the August 2026 date should funding be confirmed in January 2023. In terms of key risks, the site is in Council ownership and although planning and roads consents have not been progressed at this stage, the use is established and the site is capable of accommodating our proposed development. Initial limited site investigation work has been carried out and utility services are available. An appropriate procurement strategy will be developed for the construction contract that responds to the market conditions at the time. However, our current costings assume a level of inflation and a procurement method for the purposes of council approval.



31. East Renfrewshire Council has a proven track record of development, and shows that each project evolves from the previous project with an aspiration for betterment with each new facility. East Renfrewshire Council promotes engagement with stakeholders and can evidence that stakeholders' requirements are met. East Renfrewshire Council has a strong management and delivery team who work well in tandem to deliver each new campus. A variety of lessons have been

learned across the following areas:

- Authority Construction Requirements (ACR) - it is our intention to revise our ACR document to make changes in some areas, these changes will be implemented during design development. This will involve recent learning around monitoring of internal air, roof and gutter design, external landscape etc. along with inclusion of LEIP3 requirement;
  - Internal stakeholder engagement – Although East Renfrewshire Council has engaged well with external stakeholders, and our projects have benefited greatly from this interaction, there is scope to improve our consultation and engagement with internal Council stakeholders/departments, for example we may be able to modify our external grounds design to ensure maintenance aligns with current approaches, whilst not compromising on the enhanced outdoor learning experiences which East Renfrewshire developments have been renowned for. We have made great progress with Building Information Modelling (BIM), and are piloting Standard Information Management Plan (SIMP) v2 on behalf of Scottish Futures Trust; use of the outcome is being embedded within our property team and ongoing engagement is required.
  - We will give consideration to procuring specialist design input at an earlier stage for example include sprinklers system pre-tender.
32. The Council has a record of delivering efficient school designs, making buildings work hard and delivering inspirational settings for learners to achieve their very best and the community to engage and use. East Renfrewshire has always, and continues, to welcome the ongoing opportunity to work collaboratively with Scottish Government, Scottish Futures Trust and other local authorities to share learning from previous and current LEIP projects. The Council has experience of delivering new school estate within the previous Pathfinder Project of the Schools Investment Programme, and worked closely with Midlothian Council to develop Eastwood High School and Lasswade High School in Midlothian. Furthermore the Council has worked collaboratively with many councils over the years in the development of new educational facilities so as to share learning and to be better informed of innovative approaches which will support our learners.

### East Renfrewshire Council: Learning Estate Strategy

33. The following sections provide details of the Council's wider education estate vision, strategy and desired outcomes and objectives. The ambition for East Renfrewshire's learning estate is that the physical environment is fully inclusive for all learners and supports communities to thrive. The council's estate should support and facilitate excellent joined up learning and teaching for all learners, with new school designs incorporating open multifunctional spaces which support integrated approaches, enhancing inclusion and supporting transitions between stages and sectors. The estate should contribute effectively to the national aspirations as defined within Scotland's Learning Estate Strategy Connecting Places People and Learning<sup>vi</sup>, and more recently the objectives defined within the Net Zero Public Sector Standards and the more specific LEIP Phase 3 expectations.
34. The wellbeing for all learners and staff is paramount and the educational estate is key in providing optimum conditions for all to excel. The use of materials which are easy-clean and well-designed leading to less likelihood of the spread of infections is a core consideration within the Council's strategy. Furthermore the Council' strategy includes investment in smart technologies across the entirety of the education estate to allow the monitoring of CO2 and heat conditions through the use of intelligent sensors aligned with automatic window opening actuators, to ensure optimum conditions for learning and teaching. The Council's approach to this allows on going real time data gathering analysis using the Internet of Things technology.
35. Maximising opportunities for outdoor learning is a key objective for the learning estate with many developments in this area in recent times, most obviously with new school developments. Most recently the development of directly accessible outdoor learning space at Uplawmoor Primary School, funded from developer contributions, facilitates easy outdoor access, allows pupil to lead their learning and supports playful pedagogy. Furthermore, the Council has invested almost £2m on a new sports




facility consisting of running track and all weather sports pitch at Mearns Castle High School to support the delivery of the curriculum given the increasing school roll, and to address somewhat the condition and suitability of the school's sporting resources. The Council strategy is focusing on opportunities to reduce vehicular traffic around school estates and has recently piloted street closures around schools at peak times. These approaches ensure that the learning environment is greener, more sustainable, and allows safe and accessible routes for walking, cycling and wheeling.


36. The Council's vision is to be a 'modern, ambitious Council, creating a fairer future with all' with the ultimate goal to 'make people's lives better'. The Council has a clear strategy consisting of 5 outcomes to local residents, two of which are: *All children in East Renfrewshire experience a stable and secure childhood and succeed*; and *East Renfrewshire residents are healthy and active and have the skills for learning, life and work*. In order to attain these objectives the Council has identified 5 capabilities which align with the aspirations of Scotland's Learning Estate Strategy in Prevention, Empowering Communities, Data, Modernisation and Digital.


37. East Renfrewshire Council is renowned for the excellent educational experiences and outcomes which it supports our children and young people to achieve. The Council has a clear and relentless focus on closing the poverty related attainment gap whilst raising the bar for all learners and the Council sees the educational estate as being central to these objectives, by working towards providing modern fit for purpose learning environments for the 21st century which lead to improved learning outcomes and sustainable and inclusive economic growth.


38. Within this context the Education Department's vision is supported by providing quality educational environments that are also designed with and available to residents, to help enrich the communities they serve and the lives of learners and families. The Council recognises that a quality built environment, internal and external, based on an inclusive learning estate at the heart of the community signals the value it places on learning from early years through school and beyond, and the experiences of all who use the facilities for personal development and to support economic growth. Internal and external partners make good use of the school estate, serving the wider community and supporting delivery of other public services in line with the place principle.

- 100% of ELC establishments and Primary School have achieved Family Friendly Status at Bronze level


- 100% of ELC establishments and 61% of primary schools have achieved Family Centred Status at Silver level (up from 52% in 2019)


- Two ELC establishments maintained accreditation as Family Focused at Gold level


- One Primary school has achieved Gold Family Focused Status.



39. The Council's Local Development Plans<sup>vii</sup> (LDP1 & LDP2) are the Council's key strategic land use planning documents, which with our Capital Investment Strategy<sup>viii</sup> and associated capital plans<sup>ix</sup> directly supports East Renfrewshire's Community Plan<sup>x</sup> and the Council's corporate plan entitled, Vision for the Future<sup>xi</sup>.

40. The Chief Executive's report to Council in December 2019, Influencing the Future of East Renfrewshire, included key area 4 about funding investment in school buildings to address condition and suitability:

*'The Council needs to improve the following schools building, given their current poor condition (and suitability):*

- *Carolside Primary school, Clarkston*
- *Cross Arthurlie Primary School*
- *Woodfarm High School (original building)*
- *Mearns Castle High School (original building)*

*It is recognised that these schools are currently the most in need of major new build replacement/refurbishment. There is also the intent to replace/renew other school buildings in the future to ensure all our young people learn in fit for purpose physical environments, with decisions based on ensuring condition (and suitability) ratings of C or below are prioritised. This need will be reflected in future Capital Investment Strategies.'*

41. More recently, the Council re-iterated its intention to address the condition of the primary schools it regards as being highest priority as a consequence of their condition, in the Capital Investment Strategy in March 2022:

*'Carolside and Cross Arthurlie are currently the primary school buildings with the highest priority where their suitability and condition are in need of investment. The Council is intent on addressing these priorities as soon as it is able to do so and is currently progressing feasibility and options appraisal studies for the redevelopment of both schools so that the Council is well placed to submit further submissions for the third phase of the Learning Estate Improvement Programme when this funding contribution is announced by the Scottish Government and local financial conditions permit. As noted, the Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments.'*



42. The Council's Corporate Asset Management Group of Senior Officers is responsible for oversight of all Council assets and the strategies associated to them. The educational estate is a strategic priority for the group, ensuring the optimum condition and suitability of all educational establishments is maintained and championing the cause of education for capital investment.

## Investment in New Early Learning and Childcare and School Estate

### School Condition

43. Given the considerable investment to meet demand for places, to date East Renfrewshire has perhaps not had the same opportunity as in other councils to modernise and refurbish existing school buildings, albeit investment to increase places also improves the condition and suitability of those schools and early years centres. The need to ensure that all educational buildings are 'fit for purpose' is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all.



44. More recently the Council's focus has diverged to take greater consideration of the condition of the school estate; there is a real intent to improve the condition of our most poorly rated establishments and to increase the number of learners who are educated in condition A buildings. Within the Council's Capital Investment Strategy, the Education Department identifies schools of most concern with regards to their current condition and need for replacement/refurbishment, thus ensuring that the school estate is at the heart of all considerations regarding capital investment. Recently the Council has undertaken major school refurbishment projects. Barrhead and Eastwood high schools and Crookfur primary schools have benefited from new build replacements with support investment released by the Scottish Government to improve the condition of schools. These schools were in the worst condition at that time.

45. In July 2022, on-site work commenced at Neilston Primary School to develop a new Learning and Leisure Campus approach in the village of Neilston which will not only address the replacement of condition C rated Neilston Primary School, but will also bring condition C rated St Thomas' Primary School and Madras Family Centre together in the one modern learning estate, fit for the 21<sup>st</sup> century. The



The new school is being built in accordance with all conditions set for LEIP phase 1 and will be an energy efficient building in keeping with LEIP 1 conditions and criteria.

From the outset all stakeholders were consulted in the development of the new campus, including a full public consultation on the campus approach, and will continue to be consulted as the project progresses to ensure their needs and

experiences are considered, and that they are involved in the decision making processes, leading to better outcomes for all. The wider regeneration of the village of Neilston is being developed with a planned new leisure facility and library with all being at the heart of the community.

46. The Neilston development was possible following a successful bid to Scottish Future Trust in Phase 1 of the Learning Estate Improvement Programme. Despite the impact of Covid the new campus will be built within the planned capital budget with an expected completion of October 2023.

### School Capacity & Sufficiency of School Places

47. East Renfrewshire Council ensures that it manages its school estate effectively to ensure that facilities are well maintained, managed and make best use of existing resources, maximizing occupancy levels and ensuring flexibility of use by the establishment and wider community; in East Renfrewshire we make our school buildings work hard for their communities ensuring best value. East Renfrewshire facilities are widely used and accessible to other internal and external partners such as the Council's Leisure Trust and external organisations such as the NHS and childcare groups, allowing greater support and opportunity for our communities, in their community.

48. Across East Renfrewshire Council 75% of educational establishments in the primary and secondary sectors are operating at in excess of 75% of school capacity with 31% operating at in excess of 90% of school planning capacity. The number of East Renfrewshire resident pupils has risen by 15% from 2011 to 2021; and based on the National Records of Scotland projections the school age population within East Renfrewshire is expected to continue grow in coming years which is contrary to the national expectation. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing is in part facilitating this increase; however pupil numbers are also increasing in more established residential areas with families attracted by the education and the local environment.

49. Providing sufficient pupil places for East Renfrewshire residents has accorded high priority over recent years and is continuously under close monitoring and review with close partnership working between the Education Department and the Council's Planning Department. Ensuring the sufficiency of school places, in the main, has historically been the driver for change in the school estate since the inception of the Council.



50. It is evident with new schools and extended provision that the educational estate has been developed to date to ensure there is sufficient school capacity in accordance with residential developments within East Renfrewshire's current and previous Local Plans. The new Maidenhill Primary School and Nursery Class (£15.3m) was planned as part of the infrastructure requirement of Local Development Plan (LDP1) and opened in August 2019. The school was purpose built to accommodate the projected

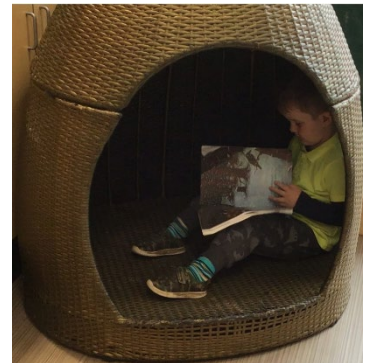


number of new pupils from residential areas developed as part of a masterplan, with the school's roll continually increasing over the years as new properties have developed. East Renfrewshire Council's new educational estate developments are highly acclaimed for quality, innovation and supporting excellent learning experiences, winning the Architectural Excellence Award for Public Use award as well as Scotland's national architecture awards by the Royal Incorporation of Architects in Scotland (RIAS).

51. Likewise St Clare's Primary School opened in August 2017 as part of the faith schools' joint campus also comprising a new build replacement for Calderwood Lodge Primary School and Nursery Class (£17.3m). St Claire's Primary School was developed in order to accommodate new children taking up residence in LDP1 masterplan area and in order to reduce the increasing capacity pressures on other denominational schools.

52. The Council has also increased school capacities to cope with the increasing school age population in other schools such as a £2.2m investment at St Ninian's High School to accommodate an increase in pupils as a consequence of the implementation of a new school admissions policy. Furthermore through the Council's Capital Investment Strategy other schools have been prioritised and planned for extension to ensure sufficiency of school places.

53. The increase in East Renfrewshire pupil numbers at primary and secondary schools has also been experienced at nursery, where the number of 3 and 4 year olds in East Renfrewshire attending Council and funded (partnership) provider early learning and childcare facilities over the past 10 years, has increased by 20%. The Council has invested to meet this need opening in 2017 a larger new build replacement for Arthurlie Family Centre.



54. East Renfrewshire's ambitious plans to build new and extend some existing early year's establishments in readiness for the introduction of 1140 hours by August 2020 were fulfilled with all establishments being opened as planned. East Renfrewshire Council was one of a few councils which managed to open its establishments in 2020, regardless of the extension to the implementation of 1140 hours as a consequence of Covid. In total 8 new/replacement/extended facilities were created across the Council with enhancements at further establishments.



55. A funding package of investment by the Council of some £25.4m, supplemented by Scottish Government capital contribution of £12.27m, was provided towards the expansion. This financial commitment to the introduction of 1140 hours across East Renfrewshire by the Council, further demonstrates the Council's commitment to education and the education estate.

## Council Commitment to the Education Estate: Current Capital Provision

56. The Council's General Capital Plan allows for planned capital works to take place over a ten year period and is an indicator of the priority of the school estate for the Council and that the learning estate is being well-managed and maintained, that the Council is making the best use of existing resources, is maximising occupancy and representing and delivering best value. Furthermore such a focus and investment in the estate demonstrates the council's desire to ensure that the condition and suitability of learning environments support and enhance their function.

