

Best Value

Renfrewshire Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
June 2025

Contents

Key facts	3
Commission findings	4
Controller of Audit report	6
Appendix 1	17
Appendix 2	18



Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key facts



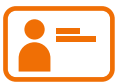
104

Square miles



186,540

Population



8,506

Workforce



43

Elected members

20 SNP, 13 Labour, 4 Independent, 3 Conservatives,
2 Reform, 1 Liberal Democrat
(SNP minority administration)



£33m

**Forecast cumulative budget gap for 2026/27
and 2027/28**

(before council tax increases)



£513.6m

Net revenue budget/expenditure 2023/24



£176m

Capital budget 2023/24

(General Fund £146m HRA £30m)

Commission findings

The Accounts Commission welcomes and endorses the Controller of Audit's report on Best Value in Renfrewshire Council ([presented at page 6](#)), and the reports and recommendations made by the auditors. Following consideration of these reports at its meeting on 15 May, the Commission has made the findings presented below:

- 1** The council's commitment to leadership and creating a positive working culture across all services is to be welcomed. We were interested to see the development of the 'Cultural Assurance Model' in partnership with the Improvement Service. We encourage the council to ensure that this self-assessment approach is now bedded in as part of its cycle of continuous improvement, that it continues to focus on addressing the specific improvement areas identified in its staff survey, and that the model is shared with others.
- 2** We are pleased to see that the council has responded positively to issues raised by the Controller of Audit in previous reports and welcome the auditors' approach to highlighting the costs associated with the new primary school in Dargavel and the extension to Park Mains High School, on which we will keep a watching brief.
- 3** There are good examples of activities that are enabling and supporting community engagement across Renfrewshire. A refreshed approach to consultation and engagement is now in place across the council and although it's early days, it is clear that the council is working hard to build trust and confidence with all communities across the region. Ensuring openness and transparency with communities will be essential as tough decisions require to be taken and we will expect to see evidence of community engagement flowing through into decision-making, policy development and service planning.
- 4** The council has managed its finances prudently and worked hard over the years to smooth the impact of fluctuating funding settlements. This has included building up reserves which have been used to protect services, balance budgets, and support investment in assets but this is not sustainable over the long term. Increasing demand and costs mean the council is now facing significant financial pressures in areas like health and social care, and Renfrewshire's Integration Joint Board's (IJB) reserves are expected to be exhausted by the end of 2025/26. The next phase

of the council's transformation plan – Reshaping Renfrewshire – aligned to its medium-term financial plan, is now central to addressing its growing budget gap (including within the IJB) and reducing its reliance on reserves.

- 5 We recognise the council's ambitious and complex capital programme, but the council must address the delivery issues that have affected the programme in previous years. The programme impacts the council's revenue budget, so delays and slippage come at a cost to investment in service delivery.
 - 6 As well as a comprehensive approach to leadership development, we are pleased to see a programme of member development in place, especially in audit, risk, and scrutiny. All members should be encouraged to undertake training, given the skills needed to navigate an increasingly complex and challenging external environment and to take the tough decisions that lie ahead.
 - 7 We will continue to watch the council's performance with interest, especially in areas like education where attainment and positive destinations are among the best and its costs per pupil are among the lowest in Scotland. The council's delayed discharges from hospital (age 75+) and hospital readmission rates are [lower than the Scottish and 'family group' averages](#), but difficult decisions are now required within the IJB, given the financial position. It is important that the council continues to monitor the impact of its decisions on service performance and wider outcomes for communities.
-

Controller of Audit report

Introduction

- 1.** This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in October 2024. [Appendix 1 \(page 17\)](#) includes links to the 2022/23 and 2023/24 Annual Audit Reports (AAR) and [Appendix 2 \(page 18\)](#) includes a link to the Best Value Statutory Guidance.
- 2.** The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation.
- 3.** The Best Value theme for 2024/25 is Transformation and how councils are redesigning and delivering more efficient services to achieve planned outcomes. The work undertaken by the auditor at the council was not complete in time to be covered here and will be reported on as part of the 2024/25 annual audit.

Pace of continuous improvement

- 4.** Renfrewshire Council remains committed to the principles of Best Value and has made good progress on previous improvement actions identified in Best Value reports.
- 5.** The council has also put in place arrangements to address the issues raised by the Controller of Audit, and the Accounts Commission in response to Controller of Audit s102 reports, on council failings in relation to Dargavel Primary School.
- 6.** The recent follow-up audit in relation to community engagement and culture change identified some scope for further improvement in how the council reports options appraisal outcomes and business case assessments.