	2021-22 to 2020-31 General Capital Plan (includes previous years spend for Maidenhill and ELC)
ELC Expansion	£25.4m
Maidenhill PS & NC	£22m
St Ninian's Extension	£2.5m
Learning & Leisure in Neilston	£30m
Major Estate Maintenance	£9.5m
Improving Learning	£2m
Crookfur PS Extension	£2.3
Mearns Castle HS Sports Facility	£1.9m
Other Education Capital Plans	£1.2m
	£96.8m

Table 1

57. As consequence of the impact of Covid the Council has committed £3.7m pounds to ventilation works. A significant proportion of this will be dedicated to the education estate, providing additional mechanical ventilation or implementing actions to increase natural ventilation. The Council's approach to the monitoring of air quality and temperature of learning spaces has been highlighted by Capita as one of the most innovative and comprehensive in the country.
58. In addition to capital investment, each year revenue provision of £1.3m is made for general repairs and maintenance of the education estate, together with total annual revenue payments of almost £15m in respect of the provision and maintenance of our 7 PFI/PPP/hub funded schools

## Emerging Council Priorities for the Education Estate (Outwith Current Capital Plan)

59. The Education Department and colleagues from the Council's Environment departments work closely to monitor condition and suitability of the education estate to identify schools for development as well as ongoing residential property developments (housing land supply audit) and the pupil product ratio from these, to project new pupil intake and to allow planning for sufficiency of places.
60. Given high occupancy of many existing schools in East Renfrewshire, we need to build new provision to meet population growth related to inward migration and new residential development in accordance with the LDP process.
61. Any new residential development will require significant new education infrastructure and the Council owns little land in the areas where school capacity is most pressurised. For example, the scale of proposed residential developments contained in the LDP2 proposals (and projected pupil product from these) could not have been accommodated within the current educational estate capacity. Should the initial proposals in LDP2 have gone ahead, there would have been the need for 2 new primary schools and a new secondary school to accommodate projected children from these properties, and the required land would have required to be acquired. The extent of developer contributions alone from the proposed LDP would not have been sufficient to meet the costs of such new educational estate and so the Council would welcome any future new schools investment programme as a means to help augment resources; this will be invaluable when taking forward

infrastructure to meet demands from population growth associated with any plans for Local Development Plan 3.

62. The Council has plans within its estate planning strategy for further extensions and remodeling of educational establishments to increase the sufficiency of school places.
63. Having undertaken a full assessment of the demand for Gaelic Medium Education within East Renfrewshire Council, and determining the demand for such provision exists, the Council is currently undertaking a full public consultation on the location of this provision. It is proposed that this service will be located at Thornliebank Primary School. The Council is working with colleagues at the Scottish Government's Gaelic and Scots Team of the Learning Directorate in order to progress plans to submit a request for capital in order to ready the school estate for this new school. The Council is the first in Scotland to consult on the location of GMPE and is working to tight timescales with colleagues in the Council's property and technical department in order to ensure the school is in place for August 2023.



64. In accordance with the Education Scotland Act 1980, parents/carers of children aged 4 when their child is due to commence primary education, have the right to defer their child's commencement of primary school education for one more year. Currently, parents/carers of children who do not become 5 years of age until January or February are entitled to another year of fully funded early learning and childcare; for those born between August and December, parents/carers can request another fully funded year of early learning and childcare, however where this is not approved, parents/carers are required to meet the cost of the additional year. As a consequence of changes to legislation coming into effect from August 2023, parents/carers of children who are four years of age when commencing primary school will be entitled to a fully funded year of early learning and childcare, regardless of when the child is due to become 5 years of age. The Council has identified concerns over its ability to meet the expected additional demand for places in the Barrhead and Lavern Valley and is progressing with plans to repurpose areas of an existing school, St John's Primary School, (areas currently used by Education Department staff), to become an early learning and childcare establishment. This will be primarily funded via developer contributions gathered from new residential property developments but will also require part funding by the Council. The repurposing of the school building has become possible as a consequence of changes to the way Education Department staff work and subsequent rationalisation and more efficient and effective use of school and wider council estate.

65. Half of the Council's education estate is currently regarded as being in B (14 establishments) or C condition (2 establishments). It will be vital for the Council to make the most effective use of the annual school capital and revenue maintenance budgets in order to maintain these condition levels. Many of these schools have been in B condition for some time and with some being circa 50 years old, these are the most likely to enter C condition. Consequently the Council would welcome future investment in the school estate with regards to improving school conditions and ensuring that as many children as possible are educated in buildings fit for purpose.

66. In October 2021, the Council declared a climate emergency and consequently a strategy and action plan to address the Council's climate change ambitions is being finalised. The education estate makes up a significant part of Council buildings and will be at the centre of plans to reduce carbon use and support the Council's objectives of net carbon zero by 2040. This submission for the development of a new school building for Cross Arthurlie Primary School will help drive the Council's ambitions in this area by means of an energy efficient facility which will also be inclusive of other net carbon zero aspirations such as electrical charging vehicle points.



67. The planned expansion of free school meal provision within the primary sector to be inclusive of P6 and P7 pupils is an area of planning and development for the council's school estate strategy. With

school estate being 'worked hard' in terms of school roll as a proportion of school planning capacity, communal areas within schools are also utilised extensively. In many schools this means that school catering and dining experiences have to be well planned in order to ensure that all learners are able to experience a healthy nutritious lunch as well as appropriate dining experience, in an appropriately timely fashion. With the expansion of free school meal provision to P1 to P5 pupils, several schools in East Renfrewshire Council are already operating at (and in some cases beyond) catering and dining capacity, with impact on catering and teaching staff as well as pupil experience. Previously the Education Department met with Scottish Futures Trust to discuss the plans for extension works to dining and catering facilities in identified schools. The position at that time, as a consequence of wider school estate factors, is likely to have changed and so the Council would welcome the opportunity to reconsider the demands of P6 and P7 free school meal extension in the current climate. In any case, in order for the Council to provide free meals to all pupils in the primary sector it will be essential for additional capital funding to be provided in order to implement catering and dining works.

68. Table 2 below provides some details of future education estate projects as part of the education estate strategy:

<b>Project</b>	<b>Sufficiency of places / Condition</b>	<b>Anticipated Year</b>
Crookfur PS Extension	Sufficiency of places	2023/24
Introduction of Gaelic Medium Primary Education	Sufficiency of places	2023/24
Repurpose of current Education Estate to support ELC legislation	Sufficiency of places	2023/24
St Luke's HS Reconfiguration	Sufficiency of places	2023/24
Busby PS Extension	Sufficiency of places	2025/26
Eaglesham PS Extension	Sufficiency of places	2026/27
Cross Arthurlie Primary School	Condition	Commence when future funding
Mearns Castle HS	Condition	Commence when future funding
Woodfarm HS	Condition	Commence when future funding

Table 2

## Summary

69. As evidenced, East Renfrewshire Council has a strong track record of investing in its educational estate and delivering quality projects on time and within allocated budgets; and we have both the need and the ambitions to do more as we develop the learning estate.

70. In so doing we ensure that there are sufficient educational places offering modern curricular experiences in inclusive and digitally enabled settings that are flexible to adapt to future changes, are safe, secure, efficient to operate and maintain, energy efficient, comfortable and healthy.

71. The Council has a record of delivering efficient school designs, making buildings work hard and delivering inspirational settings for learners to achieve their very best and the community to engage and use. East Renfrewshire welcomes the opportunity to submit a bid for LEIP Phase 3 funding and has experience of delivering multiple similar previous projects such as the new Eastwood and Barrhead high schools, Maidenhill, St Clare's and Calderwood Lodge primary schools, and the current LEIP 1 phase bid for the Neilston Learning Campus.

72. The Council has identified Cross Arthurlie Primary School as its top priority for replacement and would welcome the opportunity to continue with the strong relationships developed with Scottish Futures

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Trust and Scottish Government to realise the transformation of another school for our local communities. The project is in a state of readiness to proceed having received political commitment and provision to be made within the Council's Capital Plan. The development is in keeping with the national objectives and principles attached to the Learning Estate Strategy supporting excellence and equity for all.



## Appendix A: Cross Arthurlie Primary School Options Appraisal March 2022

## Appendix B: Cross Arthurlie Primary School Options Appraisal September 2022

## Appendix C: Pre-Construction Presentation

## Appendix D: Bibliography/References

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<sup>i</sup> ERC Everyone Attaining Everyone Achieving Through Excellent Experiences:

<https://blogs.glowscotland.org.uk/er/public/meetinglearnerneeds/uploads/sites/16100/2018/08/Advancing-Excellence-and-Equity-in-Education-in-East-Renfrewshire.pdf>

<sup>ii</sup> Scottish Government's National Discussion on Education: <https://www.gov.scot/news/national-discussion-on-education/>

<sup>iii</sup> Digital Learning and teaching Strategy: <https://sites.google.com/er.glow.scot/digihub/staff-clpl/professional-reading#h.wgplkvb2chmy>

<sup>iv</sup> East Renfrewshire Council's Digital Transformation Strategy for 2021-2024:

[https://eastrenfrewshire.gov.uk/media/5063/Cabinet-Item-04-03-June-2021/pdf/Cabinet\\_Item\\_04\\_-\\_03\\_June\\_2021.pdf?m=637571921549370000](https://eastrenfrewshire.gov.uk/media/5063/Cabinet-Item-04-03-June-2021/pdf/Cabinet_Item_04_-_03_June_2021.pdf?m=637571921549370000)

<sup>v</sup> East Renfrewshire playing pitch strategy and action plan: [https://www.eastrenfrewshire.gov.uk/media/2624/Cabinet-Item-10-30-August-2018/pdf/Cabinet\\_Item\\_10\\_-\\_30\\_August\\_2018.pdf?m=637353368906070000](https://www.eastrenfrewshire.gov.uk/media/2624/Cabinet-Item-10-30-August-2018/pdf/Cabinet_Item_10_-_30_August_2018.pdf?m=637353368906070000)

<sup>vi</sup> Scotland's Learning Estate Strategy: <https://www.gov.scot/publications/scotlands-learning-estate-strategy-connecting-people-places-learning/>

<sup>vii</sup> East Renfrewshire Council's Local Development Plan 2: <https://www.eastrenfrewshire.gov.uk/ldp2>

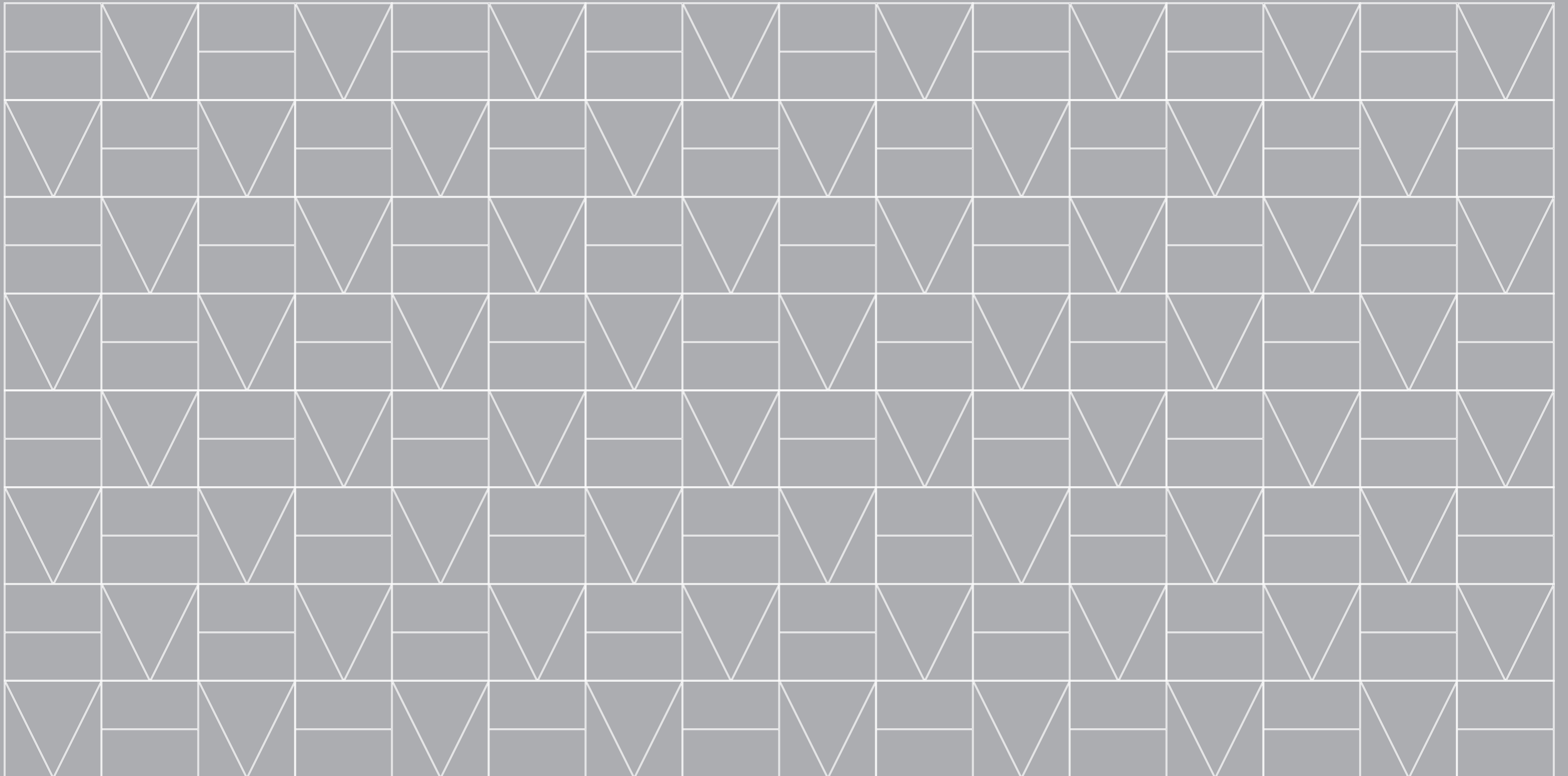
<sup>viii</sup> East Renfrewshire Council's Capital Investment Strategy: [https://eastrenfrewshire.gov.uk/media/7406/Council-Item-12-03-March-2022/pdf/Council\\_Item\\_12\\_-\\_03\\_March\\_2022.pdf?m=637813801444530000](https://eastrenfrewshire.gov.uk/media/7406/Council-Item-12-03-March-2022/pdf/Council_Item_12_-_03_March_2022.pdf?m=637813801444530000)

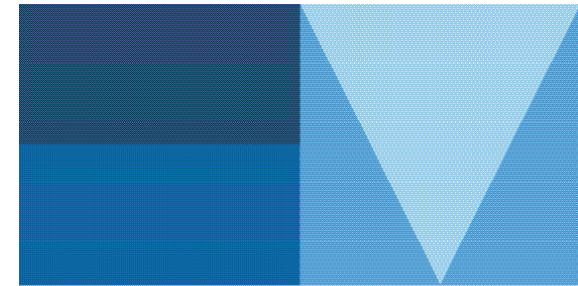
<sup>ix</sup> East Renfrewshire Council's Capital Plan 2022-23 to 2031-32: [https://eastrenfrewshire.gov.uk/media/7407/Council-Item-13-03-March-2022/pdf/Council\\_Item\\_13\\_-\\_03\\_March\\_2022.pdf?m=637813801450370000](https://eastrenfrewshire.gov.uk/media/7407/Council-Item-13-03-March-2022/pdf/Council_Item_13_-_03_March_2022.pdf?m=637813801450370000)

<sup>x</sup> East Renfrewshire Council's Community Plan 2017 to 2027: <https://www.eastrenfrewshire.gov.uk/media/233/Community-plan-2017-to-2027/pdf/community-plan.pdf?m=637539164354170000>

<sup>xi</sup> East Renfrewshire Council's Vision for the Future: <http://intranet.erc.insider/CHttpHandler.ashx?id=10024&p=0>

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- Section 1** Executive Summary
- Section 2** Selected Design Option
- Section 3** LEIP3 Funding Criteria

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# 1

## Executive Summary

# An opportunity to create an optimised centre for learning, and a sustainable, and inclusive community asset



## //Executive Summary

East Renfrewshire Council are looking to secure Scottish Governments Learning Estate Investment Programme (LEIP 3) funding for the delivery of a new enhanced educational facility at Cross Arthurlie Primary School.

The new facility will represent a significant investment by the Council in the area and improve educational facilities for the local people of Barrhead. It will significantly reduce ongoing maintenance and running costs of the existing facilities and will respond to the Scottish Governments Climate Change Bill to target net-zero carbon emissions by cutting greenhouse gas emissions by 2045. There are also significant educational benefits that a new school can bring to the learning environment, such as the development of STEM rooms to enhance learning experiences and enhanced outdoor learning resources such as pitches etc.

The most recent evaluation of the condition and suitability of Cross Arthurlie Primary School has graded the school as 'C' for condition and grade 'C' for suitability for learning and teaching. A 'C' grade suitability rating indicates that the building is not operating optimally and that the delivery of some activities for children and the community are being impeded. The condition and suitability evaluations indicate that the school is regarded as being in generally poor condition and that the school has less than 50% service life remaining before major repair or replacement is required.

An earlier Feasibility Study prepared in March 2022 investigated and considered multiple options including a mixture of new build and retrofit solutions. In all options consideration was given to maintaining a live school environment on site whilst the works are undertaken via either a phased construction process and/or a decant school facility. Options also sought

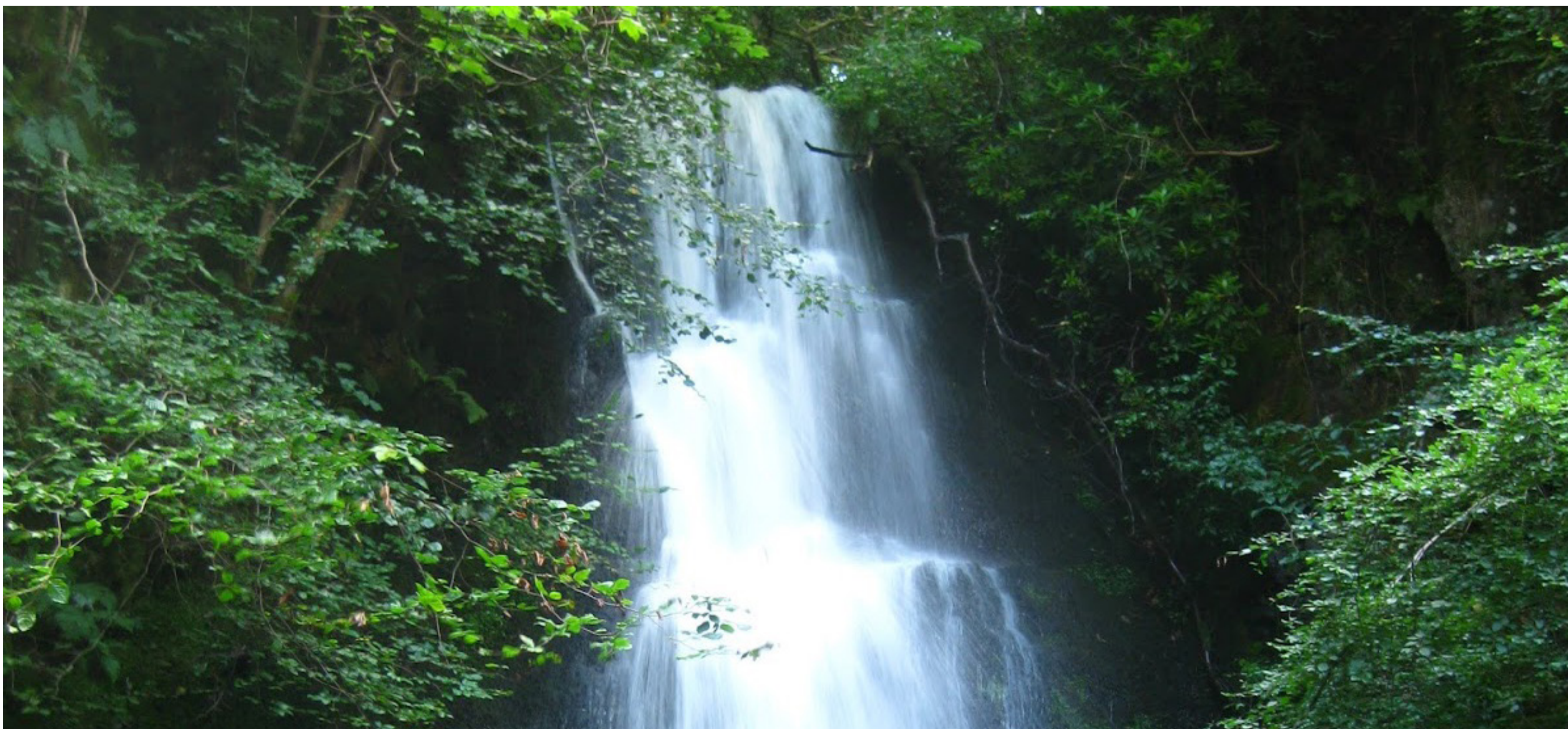
to address minimising impact on neighbouring housing whilst maximising orientation and form factor that will be crucial in achieving design principles that deliver an energy efficient solution that better LEIP3 funding requirements and delivers on the aspirations of the SFT Net Zero Carbon Public Sector Building Standard.

Following detail consideration of the options contained within the earlier Feasibility Report, East Renfrewshire Council has taken the decision to progress with a phased new build solution on the site of the existing Cross Arthurlie Primary School - Option referenced 'A'.

This report is designed to address the specific requirements set out in the LEIP Phase 3 'Guiding Principles, Programme Metrics, Terms and Conditions, and Funding Outcomes', updated June 2022.

The report also includes updated costs for the selected option, prepared in September 2022, which considers the development and construction programme based on completion in the summer of 2026 and 2027 respectively.

A more detailed response how the new facility will respond to other key LEIP criteria including Low Carbon Design, NZPSBS, Digital, Quality and Outdoor Learning is contained within the earlier Feasibility Report, dated March 2022.



# 2

## Selected Design Option

# //Education Requirements

## Cross Arthurlie Primary School

Cross Arthurlie Primary School, established in 1966, is situated in the Boylestone community of Barrhead, East Renfrewshire. It is a co-educational school which caters for children from Nursery to Primary 7.

The school is a community resource, used most weekday evenings to support local clubs and groups, with a high demand due to the complete lack of outdoor facilities within the area.

The existing school is generally in a poor condition with limited opportunities to offer an appropriate environment for learning and working without significant investment. The split levels across the building floor plate with no passenger lifts or hoists means it is difficult to deliver a fully inclusive environment in accordance with DDA legislation

Aligned with the Scottish Governments Net Zero ambitions the intent is to create a low-carbon efficient building which will reduce future running costs and demands on Council revenue budgets.

The ambition of this project will be the creation of an accessible and inclusive community hub, fully integrated as part of the local community, and drawing together key support services within a single location.

## Feasibility Report [March 2022]

This report should be read in conjunction with the earlier Feasibility Report prepared in March 2022.

This report considered the following development options for Cross Arthurlie Primary:

Option A	New build school - ERC Model
Option B	New build school - SFT Model
Option C	Refurbishment Option
Option D1	Refurb   Hybrid Option
Option D2	Refurb   Hybrid Option 2

Each option considered the appropriate solution to meet the client brief, site constraints whilst also embracing the requirements of the Net Zero Public Sector Building Standard and LEIP funding criteria.

## Selected Design Option

Following detail review of the options, East Renfrewshire Council have selected 'Option A' as their preferred solution for the redevelopment of Cross Arthurlie Primary School.

This option will deliver a total new build construction which will be built in two phases to enable the existing school to remain operational throughout and minimise disruption and costs associated with temporary decant facilities.

The selected design option will:

- provide a two storey compact and efficient building form with accommodation based on a comparable area/facilities provision per pupil as that provided at the recently completed Maidenhill Primary School.
- deliver enhanced area for hard and soft playspace on site with improvements to general playground and traffic management.
- incorporate and enhance the existing Nursery provision on the site.
- provide a solution that has embraced the NZPSBS and Passivhaus principles of design to meet and better Operational and Embodied Carbon targets.
- provide external covered areas to support play, learning and dining.
- provide appropriate digital infrastructure.
- provide on-site EV charging points, together with infrastructure for future expansion.
- Providing an aspiring learning environment, comparable to the standard of other recent new build schools across the ERC Estate.

## Design Metrics:

In the absence of defined school rolls, this feasibility study has used the following metrics:

Area is calculated based on a defined metric per pupil with an uplift in area to accommodate enhanced school and community facilities comparable with other ERC facilities to provide parity of learning environment across the school estate.

Pupils - 14 classrooms of 33 pupils = 462 pupils  
Area per Pupil = 7.5m2 [SFT allowance]

Area = 426x7.5 = 3,465m2

Utilising 'Maidenhill Primary School' as the benchmark, the area has been increased by a further 378m2

**Total Area = 3,843m2 m2**

## Early Year Centre:

Existing new facility to be retained.

## Schedule of Accommodation

The attached draft Schedule of Accommodation illustrates the facilities to be provided within the replacement Cross Arthurlie Primary School.

Specific accommodation schedule will need to be prepared and agreed with ERC Education Department before further development is undertaken.

Cross Arthurlie Primary   2 Stream School - Accommodation Schedule				
	No of Rooms	Room Area (m2)	Total Area (m2)	Sub-Total (m2)
<b>Primary Classes &amp; School Staff Social Bases</b>				<b>1137</b>
Classroom P1	1	130	130	
Classroom P2-P7	12	60	720	
Joint Flexible Space	4	17.5	70	
Joint Flexible Space P5-P7	3	20	60	
Support for Learning	2	18	36	
Staff Social Base	1	90	90	
Staff Work Base	1	15	15	
Staff Toilet	2	8	16	
<b>Curricular Specialist Rooms</b>				<b>300</b>
E-Library Zone	1	90	90	
Technology Classroom	1	70	70	
Creative Art Classroom	1	70	70	
Creative Art Store	1	10	10	
Music Practice (Small)	2	10	20	
Music Practice (Large)	1	20	20	
Music Store	1	20	20	
<b>PE   Dance</b>				<b>647</b>
Games Hall	1	360	360	
Changing	2	32	64	
GH Storage	2	18	36	
Dance & Drama Studio	1	100	100	
DD Storage	1	18	18	
Bleacher Storage	1	19	19	
Feature Stair	1	50	50	
<b>Medical &amp; Therapy</b>				<b>60</b>
Medical Office	1	10	10	
Multi Sensory Room	1	15	15	
Hygiene Room	1	20	20	
Accessible Toilet	1	5	5	
Laundry Room	1	10	10	
<b>Street</b>				<b>604.5</b>
Assembly   Dining	1	350	350	
Kitchen	1	100	100	
Dining Furniture Store	1	30	30	
School Entrance foyer	1	20	20	
Male Pupil Toilets	1	50	50	
Female Pupil Toilets	1	50	50	
Accessible Toilet	1	4.5	4.5	
<b>Management</b>				<b>99</b>
HT Office	1	20	20	
Conference/Meeting Room	1	35	35	
SMT Group Office	1	25	25	
SMT Interview Room	1	10	10	
Staff Toilets	2	4.5	9	
<b>Administration</b>				<b>105.5</b>
Office	1	33	33	
Interview Room	1	10	10	
Central Store	1	10	10	
Reprographics	1	15	15	
Sick Bay   Waiting	1	8	8	
Secure Store	1	10	10	
Staff Toilets	1	4.5	4.5	
Accessible Toilet	1	5	5	
Kitchen   Cloak Room	1	10	10	
<b>Facilities Management</b>				<b>159</b>
FM Office	1	10	10	
FM Store	1	20	20	
Cleaners Large Store	1	15	15	
Cleaners Small Store	2	2	4	
ICT Hub 1	1	10	10	
Plant	1	100	100	
<b>NIFA</b>				<b>3112</b>
Circulation				731
<b>GIFA</b>				<b>3843</b>
Sprinkler Tank + Pump Compound	1	94	94	
External Plant	1	130	130	



# //Site Plan

## Option A

Development of the Cross Arthurlie Primary School has carefully adopted a split level school to optimise the site topography and orientation whilst considering neighbouring properties and retention of the existing school building as a tandem build.

The new school will be constructed on the southern portion of the site on existing level terraces currently providing sports pitch and playground area. To provide sufficient construction area a portion of the existing 2-storey classroom block will require to be demolished in advance and temporary modular classrooms brought onto the site. This will allow the school to remain operational throughout, working with the appointed contractor to carefully consider H&S phasing and logistics.



The stepped floor plan allows the building to work with the natural site levels, optimising the cut and fill. Building plan is a fully enclosed doughnut with accommodation radiating around a central atrium space that connects the three levels with a centrally located lift providing full DDA access. Perimeter teaching spaces are orientated north and south to maximise solar gain, whilst also providing direct access to adjacent external and internal learning environment. Existing mature tree belt along the southern boundary will be retained to provide natural shading to the south facing classrooms to prevent overheating in the summer months.

External covered areas for dining, play and learning have been provided at both the main and upper playground levels to optimise use and participation from all school cohorts.

Associated playgrounds, landscaping, sports pitch and parking (with designated EV parking and infrastructure) will be constructed as a second phase following demolition of the existing school. Slopes between the terraced playgrounds to be designed as part of the learning environment by integrating climbing walls, slides, planters, insect hotels, and external classrooms etc. which utilise natural materials including gabion walls, timber sleepers and wild meadow grass to create a vibrant setting for the school.

The existing Cross Arthurlie Early Years Centre (EYC) was built in 2019. Rather than demolish and replace this facility it is to be retained on-site, upgraded and wrapped with a new external skin. The skin will provide safe and secure external covered play area whilst also allowing the two buildings to provide a unified site aesthetic.

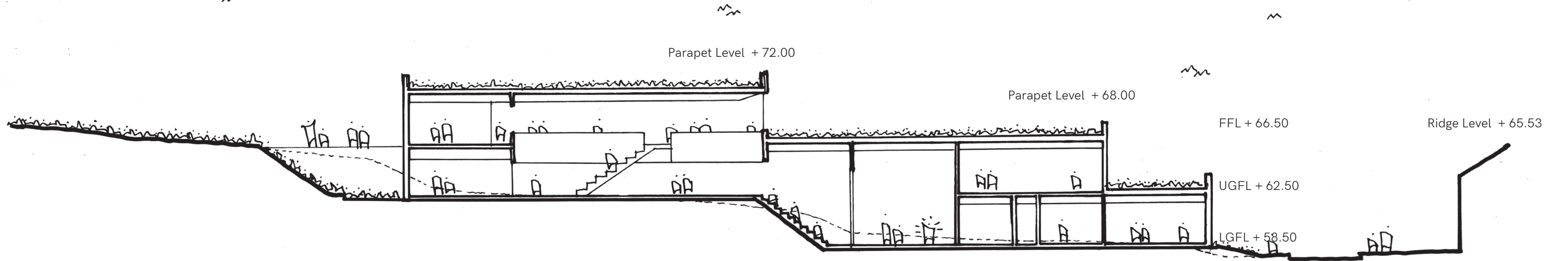


-  SQUARE CONED TENSILE FABRIC UMBRELLA WITH OFFSET COLUMN.
-  EV CHARGING POINT
-  DISABLED PARKING
-  EV PARKING INFRASTRUCTURE
- 1 CROSS ARTHURLIE PRIMARY SCHOOL
- 2 CROSS ARTHURLIE EARLY YEARS CENTRE
- 3 36 x 18m MUGA
- 4 PLAYGROUND
- 5 NEW CAR PARK
- 6 EXISTING EYC CARPARK
- 7 SERVICE ACCESS

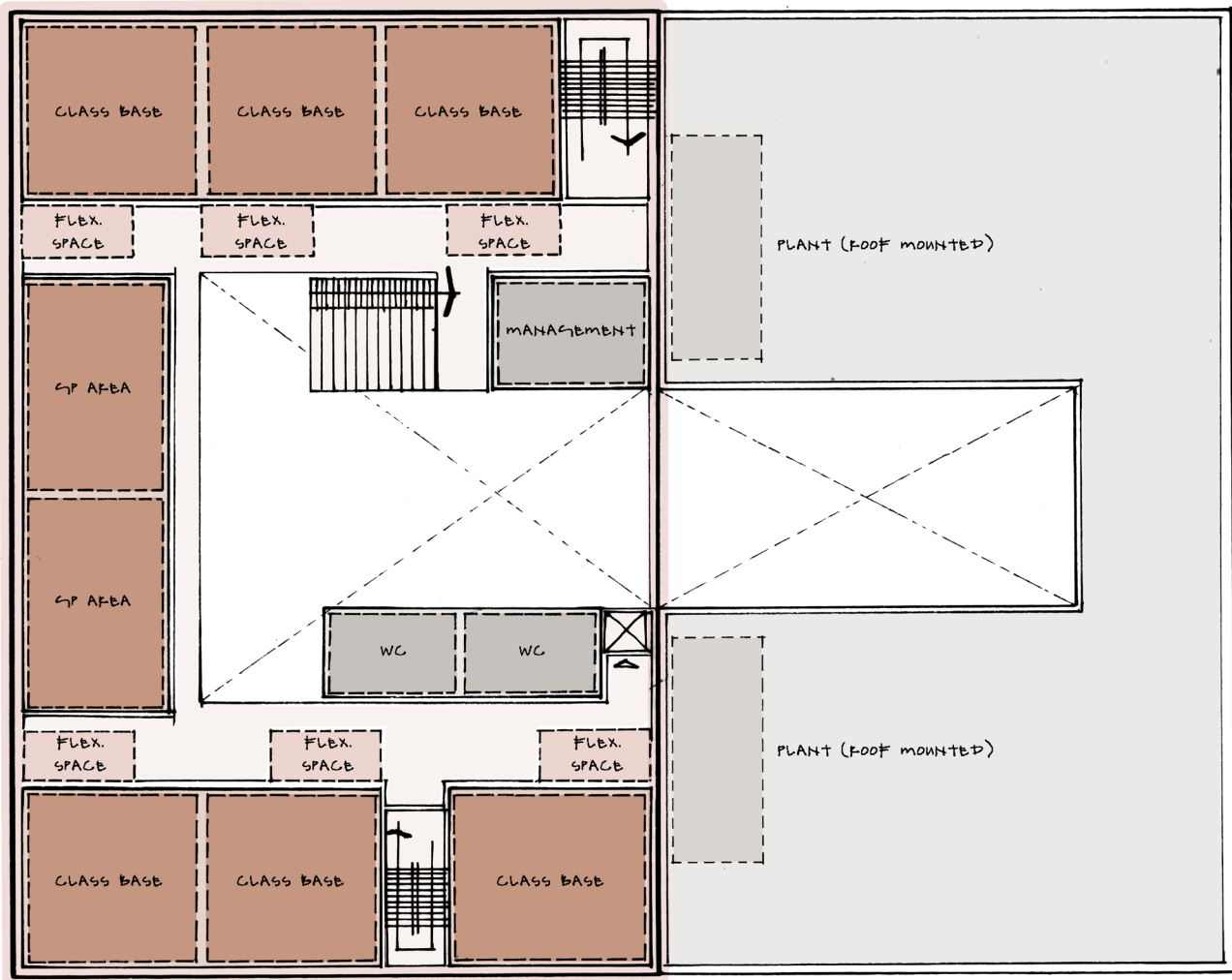
# //Pros & Cons

Pros *	Cons *
<b>Buildability:</b>	
Single phase construction of school [following partial demolition] allowing existing school to remain operational throughout.	Retaining /revetment wall required along the western edge of the school to hold slope away from the building and to create upper terraced playground with direct access from First Floor level.
Stepped section within the building footprint aligns with the existing terraced steps in the landscape to optimise the existing topography and minimise cut and fill.	Partial demolition of existing school building to provide sufficient development platform for new-build school. Six temporary modular classrooms required for the duration of the works.
Single storey entrance block fronting Quarry Road minimises height impact of the new school on the neighbouring residential properties.	Disruption to EYC during demolition of the existing school, encapsulation under 'Big Barn' structure and Ph 2 completion works.
<b>Inclusion:</b>	
<ul style="list-style-type: none"> <li>Fully DDA compliant building with level floor plate and lift access between floors.</li> <li>Separate EYC and School carparks with designated accessible parking bays and level access to main entrance.</li> </ul>	<ul style="list-style-type: none"> <li>Large, sloped grass area to the west which can be utilised for free play by the school will have no DDA access for full inclusion.</li> <li>Terraced site will require external staircases/ramps to navigate to the different levels.</li> </ul>
<b>Carbon</b>	
<b>Operational:</b> Design should follow a fabric first approach and the following PH Principles, which will validate compliance of the LEIP operational energy requirements: <ul style="list-style-type: none"> <li>good form factor</li> <li>classrooms orientated north and south to optimise solar heat gain.</li> <li>triple glazed windows                             <ul style="list-style-type: none"> <li>MVHR system</li> </ul> </li> </ul>	<b>Embodied:</b> Whilst design and specification of new build will deliver a low embodied carbon solution, the demolition and construction of a new school will always lead to greater carbon pollution.
<b>Digital:</b>	
New build school with new infrastructure can fully meet the Scottish Government 'Digital Strategy for Scotland' and SFT LEIP funding criteria require all school buildings to achieve a data speed of 1GBps	
<b>Quality:</b>	
Utilisation of a 'soft landings' approach, including a programme of POE will ensure rigorous design and construction validation.	
<b>Outdoor Learning:</b>	
<ul style="list-style-type: none"> <li>New 36x18mm all-weather MUGA.</li> <li>Direct access available from each level to external play spaces.</li> <li>Enhanced EYC south facing play space connected to main school playground allowing for interaction with infant years.</li> <li>Site topography with slopes utilised to generate a series of different external learning and play environments</li> </ul>	Depth and usability of playground to south is compromised by site constraints
<b>MEP</b>	
<ul style="list-style-type: none"> <li>New building services all electric solution providing a building energy use of 67 kWh/m2/annum.</li> <li>Optimised classroom daylight/lighting design in accordance with 'Daylight Design - Design Bulletin 90'</li> <li>Optimised classroom ventilation design in accordance with 'Ventilation Design - Design Bulletin 101:2018'</li> <li>New electric vehicle infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Standalone new Plant required for Early Years Centre following demolition of existing school.</li> <li>Removal and replacement of existing gas fired Early Years Nursery</li> </ul>
<b>Utilities</b>	
Upgrade of all incoming utility network connections to serve new build all electric school including new 1GBps digital IT service.	Diversion of existing services to accommodate new build school and to maintain operation of existing school.
<b>C+S</b>	
<ul style="list-style-type: none"> <li>New building school - anticipated hybrid Glulam CLT frame, timber infill and high GGBFS concrete floor for ease/speed of build.</li> <li>Shallow bedrock - anticipate standard foundations / trench fill / vibro</li> </ul>	<ul style="list-style-type: none"> <li>Potential breaking out of very shallow bedrock for services</li> <li>Retaining walls to form new platform for school</li> <li>Underbuilding to work with terracing</li> </ul>

# //Floor Plans + Section



Indicative cross section through site and proposed building



First Floor Plan



Upper Ground Floor Plan



Lower Ground Floor Plan

# //Order of Cost

## Introduction

HubWest Scotland approached Faithful+Gould (F+G), on behalf of East Renfrewshire Council (ERC) to carry out Quantity Surveying Services for new-build Cross Arthurlie Primary School project.

The design team Feasibility Report, has captured all the engagement to date with all key stakeholders for the project.

The project has been designed to align with the Terms and Conditions and Objectives of the Scottish Government’s Learning Estate Investment Programme Phase 3 (LEIP3) funding package.

## LEIP Phase 3 Objectives

The LEIP3 funding includes the original LEIP1 and 2 Terms and Conditions and Objectives + the following additional objectives:

Proposal 1 - Require Zero Emissions Heating

Proposal 2 - Including Electric Vehicle Charging Infrastructure

Proposal 3 - Introduce an Embodied Carbon Target

Proposal 4 - Enhance Infection Resilience

Proposal 5 - Provide Covered Outdoor Spaces

Proposal 6 - Smart Building Sensors in all Habitable Spaces

Proposal 7 - Enhance Digital Infrastructure to Achieve 11Gbps

## Methodology

The estimates are based on the Holmes Miller’s area schedule contained within the feasibility report. These areas have been developed in conjunction with ERC education department. The total Gross Internal Floor Area (GIFA) for Cross Arthurlie Primary School is 3,834 m<sup>2</sup>. Additionally, as the school has recently upgraded the nursery provision, the cost includes for the associated works to this structure.

The budget has been assembled using benchmarking other similar facilities (as part of the exercise carried out with Scottish Future’s Trust) and making appropriate adjustments based on information provided by the project team. Allowances have been made for risk in accordance with the New Rules of Measurement guidance based on the stage and the complexity of the project, this allowance is included at 10%. The main contractors’ preliminaries are based on previous project experiences. No allowance has been included for the participant direct costs. This is to be developed with council input.

## Site Specific Abnormals

Considerations have been made to ensuring the continuity of maintaining a live school environment whilst the works are undertaken. The delivery methodology that has been agreed to maintain this tandem build environment is a phased construction approach. We have accounted for this specific requirement within our abnormals. Allowances have also been made for the demolition of existing school, decanting facilities for 6Nr classrooms, works to existing nurseries, site works and recent industry knowledge of Passivhaus Certification uplift (lack of supply, lack of capacity, lack of competition, etc).

## 2026 Completion Date

Cross Arthurlie	LEIP 3 - Current		
	Area m2	Rate £/m2	Cost (£)
<b>Prime Cost</b>	<b>3,834</b>		
Order of cost - Main Campus	3,834	3,111	<b>£11,928,000</b>
Order of cost - Nursery Portal Frame			<b>£1,277,403</b>
Order of cost - Nursery M&E Plant Structure			<b>£100,000</b>
<b>Prime Cost Sub-Total</b>		<b>3,470</b>	<b>£13,305,403</b>
Site Specific Abnormals			<b>£3,609,900</b>
<b>Abnormal Cost Sub-Total</b>		<b>942</b>	<b>£3,609,900</b>
<b>Prime + Abnormal Cost Total</b>		<b>4,412</b>	<b>£16,915,303</b>
<b>Risk</b>			
Risk at this early stage of design process	10%		<b>£1,691,530</b>
<b>Risk Sub-Total</b>		<b>441</b>	<b>£1,691,530</b>
<b>Inflation on Prime Cost &amp; Risk</b>			
4Q 2019 - 3Q 2022 (current day uplift)	9.91%	481	<b>£1,843,920</b>
3Q 2022 - 2Q 2025 (inflation forecast to FC)	14.75%	787	<b>£3,017,324</b>
2Q 2025 - 1Q 2026 (mid point Construction)	2.14%	131	<b>£502,887</b>
<b>Inflation Sub-Total</b>		<b>1,399</b>	<b>£5,364,132</b>
<b>Overall Prime Cost Total</b>	<b>3,834</b>	<b>6,252</b>	<b>£23,970,966</b>
Preliminaries	11.5%		<b>£2,756,661</b>
<b>Prime &amp; Prelims Total</b>	<b>3,834</b>	<b>6,971</b>	<b>£26,727,627</b>
Project Fees	16.81%		<b>£4,493,206</b>
<b>Total Participation Costs</b>		<b>8,143</b>	<b>£31,220,833</b>

## 2027 Completion Date

Cross Arthurlie	LEIP 3 - Current		
	Area m2	Rate £/m2	Cost (£)
<b>Prime Cost</b>	<b>3,834</b>		
Order of cost - Main Campus	3,834	3,111	<b>£11,928,000</b>
Order of cost - Nursery Portal Frame			<b>£1,277,403</b>
Order of cost - Nursery M&E Plant Structure			<b>£100,000</b>
<b>Prime Cost Sub-Total</b>		<b>3,470</b>	<b>£13,305,403</b>
Site Specific Abnormals			<b>£3,609,900</b>
<b>Abnormal Cost Sub-Total</b>		<b>942</b>	<b>£3,609,900</b>
<b>Prime + Abnormal Cost Total</b>		<b>4,412</b>	<b>£16,915,303</b>
<b>Risk</b>			
Risk at this early stage of design process	10%		<b>£1,691,530</b>
<b>Risk Sub-Total</b>		<b>441</b>	<b>£1,691,530</b>
<b>Inflation on Prime Cost &amp; Risk</b>			
4Q 2019 - 3Q 2022 (current day uplift)	9.91%	481	<b>£1,843,920</b>
3Q 2022 - 2Q 2026 (inflation forecast to FC)	17.76%	947	<b>£3,631,965</b>
2Q 2026 - 1Q 2027 (mid point Construction)	1.86%	117	<b>£447,011</b>
<b>Inflation Sub-Total</b>		<b>1,545</b>	<b>£5,922,896</b>
<b>Overall Prime Cost Total</b>	<b>3,834</b>	<b>6,398</b>	<b>£24,529,730</b>
Prelims	11.5%		<b>£2,820,919</b>
<b>Prime &amp; Prelims Total</b>	<b>3,834</b>	<b>7,134</b>	<b>£27,350,649</b>
Project Fees	16.81%		<b>£4,597,943</b>
<b>Total Participation Costs</b>		<b>8,333</b>	<b>£31,948,591</b>



### 3

#### LEIP 3 Funding Criteria

- Section 1 | Guiding Principles
- Section 2 | Programme Metrics
- Section 3 | Terms & Conditions
- Section 4 | Funding Outcomes

## // Section 1 | Guiding Principles

### Guiding Principles for Programme

East Renfrewshire Council confirm that a pre-construction review workshop for Cross Arthurlie Primary School will be held with Scottish Government and SFT representatives to evidence how the project responds to the following ten guiding principles of the Learning Estate Strategy:

1. Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners
2. Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners
3. The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value
4. The condition and suitability of learning environments should support and enhance their function
5. Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle
6. Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled
7. Outdoor learning and the use of outdoor learning environments should be maximised
8. Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all
9. Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential
10. Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth



## //Section 2 | Programme Metrics

Cross Arthurlie Primary School is a new-build replacement 2-stream Primary School which will have a maximum capacity of 462 pupils. In addition, on-site there is a 60 place Early Years Centre which comprises partial re-use and part new-build to provide an enhanced facility.

Whilst Area Metric allows for a Primary School of 3,465m<sup>2</sup> (462x7.5), it is proposed that the new Cross Arthurlie Primary School will be circa 3,834m<sup>2</sup>. The increased area supports enhanced community use and standardises school provision/facilities across the East Renfrewshire school estate.

External environment has included the provision of at least 462m<sup>2</sup> of external covered area to support a range of activities including social/dining and outdoor learning.

East Renfrewshire Council acknowledge that the LEIP3 cost metric will be utilised to fund Cross Arthurlie Primary School if selected as part of the programme.

### Area per Pupil:

Primary Capacity (Pupils)	Internal Sqm/Pupil	External covered Sqm/Pupil
232 - 462	7.5	1.0

### Cost per Square Metre

School Type	Cost Metric/sqm £	Base Index	
Primary (inc. co-located ELC)	4,200	333 (Q4 2019)	Base index based on All-in-TPI published on 10 <sup>th</sup> June 2022.

## // Section 3 | Terms & Conditions

### Internal Environmental Quality

Internal environmental quality analysis will be undertaken to assess and achieving thermal comfort and indoor air quality standards.

To assess performance against these requirements, dynamic thermal modelling in accordance with BB101: 2018 and CIBSE TM52 will be completed.

This will include optimising the design of the façade and modelling of the natural and mechanical (mixed mode) ventilation strategies to inform the building design and ventilation flow rates required to achieve compliant operative temperatures and indoor CO2 concentrations.

### Internal Monitoring

During the COVID-19 pandemic, the Scottish Government guidance required CO2 monitoring within the learning estate to ensure that good ventilation and air quality is provided. To improve and monitor this work, and allow local authorities to ensure the highest quality internal environment is delivered within their learning estate, the programme requires the installation of sensors in all internal habitable spaces to record the following for each Teaching Space:

- Internal Thermal Environment Performance
- Heat Energy Use
- Ventilation System Status

This would be achieved at Cross Arthurlie Primary School by installing sensors in each Teaching Space linked to the Building Energy Management System (BEMS) providing a graphical output on the BMS Front End. This graphical output could be reviewed and integrated to record the performance of the internal teaching environment. The performance of each Teaching Space could also monitored with the occupancy recorded by East Renfrewshire Council.

Within each Teaching Space, there will be a display indicator panel to confirm the internal performance during the occupied day. This will allow the Teaching Staff to have an element of control of the Teaching Space by the opening windows for example.



Typical BEMS Graphical Output



Teaching Display Indicator Panel

### Quality Agenda

East Renfrewshire Council will prepare and share their Quality Assurance and Management Plan for Cross Arthurlie Primary School with the Scottish Futures Trust as part of the funding evidence.

Plan will be prepared during RIBA Stage 1 and will address all stages in the delivery process from project initiation through to post occupancy evaluation and will be kept up to date as the project progresses.

The Quality Plan will address and consider the following:

- Project Vision and Ethos for Quality
- Governance, Roles and Responsibilities
- Information Management and Technology
- Briefing & Procurement
- Design & Construction
- Commissioning and Handover
- In Operation
- Other Considerations

### Baseline Skillsets

East Renfrewshire Council will utilise the Baseline Skillset Toolkit at the outset of the project to determine and any resource gaps and to identify how these will be addressed to ensure the appropriate resources are in place for Cross Arthurlie Primary School.

### Zero Emissions Heating

East Renfrewshire Council support the UK's Climate Change Committee and the Scottish Government's commitment to decarbonisation of heat to new and existing buildings in the public sector estate and confirm that fossil fuels will not be utilised as the primary heat source on the new Carolside Primary School.

It is currently proposed that Cross Arthurlie Primary will be an all-electric school. This approach puts the school on a trajectory of ever improving carbon performance as the national grid becomes decarbonised over the next 25 years in tandem with on-site photovoltaics powering Air Source Heat Pumps.

### Electric Vehicle Charging

In line with the Scottish and UK Governments plans to phase out the sale of petrol and diesel cars in 2035, the Cross Arthurlie Primary School project has proposed a provision of 4 (10%) EV Charging Points together with ducting to a further 13 (40%) spaces to facilitate future EV installation expansion.



## // Section 3 | Terms & Conditions

### Healthier Learning Environments

The new Cross Arthurlie Primary School will be designed with a real focus on providing the best Learning Environment that promotes health, wellbeing and attainment.

Recognising lessons learnt from the Covid-19 pandemic the following measures have been incorporated within budget cost plan to minimise infection spread within the school.

**Specification** - all finishes and products have been specified to be robust, long lasting and easily cleaned. This favours materials such as low carbon resilient flooring (vinyl, rubber, timber) over carpet, and HPL finish to all doors, FF&E and toilet cubicles. Softer fabric-based materials will be required to provide absorption within the school but will be specified as cleanable and sited where there is less frequent contact.

**Touch Points** - wherever possible systems will be automated to minimise multiple user contact. An integrated Biophilic Design with Passivhaus Standards, utilising localised MVHR systems, optimises the internal environment (temperature, ventilation, daylighting etc.) which naturally requires less need for user control. Openable windows are not required to control the environment, but are provided to allow building users a sense of control which allows a significant reduction in the number of openable lights to limit touch points. Sensor taps have been proposed in all wet areas but careful consideration is required to assess the increased energy load of these taps on the overall operational energy. Desire for schools to be open and flexible means that we will seek to eliminate doors wherever possible

and/or use hold open devices and/or use automatic control doors at final entry and exit points to minimise barriers, obstructions and frequent touch points.

**Improved Hygiene** - An additional seven number hand washing/ sanitation stations points have been proposed at Carolside Primary School in addition to toilet areas. Stations have been evenly distributed around the building at key activity spaces including flexible break-out, sports hall and dining areas.



### Infrastructure Technology

East Renfrewshire Council will appoint a client-side Information Manager for Cross Arthurlie Primary School to manage the specification, delivery and management of information throughout the project lifecycle utilising the SFT Standard Information Management Plan (SIMP v2).

The active deployment and adoption of BIM shall be undertaken by the design and contracting team to help deliver the project.

BIM activities shall be developed in accordance with the RIBA Workplan Stages and the associated deliverables in way of Level of Detail (LOD) and Level of Information (LOI), all as indicated and agreed within the BIM Execution Plan (BEP) to meet the SFT SIMP.

### Project Data

East Renfrewshire Council confirm that they will submit project data for Cross Arthurlie Primary School to the 'Community Benchmark Database' at contract close and at the agreement of the final account.

Information will follow principles currently being provided for the Neilston Community Campus.

### Project Evaluation

East Renfrewshire Council support post occupancy reviews to capture lessons learned to inform current and future and decisions about their school estate.

To support the continuous improvement of existing and future investment programmes, East Renfrewshire Council will undertake the following for Cross Arthurlie Primary School:

- Post Project Review (PPR) within 3 months of construction completion. The PPR will measure and evaluate the achievement of project success criteria at the point of handover and will focus on the process to reach that key milestone.
- Post Occupancy Evaluations (POEs) within 12-18 months after construction completion. The POE will measure and evaluate if the completed project has responded successfully to the project success criteria as defined at the project outset. The POE will focus on in-use outcomes and build on lessons learned through the PPR.

## // Section 4 | Funding Outcomes

East Renfrewshire Council are aware that Scottish Government (SG) funding will be available through the Outcomes Based Funding (OBF) model with funding released in line with evidencing achievement of the following agreed outcomes.

### Condition

East Renfrewshire Council will provide evidence, through their annual returns that the new Cross Arthurlie Primary School is kept in condition A or B for a period of 25 years.

### Energy Efficiency

East Renfrewshire Council are proposing to utilise Passivhaus Certification to monitor and validate the design and construction to deliver an Operational Carbon performance of >67/kWh/sqm/p.a for core hours of 2,000 p.a. and core facilities is achieved at the new Cross Arthurlie Primary School.

Evidence of the in-use energy will be provided at the end of year 2 to allow for an initial period to optimise systems and behaviours. Future figures will be provided in years 7, 12, 17 and 22 to validate ongoing performance and/or refinements required.

### Digitally Enabled Learning

The East Renfrewshire Council vision is that everyone will be given relevant, engaging and meaningful opportunities to develop their digital skills and capabilities in order to ensure that they have the necessary skills for learning, life and work.

Working with the utility infrastructure, and any restrictions, that surround the Cross Arthurlie Primary School site, East Renfrewshire Council are committed to provide and evidence that the underlying digital infrastructure of the new school is capable of supporting 11Gbps and will extend to at least one point within every learning and teaching space throughout the facility.

### Economic Growth

East Renfrewshire Council (ERC) fully support job creation through their programme of investment in public buildings.

Utilising the CITB published benchmarks for how many new jobs should be supported from investment in the education sector, the new Cross Arthurlie Primary School (budget between £30.1-40m) should support 14 jobs.

ERC will work with our Procurement Partner and their Supply Team, including Designers, Contractors, and Sub-contractors to realise and evidence that the minimum number of jobs has been provided, and exceeded. Measure will also include the provision of training places and that learner engagement is embedded in the design and construction process through site visits and work experience placements.

### Construction Embodied Carbon

East Renfrewshire Council (ERC) fully supply a Whole Life Carbon approach recognising that Embodied Carbon can account for as much as 70% of the total emissions over a building's lifecycle.

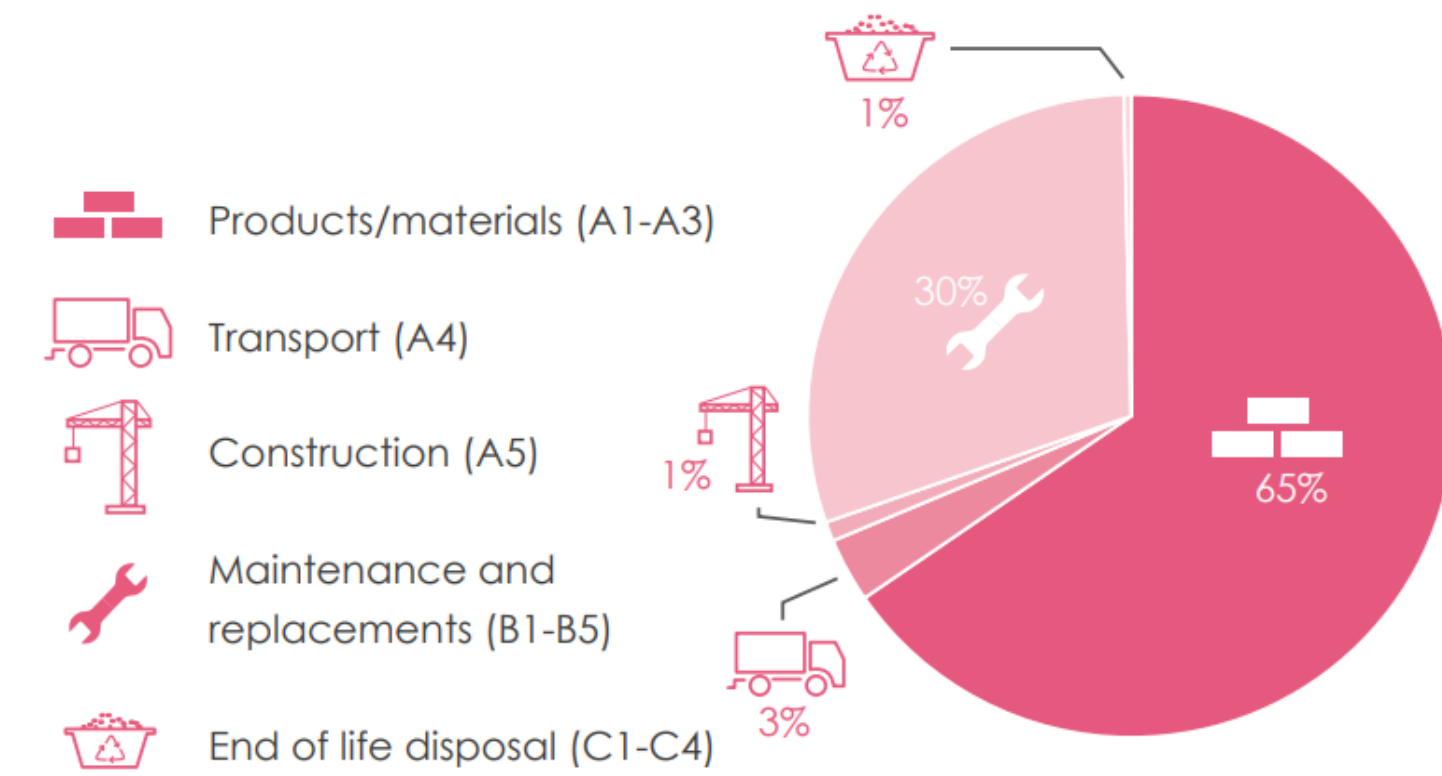
ERC are targeting an embodied carbon target of >600kgCO<sub>2</sub>e/m<sup>2</sup> for Cross Arthurlie Primary School core facilities. At the outset of the project a Net Zero Consultant will be appointed to work with the Design Team and the Contractor to set and monitor A1-A5 Embodied carbon targets. From experience, on similar scaled education projects, a typical split between A1-A5 would equate to:

A1-A3 : Products/Materials		
Substructure	95 kgCO <sub>2</sub> e/m <sup>2</sup>	[16%]
Superstructure	180 kgCO <sub>2</sub> e/m <sup>2</sup>	[30%]
Façade	95 kgCO <sub>2</sub> e/m <sup>2</sup>	[16%]
Internal Finishes	125 kgCO <sub>2</sub> e/m <sup>2</sup>	[21%]
MEP	80 kgCO <sub>2</sub> e/m <sup>2</sup>	[13%]

A4 : Transport of materials and products to site		
	18 kgCO <sub>2</sub> e/m <sup>2</sup>	[3%]

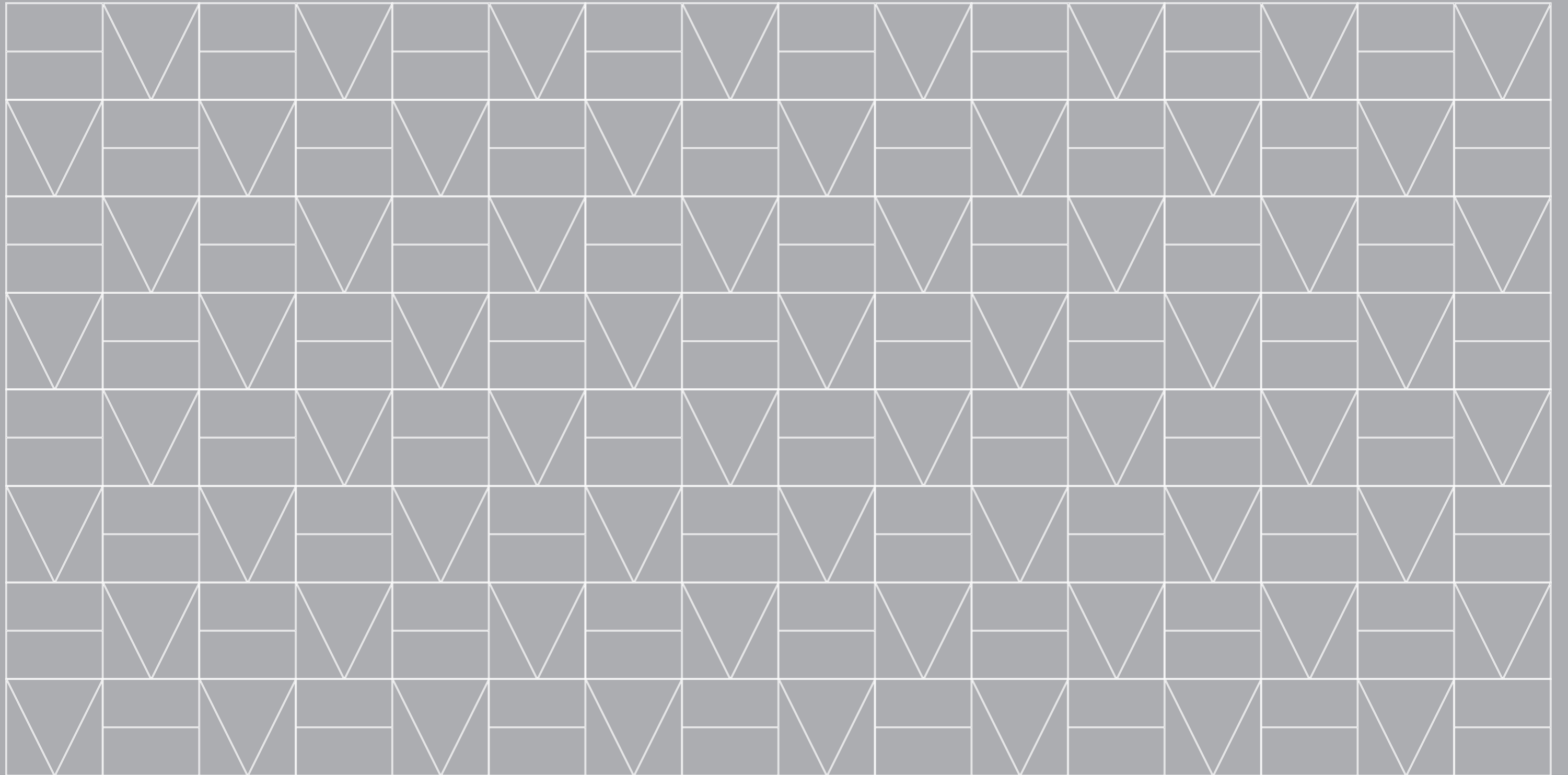
A5 : Construction site operations		
	6 kgCO <sub>2</sub> e/m <sup>2</sup>	[1%]

Utilising software such as One Click LCA an embodied carbon model will be developed and tracked throughout the projects development and construction to confirm the final Embodied Carbon figure for the built school. This output together with evidence gathered on all material, product, transport and contractor activity will be provided to validate the funding.



- Products/materials (A1-A3)
- Transport (A4)
- Construction (A5)
- Maintenance and replacements (B1-B5)
- End of life disposal (C1-C4)





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EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of EducationMANAGEMENT RULES – EAST RENFREWSHIRE CULTURE & LEISURE TRUST**PURPOSE OF REPORT**

1. To request that, by virtue of the powers conferred upon it by Part IX of the Civic Government (Scotland) Act 1982, the Council introduces Management Rules to regulate the use of, and the conduct of persons while using, any Council Property operated under license by East Renfrewshire Culture and Leisure (ERCL), such rules being set out in Appendix A.
2. To seek permission to advertise the proposed Management Rules and thereby to consult with and seek the views of members of the public in East Renfrewshire all as required by legislation.
3. To seek permission, in the absence of objections from the public, to move directly to the introduction of the Management Rules without the need for a further report to Council.

**RECOMMENDATIONS**

4. It is recommended that:-
  - a) by virtue of the powers conferred on it by the Civic Government (Scotland) Act 1982, the Council introduces Management Rules for East Renfrewshire Culture and Leisure Premises as set out in Appendix A;
  - b) the Council's proposals to make the rules are advertised in accordance with the provisions in the said Act and, if no objections are received, authority is given to the Director of Education to proceed to make said rules; and
  - c) the Council notes that if objections are received then a further report containing details of the objections will be made which will allow the Council an opportunity to consider the objections and to allow any objector the opportunity to be heard by the Council before authority is given to make the rules.

**BACKGROUND**

5. Local authorities are empowered to introduce management rules for their Premises under the terms of the Civic Government (Scotland) 1982. Therefore as the owner of the Premises, and Sole Member of ERCL the creation of these rules lies with East Renfrewshire Council to make. The Trust have been fully involved in the creation of these.
6. In addition it is regarded as good practice to do so as it provides clarity and a solid basis for the rules which shape the operation of the facility.

7. These management rules will replace the previous Management Rules which have expired after a 10 year period.

## **REPORT**

8. The Management Rules, as shown in Appendix A, are intended to provide a clear set of rules for users of East Renfrewshire Culture and Leisure Premises.
9. In addition to this, East Renfrewshire Culture and Leisure will develop operational and customer management practices for these premises, and to be applied to the operation of their activities.
10. The approval of the Management Rules will allow the site to operate in a proper manner that will maximise the opportunities for residents to participate in activities in a safe manner and allow the Trust to manage unacceptable behaviour efficiently and fairly.

## **FINANCE AND EFFICIENCY**

11. The introduction of Management Rules for East Renfrewshire Culture and Leisure Premises will mitigate the risk of anti-social behaviour, damage to Premises and reputation reducing the risk of financial implications.

## **CONSULTATION**

12. Public advertisement of the rules will take place. The public will have the opportunity to object and any objections will be taken into account before finalising the rules.

## **PARTNERSHIP WORKING**

13. In order to ensure the effective implementation of the rules, East Renfrewshire Culture and Leisure Trust and ERC Chief Officer Legal & Procurement have been fully involved in the development of these rules.
14. The Director of Education is the recognised link for the Trust in its operation with the Council therefore the report is presented in his name.

## **IMPLICATIONS OF THE PROPOSALS**

15. The Management Rules will have no negative impact on staffing, legal, IT or equalities. Rather, the formalisation of Management Rules will provide clarity and a solid basis for the management of the Premises, and the safety of staff, customers and local residents.

## **CONCLUSIONS**

16. With the continued pressure on budgets and expenditure Management Rules are a critical tool in ensuring the sites operate in a proper manner thereby mitigating the possible risk of vandalism, damage or behaviours impacting negatively on staff, paying customers and residents.

## RECOMMENDATIONS

17. It is recommended that:-

- a) by virtue of the powers conferred on it by the Civic Government (Scotland) Act 1982, the Council introduces Management Rules for East Renfrewshire Culture and Leisure Premises as set out in Appendix A;
- b) the Council's proposals to make the rules are advertised in accordance with the provisions in the said Act and, if no objections are received, authority is given to the Director of Education to proceed to make said rules.
- c) The Council notes that if objections are received then a further report containing details of the objections will be made which will allow the Council an opportunity to consider the objections and to allow any objector the opportunity to be heard by the Council before authority is given to make the rules.

Mark Ratter  
Director of Education  
August 2022

Report Author  
Anthony McReavy,  
Chief Executive, East Renfrewshire Culture and Leisure on [Anthony.McReavy@ercultureandleisure.org](mailto:Anthony.McReavy@ercultureandleisure.org)

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Appendices  
Appendix A – ERC Civic Government (Scotland) Act 1982 for Premises Operated on behalf of the Council by ERCLT

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**THE EAST RENFREWSHIRE COUNCIL**

**CIVIC GOVERNMENT (SCOTLAND) ACT 1982**

**MANAGEMENT RULES**

**For**

**PREMISES OPERATED ON BEHALF OF THE COUNCIL**

**By**

**EAST RENFREWSHIRE CULTURE & LEISURE TRUST**

**MANAGEMENT RULES**

East Renfrewshire Council by virtue of the powers conferred by the Civic Government (Scotland) Act 1982 and of all other powers authorising or empowering them in that behalf do hereby make the following Management Rules for the regulation of every premises owned by or managed by the Council and that are operated or managed by (during the hours available for hire only, in respect of any building or facility used for school purposes) East Renfrewshire Culture and Leisure Trust Limited (“the Trust”). The Trust is authorised by the Council to operate premises as specified or scoped within the Transfer of Services Agreement granted on their behalf on 25<sup>th</sup> June 2015 and any subsequent amendments.

**1. INTERPRETATION**

Throughout these Management Rules:-

- (a) The provision of the Interpretations Act 1978 shall apply to the interpretation of these Management Rules as they apply to the interpretation of an Act of Parliament;
- (b) "The Council" means East Renfrewshire Council constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its headquarters at Eastwood Park, Rouken Glen Road, Giffnock G46 6UG and its statutory successors.
- (c) "The Trust" means East Renfrewshire Culture and Leisure Trust Limited incorporated under the Companies Acts and having its registered office at St Johns Primary School, 18 Commercial road, Barrhead, G78 1AJ and includes any officer of the Trust or Council with the appropriate delegated powers and any employee of the Trust or Council representing him/her or acting on his/her behalf;
- (d) "The Premises" means all Community Halls"; "Facilities" (including let areas in schools, pitches or outdoor space where service delivery is occurring); "Public Libraries"; "Sports Centres"; "Leisure Centres"; "Swimming Pools" and "Theatre" owned or managed by the Council and operated by the Trust and all buildings , parts or areas thereof which are hired or visited for use by any person, group, company or other legal persona and includes the curtilage of any such building and any outdoor facilities
- (e) "Authorised Officer" means an employee of the Trust or Council duly authorised by the Trust or Council to have responsibility for the management of the Premises and any employees of the Trust or Council representing him/her or acting on his/her behalf



- (f) "Conditions of Hire" means the contract between the Trust and any hirer of any Premises from time to time which provides the whole terms and conditions of hire of the Premises (otherwise known as "Conditions of Let").
- (g) "Hirer" means the person(s) or group or company or other legal persona who has entered into a Conditions of Hire contract with the Trust, but only for the period of the Hire (otherwise known as "Let") as stated in the Conditions of Hire;
- (h) "Emergency Services" means the police, fire service, paramedics or other medical staff attending an emergency call at the Premises.
- (i) "Application Form" means the application of the hirer to the Trust to hire the Premises.
- (j) "Library Member" means a registered User who is accessing the Premises to participate in library activities, classes, training, events or using Open Plus and they meet membership conditions as specified on the Trust's website.
- (k) "Sports, Gym; Swim or Sauna Member" means a registered User who is accessing the Premises to participate in an activity, classes, performance, training or events and who has paid the appropriate fee or meets membership conditions as specified on the Trust's website.
- (l) "User" means a member of the public who is accessing the Premises to participate in an activity, class, performance, screening, training or event.

**2. OPENING AND CLOSING**

- a) No person shall enter or remain within the Premises at any time out with those hours designated by the Trust or Council as opening hours for those Premises. The Trust reserves the right to require any person to vacate from any part or area of the Premises at any time during general opening hours and in particular to require any person to vacate any part or area of the Premises upon the conclusion of any class, session or activity. Any failure by a person to comply with such a request shall be considered a breach of these rules
- b) Open Plus Library Sites shall additionally remain open during Open Plus hours to members of the public who have registered as Open Plus members with the Trust and have completed induction training.

**3. REGULATION OF ADMISSION**

- (a) Access to the Premises and any part or area thereof shall be permitted on payment of a fee; being in possession of an appropriate ticket or pass; as allowed in any Conditions of Hire or by permission of the Authorised Officer.. Additionally, access shall be permitted to any person accompanying a child under 8.

- (b) No child under 8 years of age shall be allowed to enter any part of the Premises unless accompanied by a parent or person with parental responsibilities and then only on the terms provided in Rule 9 below; For Junior Classes, where parental consent and contact details are held by the activity leader, the supervision of children under 8 can be delegated to the activity leader. Similar in cases of School attendance supervision by School Activity leader will undertake the parental responsibilities,
- (c) No person under the age of 18 years of age will be admitted to any event, or production that the Authorised Officer deems to be unsuitable in any way.
- (d) The Authorised Officer reserves the right to refuse entry to any person whom he/she considers does not meet the minimum age requirement of a film's legal certification.
- (e) No person under the age of 18 years is allowed to enter any part of the premises which may be licensed to sell alcoholic liquor unless such a licence permits children to be present and then only on such terms and conditions as the licence allows;
- (f) No person awaiting admission to the premises shall remain in any part thereof except such areas as shall be set apart for that purpose. No person shall wait or remain in the passages or stairways at any time;
- (g) The Authorised Officer reserves the right to revoke access to members of the public registered with the Trust for Open Plus.
- (h) Admission to the Premises may be refused to any person considered by the Authorising Officer to be offensively unclean in person or dress, be suffering from an infectious disease, have an appearance or state which in the opinion of the Authorised Officer, is unsuitable or undesirable or to be under the influence of alcohol or drugs to an extent which, in the sole opinion of the Authorised Officer, is unacceptable

#### **4. PROTECTION OF PRIVACY**

- a) No person shall in the Premises:-
  - (i) interrupt or intrude upon or interfere with the privacy of any other User or staff member;
  - (ii) record images or sound by any means whatsoever within the Premises without the prior permission of the Authorised Officer;
- (b) Any person using public access computers in the Premises shall comply at all times with the terms of the Trust's Acceptable Use Policy.

**5. SAFETY AND PREVENTION OF INJURY**

No person shall:-

- (a) interfere with any person in the proper use of the Premises.
- (b) leave unattended any personal effects or clothing or bags etc. in any area of the Premises except as allowed in terms of any Conditions of Hire from time to time.
- (c) behave so as to endanger their own or any other person's safety in the Premises.
- (d) disobey any lawful instruction given by the Authorised Officer, the Hirer or any person acting under the authority of the hirer or the Authorised Officer or the emergency services to ensure the safety and comfort of all persons using the Premises at that time;
- (e) bring into the Premises any object or objects which may be considered by the Authorised Officer to be dangerous or improper or otherwise; and
- (f) enter any area of the Premises marked or signed as having restricted access.

**6. BEHAVIOUR IN THE PREMISES**

- (a) Whilst in or on the Premises no person shall:-
  - (i) behave in a disorderly or offensive manner or use any offensive language which in the sole opinion of the Authorised Officer, is unacceptable;
  - (ii) Damage, alter, interfere or tamper with any fittings or fixtures within the Premises or any article of property or equipment belonging to the Council or the Trust or the hirer including for the avoidance of doubt, fire alarms, smoke detectors or firefighting equipment ;
  - (iii) be under the influence of alcohol or drugs to an extent which, in the sole opinion of the Authorised Officer, is unacceptable;
  - (iv) Following a warning to refrain from such behaviour, repeatedly behave in a manner which is not acceptable to the Authorised Officer who shall be sole judge as to whether the behaviour is acceptable or not.
  - (v) except with the prior consent of the Trust, sound or play any musical instrument, sing or perform or operate any sound or image producing device in any part of the Premises.

- (vi) obstruct, disturb, annoy or otherwise interfere with any other person in their proper or authorised use of the Premises, or obstruct or disturb any Trust or Council employee or the hirer in the performance of his/her duties whilst in the Premises.
  - (vii) use the Premises for any purpose other than the purpose stated by the Hirer on the application form and approved by the Trust and accepted by the hirer on that form. The Trust or the Authorised Officer reserves the right to refuse the hire if the proposed use is deemed by the Trust or Authorised Officer as unacceptable.
  - (viii) sell any object, goods, food stuffs or services without the prior written consent of the Trust and satisfaction of all relevant certification and licensing requirements.
  - (ix) obstruct any gangways, doorways, stairways, entrances, exits or emergency exits .
  - (x) take, sell or distribute drugs except where the drugs are taken as part of a prescribed course of medication;
- (b) Any person admitted to the Premises must conduct themselves in a reasonable manner as regards to noise and disturbance. The Authorised Officer may refuse admission to or expel any person or persons from the Premises on reasonable cause that they will impact or disrupt detrimentally to other customers experience or create issues for staff.
  - (c) All persons must comply with all reasonable directions or instructions given to them by the Authorised Officer in the course of their duties.
  - (d) Lost property should be handed to the Authorised Officer upon finding. While the Trust or Council has no legal requirement to become responsible for lost items of property, all lost property will be held for 7 days and then disposed of.
  - (e) Unless by prior written consent from the Authorised Officer, food or drink must not be taken into or consumed within the Premises.
  - (f) All persons must refrain from any conduct which is unseemly, anti-social or which might cause annoyance or danger to other persons within the Premises. Failure to do so may result in their exclusion from the Premises.
  - (g) All persons must show any written consents or permissions relating to their use of the Premises to the Authorised Officer on request.
  - (h) It is prohibited to deface the structure of the Premises or any equipment or fittings and fixtures within the Premises.
  - (i) All items of electrical equipment that are brought into the Premises by or on behalf of the Hirer must be declared to the Authorised Officer prior to the date of hire. All such appliances must carry a valid and current

Portable Appliance Test Certificate or validation, copies of which should be submitted to the Authorised Officer. For the avoidance of doubt, this requirement shall not apply to persons utilising their own laptops for personal use within public libraries

- (i) The Authorised Officer or any member of the Emergency Services may require the Premises to be cleared with immediate effect and all persons within the Premises must immediately obey any such instruction.
- (j) The Authorised Officer may refuse to allow Lets to progress if the Hirer fails to ensure any persons operating electrical, mechanical or digital equipment are competent, or deems the activity unsafe in terms of health and safety.
- (k) The Hirer shall be responsible for maintaining order in connection with the occupation and use of the Premises during the Let and shall ensure that effective control is provided at all doorways so as to allow free access and exit and to ensure compliance with these rules. The Hirer shall be responsible for providing professional stewarding as determined necessary at time of booking and agreed with the Authorised Officer on demand.
- (l) The charge appropriate to the date of let will apply irrespective of the dates of approval. As charges are normally reviewed annually it is the responsibility of the Hirer to ascertain the appropriate fee for advance bookings made out with the financial year of hire.
- (m) Maximum permitted numbers indicated on the application form and agreed by the Trust must be strictly adhered to.
- (n) Where applicable a completed Risk Assessment or Event Management Plan must be returned with the booking application together with the requested documentation before a booking can be confirmed.
- (o) Where applicable the Hirer must hold public liability insurance with a minimum indemnity of £5,000,000 and shall forward evidence of such cover to the Trust unless the activity is excluded from that requirement.
- (p) All Users or Hirers shall at all times comply with any national or local public health guidance when using the Premises.
- (q) No part of a facility shall, except with the consent of the Authorised Officer, be used by any persons other than for the purpose which it is specifically designed or adapted for use. No equipment, furniture, fittings or other contents of a facility shall be used otherwise than in accordance with the instructions of the Authorised Officer and no person shall cause or permit any unauthorised use of any equipment, furniture, fittings or other contents;

## **7. PROVISIONS AS TO DRESS**

No person shall, except with the permission of the Authorised Officer, engage in any event or activity in a facility unless wearing or using the equipment and

clothing appropriate to that event or activity. The Trust reserves the right to determine if dress is offensive, indecent or equipment is appropriate.

**8. LITTER AND DISCARDED ARTICLES**

No person shall deposit or leave in the Premises:

- (a) any substance or article likely to cause injury or damage to any person or property;
- (b) any substance or article which might occasion risk of any kind to any child or other person finding or handling same;
- (c) any waste or other harmful matter.

No person shall throw down, deposit or leave any rubbish, refuse, litter or paper of whatever description in the Premises, other than that in a receptacle/location provided for that purpose.

No person shall bring into the Premises any article or thing which in the opinion of the Trust would be likely to cause injury to any person or damage to the Premises or any part thereof including any equipment, furniture, fittings or other contents situated therein.

**9. BEHAVIOUR AND SAFETY OF CHILDREN UNDER 8 YEARS IN THE PREMISES**

- (a) Children under the age of 8 must be accompanied at all times by a parent or a legally responsible person who shall be responsible for the behaviour and safety of the child whilst in the Premises
- (b) For any group of more than 5 such children there should be a reasonable ratio of parents or responsible persons to the group of children and the Authorised Officer shall be sole judge as to what ratio is reasonable in the circumstances.
- (c) If the Trust or Council hold an organised activity for children, such organised events will be publicised and will state the date of the event and the start and finishing times of the event. On the date and within the hours of the event only, children aged 5 and over may be allowed to remain on the Premises without being accompanied by a parent or adult person with parental responsibilities. Any child aged 4 and under must be accompanied by such a person at all times.
- (d) Adults must only enter areas specifically designated for use of children, their parents and carers if accompanying a child under their supervision as parent, carer or adult with parental responsibilities for the child. Any adult requiring access to a designated children's area for any other purpose should first seek the permission of an Authorised Officer whose decision shall be final. Any adult within a designated children's

area without the consent and not supervising a child as aforesaid will be asked to leave the area.

- (e) Any organised coaching, classes, workshops or Holiday Club activity should meet any prescribed National Governing Body or Professional Standards recommendations on ratios. The Coach or Class leader should liaise with the Authorised Officer on these ratios. Should this ratio not be met, the Authorised Officer's decision is final on whether the activity may commence.
- (f) For any school visit to the Premises, the school leader should liaise with the Activity Organiser or Authorised Officer in advance to ensure that a reasonable ratio of responsible persons attend with the group. Should this ratio not be met, the Authorised Officers decision is final on whether the activity may commence.

#### **10. AFFIXING NOTICES ETC.**

No person shall, except with the consent of the Trust, display, affix or post any bill, placard or notice upon any part of the premises or distribute any material, written or otherwise, on paper or otherwise, in the Premises.

#### **11. CHARITABLE COLLECTIONS**

No person, group or organisation is permitted to collect money for a charitable collection in the Premises without the prior written consent of the Council or Trust.

#### **12. PRIOR WRITTEN CONSENT FROM THE COUNCIL OR TRUST**

Where prior written consent from the Trust or Council is required in terms of these rules, such consent, if granted, may include the imposition of further terms and conditions which must be adhered to, failing which any such consent shall be deemed to be withdrawn. The Authorised Officer shall be sole judge as to whether or not the terms and conditions are being adhered to.

#### **13. PERSONAL RESPONSIBILITY FOR SAFETY**

- (a) Any person using any of the facilities in the Premises shall be held to have satisfied himself/herself as to the condition of the facilities and as to the suitability thereof for the purpose of use.
- (b) The Trust shall not be held responsible for any accident or injury to any such person arising from the use of the facilities, however such accident or injury may be caused.
- (c) The Trust cannot accept responsibility for any person who has been injured within the Premises whilst engaged in unauthorised activities, or activities that contravene any of these rules.
- (d) Where applicable, the Hirer is responsible for the provision of First Aid facilities, as required.

**14. SMOKING**

No person shall smoke, use e-cigarettes or vape devices in the Premises

**15. ALTERATION OF RULES**

The Council shall be entitled to alter these rules or any part of them from time to time as they see fit and make and enforce such other rules as they consider necessary for the proper or better management of the Premises.

**16. BREACH OF MANAGEMENT RULES**

The Authorised Officer shall be sole judge as to whether or not a person is about to contravene, is contravening or has contravened these Rules and his/her decision to expel or exclude a person from the Premises shall not be challengeable at that time.

**17. EXPULSION OR EXCLUSION FOR BREACH OF MANAGEMENT RULES**

An Authorised Officer may:-

- (a) if they have reasonable grounds for believing that a person has contravened, is contravening or is about to contravene any of the Management Rules, expel that person from the Premises ; and
- (b) if they have reasonable grounds for believing that a person is about to contravene any of the Management Rules, exclude that person from the Premises

**18. ARBITRATION**

Without prejudice to the right of an Authorised Officer to ask a person to leave the Premises, or expel or exclude that person from the Premises in terms of these Rules, any difference or dispute arising as to the true intent, meaning or interpretation of these Rules shall be considered and determined by the Trust's Chief Executive or other person appointed by him to do so.

The Authorised Officer and any other party disputing the matter shall be invited to make oral or written submissions which shall be considered in reaching a decision and the decision of said Chief Executive shall be final.

**19. EXCLUSION ORDERS**

In terms of Section 117 of the Civic Government (Scotland) Act 1982 the Council may decide that a person who has persistently contravened or attempted to contravene these Management Rules and is, in their opinion, likely to contravene them again shall be made subject to an Exclusion Order. A person subject to such a decision shall be entitled to make written or oral representations to the Council as to its appropriateness and the decision which shall only take effect after consideration of any representations so made. An Exclusion Order shall have effect for such a period not exceeding one year as



the Council may determine and the Council may at any time reduce that period or revoke an Exclusion Order made by them.

## **20. OFFENCES**

In terms of Section 118 of the Civic Government (Scotland) 1982, any person who:-

- (a) on being required to leave the premises by the Authorised Officer who has reasonable grounds for believing that the person has contravened, is contravening, or is about to contravene any of these Rules fails to leave;
- (b) on being informed by the Authorised Officer who has reasonable grounds for believing that the person is about to contravene any of these rules that he is excluded from the premises, enters or attempts to enter the premises; or
- (c) being a person subject to an Exclusion Order under Management Rule 19 above, enters or attempts to enter the premises shall be guilty of an offence.

## **21. GENERAL PROVISIONS**

- (a) No dog or any other animal or creature shall be allowed in any part of the Premises unless it is a certified guide or aid dog, it is permitted in terms of the Conditions of Hire or the prior written consent of the Trust or Council has otherwise been obtained.
- (b) No person shall bring any alcoholic liquor into the Premises unless prior written consent to do so is obtained from the Authorised Officer, or it is allowed in terms of the Conditions of Hire or by any other contractual agreement. No person shall sell alcoholic liquor unless an appropriate licence under the Licensing (Scotland) Act 1976, or any subsequent equivalent legislation, is obtained first by that person;
- (c) Any person wishing to bring into the Premises specialist equipment or apparatus which would be accessible to the public must obtain prior written consent from the Authorised Officer for permission and such permission may be subject to such conditions as the Trust or Council may impose;
- (d) All personal belongings or any item brought into the Premises by any person must be deposited in any cloakroom or area set aside for that purpose or be retained by the person until that person leaves the Premises. In particular, no such item or belonging should be left such as to obstruct any doorway, passageway or aisle, nor placed on any

seat in the Premises for which the person has not purchased or otherwise obtained a ticket to occupy;

- (e) No person is permitted to carry out any business activity within the Premises unless the Trust or Council has given prior permission to do so in writing
- (f) No gambling shall be allowed in the Premises without the express permission of the Authorised Officer. Any permission may be subject to such conditions as the Trust or Council may impose and is always subject to permission being granted by East Renfrewshire Licensing Board or the Council as appropriate

**22. SPECIAL / SPECIFIC PROVISIONS (Community Halls and Facilities)**

- (a) All Hirers of the Premises shall comply with the terms and conditions contained in the Conditions of Hire. and
- (b) All persons shall obey the reasonable and lawful instructions of the Hirer, or any person acting under the authority of the Hirer or the Authorised Officer in order to comply with the terms and conditions of the Conditions of Hire.

**23. SPECIAL / SPECIFIC PROVISIONS (SPORTS CENTRES; LESIURE CENTRES; SWIMMING POOLS; THEATRE AND INSTRUCTION PROGRAMMES AND CLASSES):**

**23.1 Prevention of Injury**

No person shall in the Centre:-

- (a) run, climb, or jump except in such parts of the Centre which the Council have provided for that purpose or as otherwise authorised by the Authorised officer;
- (b) Fail to follow instructional signage in building, i.e. pool rules, use of area directions etc;
- (c) behave so as to endanger their own or any other persons' safety;
- (d) enter the swimming pools unless in the presence of a lifeguard or other responsible person approved by the Authorised Officer; and
- (e) disobey any lawful instruction given by the Authorised Officer or any of the staff to ensure the safety and comfort of all persons using the Centre at that time.

**23.2 Provisions as to Dress and Equipment.**

- (a) No person shall enter or remain in the water in the pool unless wearing acceptable swimwear or equipment;
- (b) No person shall take part in any game or exercise within the Centre unless wearing acceptable sportswear;
- (c) Any person using any equipment hired or supplied by the Trust must return that equipment to the Trust before leaving the centre.

**23.3 Protection of Water in Swimming Pools.**

No person shall

- (a) enter the water in the pool before first washing in the pre cleansing/shower area;;
- (b) enter the water in the pool if in the opinion of the Authorised Officer their body or any part thereof is dirty or unclean;
- (c) foul or pollute the water in a pool; and
- (d) enter the water if suffering from cutaneous, infectious or contagious diseases or broken skin (unless protected by a waterproof covering) .
- (e) walk with outdoor footwear on the poolside or in the shower areas

**24. SPECIAL / SPECIFIC PROVISIONS (Libraries):**

**24.1 Use of Public Access Computers.**

No person under the age of 12 can use public access computers unless accompanied by a parent or person with parental responsibilities. . All users of public access computers must do so in accordance with the Trust's "Acceptable Use Policy" regulating the use of public access computers.

**25. CAR PARKS.**

Except with the prior written consent of the Trust, any area designated for car parking at any Premises must only be used for the parking of vehicles by members of the public using the Premises or adjacent facilities owned or operated by the Council or the Trust and then only for a maximum parking period of 3 hours. In addition to the foregoing, the use of designated disabled parking bays is reserved for disabled badge holders only, the said badge must be displayed when parking in these bays.

Made by The East Renfrewshire Council on the x day of August, Two thousand and twenty two.

.....  
Chief Officer –Legal and Procurement and Authorised Signatory

EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of Business Operations & PartnershipsDAY OF NATIONAL MOURNING**PURPOSE OF REPORT**

1. The purpose of this report is to gain homologated approval from the Council for the public holiday on Monday 19 September 2022 created to mark a Day of National Mourning for Her Majesty Queen Elizabeth II's State Funeral.

**RECOMMENDATION**

2. That Council homologate the decision to treat Monday 19 September 2022 as a public holiday for employees to mark a Day of National Mourning for Her Majesty Queen Elizabeth II's State Funeral.

**DAY OF NATIONAL MOURNING**

3. Following the sad news of the passing of Her Majesty the Queen, King Charles III approved Monday 19 September as a bank holiday to coincide with Her Majesty Queen Elizabeth's State Funeral. The bank holiday will mark the last day of the period of national mourning.

4. In Scotland, national holidays are a devolved matter however the Scottish Government confirmed that the extra holiday on Monday 19 September 2022 would also apply to Scotland as a mark of respect.

5. Due to the tight timescales required to put appropriate measures in place to grant the public holiday, the Chief Executive used her emergency powers in consultation with the Group Leaders to grant this public holiday. This report is to homologate that decision.

6. Bank or public holidays do not have to be given as paid leave. These can be included as part of a worker's statutory annual leave and it is for the Council to determine. In previous years the approach has been to align with the Scottish Government's position on bank holidays related to such events.

7. In line with other organisations employees required to work on 19 September will be eligible for the rates of pay and all other terms and conditions applicable on a designated public holiday. All employee conditions of service that apply to public holidays (such as overtime for Local Government Employees) were therefore applied on Monday 19 September 2022.

8. In line with previous events where additional public holidays have been granted the Scottish Government issued a letter requesting authorities to apply for consent for an exceptional closure of local authority schools indicating that it was the Government's intention to approve all such applications.

**RECOMMENDATIONS**

9. That Council homologate the decision to treat Monday 19 September 2022 as a public holiday for employees to mark a Day of National Mourning for Her Majesty Queen Elizabeth II's State Funeral.

**REPORT AUTHOR:**

Sharon Dick, Head of HR and Corporate Services, Tel 07741 235242

**CONVENER:**

Councillor Owen O'Donnell

EAST RENFREWSHIRE COUNCIL26 October 2022Report by Director of Business Operations and PartnershipsRE-ESTABLISHMENT OF LOCAL LICENSING FORUM**PURPOSE OF REPORT**

1. To advise members of proposed arrangements for the re-establishment of the East Renfrewshire Local Licensing Forum, including the reappointment of former members and proposals for the filling of any subsequent vacancies

**RECOMMENDATIONS**

2. That Council:-
- (a) note the proposals for the re-establishment of the East Renfrewshire Local Licensing Forum, including the reappointment of former members;
  - (b) agree to the continued membership of Caroline Church and Onker Singh and the potential continued membership of Helena Shanks and Thomas Henderson;
  - (c) note the proposals for filling any vacancies; and
  - (d) note that following the completion of the recruitment exercise arrangements will be made for the Forum to meet.

**BACKGROUND**

3. The Licensing (Scotland) Act 2005 (the Act) introduced a requirement for each local authority to establish a local licensing forum for their area. The general functions of licensing forums as set out in the legislation are to

- (a) keep under review
  - (i) the operation of the Act in the forum area; and
  - (ii) in particular the exercise by the licensing board of its functions, and
- (b) give such advice and make such recommendations to the Licensing Board in relation to those matters the forum considered appropriate

4. This ability to review, give advice, or make recommendations does not extend to particular cases being considered by the Licensing Board but does relate to the five licensing objectives prescribed by the Act. These are:

- Licensing Objective 1: Preventing Crime and Disorder;
- Licensing Objective 2: Securing Public Safety;
- Licensing Objective 3: Preventing Public Nuisance;
- Licensing Objective 4: Protecting and Improving Public Health; and
- Licensing Objective 5: Protecting Children from Harm.

## Membership

5. In appointing members of a forum, the local authority must seek to ensure that so far as possible, the membership of the forum is representative of the interests of persons or descriptions of persons who have an interest which is relevant to the forum's general functions.

Those persons include:-

- (a) premises and personal licence holders
- (b) the Chief Constable
- (c) persons having functions relating to health, education, or social work
- (d) young people
- (e) persons resident in the forum's area

The Local Licensing Standards Officer is to be a standing appointment.

6. At the time the forum was established the number of members had to be no fewer than 5 and no more than 20. Further legislative changes have seen the maximum number of members increased to 21.

7. When the forum was first set up it was agreed that there were to be 18 members as follows:-

- (a) Local Residents (7)
- (b) Young People (2)
- (c) Education (1)
- (d) Health (1)
- (e) Social Work (1)
- (f) Police (1)
- (g) Premises/personal licence holders (4)
- (h) Licensing Standards Officer (1)

8. Initially the forum was well attended but latterly difficulties were being experienced in recruiting to any vacancies that arose. This was particularly true of licence holders but also in relation to young people where despite regular promotion of the vacancies, showed little if any interest.

9. This dwindling interest was exacerbated by the onset of the Covid 19 Pandemic and associated lockdown restrictions, limitations of available technology and capacity to use such technology by Forum Members. Consequently the forum has not met for some time.

10. A review of membership has shown there to be vacancies in the following categories:-

- (a) Local Residents (5/6)
- (b) Young People (2)
- (f) Premises/personal licence holders (3)

11. In relation to these vacancies, dialogue will take place with the Council's Communications Team about the most appropriate way to encourage individuals to apply for forum membership. Every effort will be made to ensure all geographical areas of East Renfrewshire are represented on the forum.

12. At the time of writing only 1 existing forum member, Caroline Church, had indicated a willingness to continue to participate. Agreement is sought for her continued participation. Efforts continue to be made to contact the remaining members who may wish to continue to



participate; Ms Helena Shanks of Thornliebank and Mr Thomas Henderson of Eaglesham. In the event either or both intimate their willingness to continue to participate approval of their continued membership is sought. 1 licensee, Mr Onker Singh, has intimated he wishes to continue as a member and approval is also sought for his continued membership.

13. Liaison will take place with the Director of Education and the Chief Officer – IJB regarding the nomination of officers to represent education, health and social work interests on the forum.

### **IMPLICATIONS OF THE PROPOSALS**

14. There are no staffing, property, legal, IT, Subsidy Control, equalities, sustainability or climate change implications associated with this report.

### **CONCLUSIONS**

15. Councils are required to have a Local Licensing Forum and this report sets out the plans to be taken forward for the re-establishment of the East Renfrewshire Forum.

### **RECOMMENDATIONS**

16. That Council:-

- (a) note the proposals for the re-establishment of the East Renfrewshire Local Licensing Forum, including the reappointment of former members;
- (b) agree to the continued membership of Caroline Church and Onker Singh and the potential continued membership of Helena Shanks and Thomas Henderson;
- (c) note the proposals for filling any vacancies; and
- (d) note that following the completion of the recruitment exercise arrangements will be made for the Forum to meet.

Report author

Eamonn Daly

Democratic Services Manager

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EAST RENFREWSHIRE COUNCIL26 OCTOBER 2022Report by Director of Business Operation and PartnershipsNETHERLEE AND STAMPERLAND COMMUNITY COUNCIL– REQUEST FOR  
AMENDMENTS TO CONSTITUTION**PURPOSE OF REPORT**

1. To consider a request from Netherlee and Stamperland Community Council for amendments to the community council's constitution.

**RECOMMENDATION**

2. That the Council:-
- (a) considers whether to approve the addition of a new Clause 13A and sub-clauses 13A.1 and 13A.2 to the Netherlee and Stamperland Community Council Constitution;
  - (b) notes that the addition of sub-clauses 13A.3 and 13A.4 cannot be considered as they contradict the procedures as set out in Clause 12 of the Scheme of Establishment; and
  - (c) agrees that in the event the Council receive any requests to amend community council constitutions in future which cannot be approved as the proposed alteration contradicts, prejudices or undermines the terms contained within the Scheme, it be delegated to the Director of Business Operations and Partnerships and Head of HR & Corporate Services to refuse such requests.

**BACKGROUND**

3. At the meeting of the Council on 24 June 2015 the new East Renfrewshire Scheme of Establishment for Community Councils was approved. The Model Constitution and Model Standing Orders were also approved at that time and were subsequently adopted by the new community councils. The Model Constitution was subsequently adopted by Netherlee and Stamperland Community Council following its establishment in 2021.

4. The Scheme of Establishment cannot be altered without a full public consultation on the Scheme taking place, however it is open to community councils to make a request to the Council to amend the Model Constitution and Standing Orders. Any proposed alterations may not contradict, prejudice or undermine the terms and objectives contained within the Scheme and must not negatively impact on the transparency and accountability of the community council.

**REPORT**

5. A request has been received from Netherlee and Stamperland Community Council for an alteration to their constitution. The community council are seeking the insertion of an additional clause, Clause 13A and sub-clauses 13A.1 to 13A.4, in the following terms:-

**13A Principles, Behaviour and Procedures for Breach**

*13A.1 The COMMUNITY COUNCIL shall uphold principles of non-discrimination, equality and fairness.*

*13A.2 The COMMUNITY COUNCIL shall display zero tolerance of bullying, harassment, discrimination or threatening or intimidating behaviour by members of the COMMUNITY COUNCIL.*

*13A.3 A member's membership may be terminated with immediate effect following a majority vote in favour of their removal from the COMMUNITY COUNCIL (a motion having been proposed and seconded by members in accordance with the normal voting rules), if by majority vote, the COMMUNITY COUNCIL has found that the member has committed any of the categories of behaviour listed in 13A.2. Any such termination must be confirmed in writing as soon as possible by the COMMUNITY COUNCIL to the member whose membership has been terminated.*

*13A.4 Any member whose membership is terminated in accordance with 13A.3 shall have a right to appeal against that decision to East Renfrewshire Council. A member wishing to exercise this right of appeal shall do so by written request to East Renfrewshire Council's Liaison Officer.*

6. In support of their request, the community council have referred to recent events leading to the suspension of a member of the community council.

**Comment**

7. Whilst the Scheme of Establishment is silent on those issues referred to in the proposed additional sub-clauses 13A.1 and 13A.2, the Code of Conduct sets out the obligations placed on community councillors in relation to their behaviour. In particular, the section of the Code on Respect states:-

*You must respect fellow members of your community council and those that you represent, treating them with courtesy, respect and in a non-discriminatory manner at all times. This should extend to any person, regardless of their position, you have dealings with in your capacity as a community council member.*

*Recognition should be given to the contribution of everyone participating in the work of the community council. You must comply with Equal Opportunities legislation and ensure that equality of opportunity be given to every participant to have their knowledge, opinion, skill and experience taken into account.*

*You should ensure that confidential material, including details about individuals, is treated as such and that it is handled with dignity and discretion and is not used for personal, malicious or corrupt purposes.*

*You must not misuse the Code for personal gain, political advantage or for the purposes of making complaints.*

8. It can be seen therefore that that the additional sub-clauses 13A.1 and 13A.2 are compatible with the Code and therefore the Scheme. The Council could therefore if it chooses to do so, agree to the inclusion of the 2 additional sub-clauses in the Constitution.

9. In relation to the proposed sub-clauses 13A.3 and 13A.4, Clause 12 of the Scheme of Establishment contains specific provisions relating to the conduct of community councillors, how complaints should be dealt with and the sanctions that can be imposed. As the requested additional sub-clauses 13A.3 and 13A.4 are not compatible with the provisions as set out in the Scheme, and the Scheme cannot be altered without full public consultation, they cannot be considered.

### **Future arrangements for dealing with requests**

10. The Council has already granted delegated powers to officers to deal with any future requests from community councils for alterations to their constitution, as long as the request is for a change which is the same as one which has already been approved by the Council. As the request from Netherlee and Stamperland Community Council did not fall into this category it was necessary for the request to be presented to Elected members. However as explained above it is not possible for part of the request from the community council to be considered as the requested change contradicts the provisions contained in the Scheme of Establishment. To remove the need for requests of this nature to be presented to Elected Members regardless of the fact that they cannot be approved, it is proposed that delegated powers be granted to the Director of Business Operations and Partnerships and the Head of HR & Corporate Services to refuse requests where the proposed amendment contradicts, prejudices or undermines the terms and objectives contained within the Scheme of Establishment.

### **CONCLUSION**

11. The community council have requested amendments to their constitution in response to recent events which led to the suspension of an existing community councillor. Whilst the Clause 13A and sub-clauses 13A.1 and 13A.2 are compatible with the Scheme of Establishment sub-clauses 13A.3 and 13A.4 are not and therefore cannot be considered.

### **RECOMMENDATION**

12. That the Council:-

- (a) considers whether to approve the addition of a new Clause 13A and sub-clauses 13A.1 and 13A.2 to the Netherlee and Stamperland Community Council Constitution;
- (b) notes that the addition of sub-clauses 13A.3 and 13A.4 cannot be considered as they contradict the procedures as set out in Clause 12 of the Scheme of Establishment; and
- (c) agrees that in the event the Council receive any requests to amend community council constitutions in future which cannot be approved as the proposed alteration contradicts, prejudices or undermines the terms contained within the Scheme, it be delegated to the Director of Business Operations and Partnerships and Head of HR & Corporate Services to refuse such requests.

Report Author

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EAST RENFREWSHIRE COUNCIL26 October 2022Report by Chief ExecutiveEASTWOOD LEISURE CENTRE / THEATRE**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Council of potential increased costs with regard to the delivery of a new Eastwood Leisure Centre/Theatre due primarily to recent construction cost inflation. The report also highlights the impact of market volatility and that a further report will be brought back to Council.

**RECOMMENDATION**

2. It is recommended that the Council notes:-
- The effect of construction inflation on the projected cost of a replacement Eastwood leisure centre;
  - The recent volatility in interest rates and energy prices; and
  - That a further report will be brought to council in the near future, once an analysis of the impact of interest rates and energy prices on the cost of options for the Eastwood Leisure Centre and the overall capital plan has been completed.

**BACKGROUND**

3. The Council in February 2021 considered a report providing an update on the Eastwood Leisure Centre and Theatre options and costs.

4. The report explained that the opportunity is unique given the blend of civic, education, leisure, culture, heritage, landscape and community within Eastwood Park. The Leisure Centre/Theatre has the potential to deliver wide benefits, reinforcing the success of the surrounding areas as attractive places to live with excellent facilities including schools, local shops, restaurants, places of worship, sports clubs and good public transport.

5. The report highlighted the opportunity for a high quality, visually attractive and state-of-the-art facility. The focus was on customer appeal, future flexibility and income generating opportunities. Key examples included pool facilities which offer scope for lessons alongside public swimming and training, extended hours of access to the gym and fitness suites, a gymnastics facility, the potential to incorporate a library, agile workspace, office accommodation, a studio theatre and rehearsal space to complement the main theatre auditorium and an outdoor cinema/theatre area as well as being able to host a wide range of events.

6. The report further advised that the overall development cost was estimated to be £55 million. The report highlighted that the cost would be refined through further detailed design, market testing and value engineering in due course.

7. The Council was advised that the options available to the Council at that stage were;
- to progress the current proposals at an estimated capital cost of £55 million; or
  - to choose a reduced level of capital expenditure and have the scheme redesigned within that level of expenditure.

8. The Council agreed to proceed with the current proposals contained within the report for Eastwood Leisure Centre and Theatre at an estimated £55m capital cost and appropriate provision was made within the Council's General Fund Capital Programme.

## REPORT

9. Since that time preliminary investigations have been carried out and planning permission was granted in January 2022.

10. BAM Construction Ltd were appointed in April/May 2022 as the primary and preferred contractor after a comprehensive tender exercise carried out by Hub West Scotland on the Council's behalf involving the Council's Chief Procurement Officer.

11. In June 2022 BAM advised that RIBA stage 3 market review of the cost plan showed that the updated budget estimate had risen to £74 million. The project has been affected mainly by the high level of inflation being experienced across the construction sector. As a result the estimated project cost had increased.

12. A value engineering exercise was then carried out to try to reduce the cost whilst at the same time protecting the vision/ambition, scope and quality of the project. The result of the exercise was that the estimate of £74 million could be reduced to £67 million without reducing quality and/or functionality and without adversely affecting whole life costs. The cost estimate includes contingency of £8.8m.

13. The intention had been to present Council with 5 options;

- Option one – proceed with the original vision and scope for a new build facility at a cost of around £67 million.
- Option two – agree to a lower cost and reduce the vision and scope for a new build facility.
- Option three – refurbish the existing facility.
- Option four – start afresh and design a small local leisure centre without a theatre
- Option five – do nothing at all.

14. However whilst this analysis work was undertaken, there has been significant volatility in interest rates. The Head of Accountancy is presently reviewing the existing capital plan and based on present rates, the impact on the affordability of the plan could be significant. It is expected that interest rates could fall next year but at the moment the level of uncertainty makes an assessment of future interest rates difficult.

15. East Renfrewshire Council's *Net Zero 2045* policies and ambitions are best served by an all-electric building. The design of the replacement building maximised energy efficiency and units used per m<sup>2</sup> are expected to be 63% less than the existing building. The building is approximately double the size of the existing building but is still expected to use 16% less energy. However at the moment a unit of electricity is significantly more expensive than a unit of gas. This will be a factor in all new buildings until the differential between gas and electricity prices is reduced. Given the current price of energy, further work is required to understand the significance of this in the overall running costs of the new building.



16. Further analysis of the impact of interest rate rises and energy prices is required and therefore a further report will be brought to Council in the near future.

## **FINANCE AND EFFICIENCY**

17. There is currently provision of £55 million within the Council's General Fund Capital Programme.

18. Recent volatility in market conditions has led to a great deal of uncertainty around interest rates and energy prices. The financial work done to date has focused on the impact of construction inflation caused primarily by supply chain issues associated with Coronavirus. The market volatility in interest rates and energy prices is much more recent and there is a high degree of uncertainty about long term trends.

## **CONSULTATION AND PARTNERSHIP WORKING**

19. There has been considerable partnership working, mainly with the East Renfrewshire Culture and Leisure Trust in developing these proposals.

## **IMPLICATIONS OF THE PROPOSALS**

20. There are no staffing, IT, legal or equality implications directly associated with this report at this point in time.

21. Sustainability issues will be addressed in future reports.

## **RECOMMENDATION**

22. It is recommended that the Council notes:-

- Effect of construction inflation on the projected cost of a replacement Eastwood leisure centre;
- The recent volatility in interest rates and energy prices; and
- That a further report will be brought to council in the near future once an analysis of the impact of interest rates and energy prices on the cost of options for the Eastwood Leisure Centre and the overall capital plan.

Lorraine McMillan  
Chief Executive

October 2022

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