Best Value Assurance Report (BVAR) follow-up

7. The council last received a BVAR in August 2017. The report made seven recommendations for improvement in areas such as cross-party working, community engagement, partnership working, financial sustainability, workforce planning and governance arrangements. The auditor has reported good progress against improvement actions, with all recommendations now complete.

Leadership review

8. Leadership in the development of new local strategic priorities was the subject of Best Value thematic work in 2022/23. The auditor was satisfied that council arrangements in place to demonstrate Best Value under each reported area of the 2022/23 thematic review were appropriate.

9. In their recent follow-up report, the auditor reported they are satisfied that the council has demonstrated evidence of a positive corporate culture and continues to take a range of actions aimed at supporting further development of openness and transparency. The auditor has also noted an improved level of scrutiny at Audit, Risk and Scrutiny Board in their 2024/25 interim report on culture and community engagement.

10. The Council Plan 2022-27 was refreshed in June 2024 and includes a vision of 'Creating a fairer Renfrewshire built on innovation, wellbeing and opportunity'. The council's intention with the refreshed plan was to sharpen its focus on key priority areas and update actions and performance indicators to better facilitate measurement of progress. The auditor will consider the refreshed plan as part of the 2024/25 audit.

11. The council introduced a Leadership Development Programme developed by the Society of Local Authority Chief Executives (SOLACE) based on their discussions with the key stakeholders within the council. Three cohorts of the council's leaders and managers have now been through the programme. Additional deep-dive training took place during 2023/24 for all key officers at a variety of grades on governance.

12. Elected member training takes place on a regular basis throughout the year with an annual development week also provided. Training needs are kept under review to keep pace with the changing council context, key areas of interest, and identified needs. A range of training formats are used, and a suite of training materials is made available. Opportunities for training and development through organisations such as the Improvement Service are also shared and promoted.

13. In December 2024, the council launched a new self-assessment approach focused on organisational culture. This Cultural Assurance Model (CAM) was developed in partnership with the Improvement Service and based on the Public Service Improvement Framework which has been used in the council for over 15 years.

14. The model explores organisational culture across the four key themes of Leadership; People (employees); Collaborating, learning and listening; and Ethics and governance. The first phase of the CAM programme included a targeted survey of the Chief Officers Team, the Our Leaders Forum (third-tier managers) and the staff forums across the four council services.

15. The overall findings from the targeted CAM survey show respondents reflecting on a positive organisational culture at the council, alongside some areas for improvement that the council is exploring further. Just over a quarter of respondents identified that further improvements could be made in relation to feeling able to raise concerns about any aspect of work, and the transparency and accountability around decision-making.

16. As part their recent audit work, auditors specifically met with council members and officers to consider their relationships. Auditors found that members and officers work well together in a constructive and appropriately challenging culture which supports good overall decision-making. However, their analysis of board papers indicates some scope for the council to further develop how it presents options appraisal and business case development in supporting effective council decision-making and achieving transparency and openness in decision-making processes.

Citizen and community engagement

17. Previous statutory reports have highlighted specific concerns relating to engagement regarding Dargavel Primary School. The auditor reports that good progress has been made with the development of consultation and community engagement including a refresh of the council's overall approach, with appropriate arrangements established or in place to support effective governance and scrutiny of those revised arrangements.

18. Community empowerment, wealth and wellbeing are reflected in the strategic priorities underpinning the Council Plan and the council has worked collaboratively to deliver a place-based approach to digital exclusion, with work being recognised in the joint Accounts Commission and Auditor General report on [Tackling digital exclusion](#) in 2024.

19. A revised Consultation and Engagement Policy was approved by the Leadership Board in February 2025, which replaces an existing engagement strategy and toolkit. It provides best practice guidance for council officers and services who plan and conduct public consultation and engagement.

20. The introduction of a Consultation and Engagement Coordination Group, chaired by the head of policy and partnerships, should help strengthen the application of the new policy. This group will provide strategic oversight, guidance and approval of the consultation and engagement activity, and review operational progress against the policy on an annual basis.

21. Updates on consultation and engagement will be provided to the council's Leadership Board as part of the six-monthly updates currently provided on the Council Plan. Services will also provide an update on consultation activities progressed through service improvement planning processes and reports to relevant policy boards.

22. The auditor highlights a number of activities at the council which are enabling and supporting community engagement including:

- A range of surveys have been undertaken with residents throughout the year.
- A Connected Communities model has been developed which will seek to strengthen the way in which the council works with communities.
- Engagement on the Housing Led Regeneration and Renewal Programme has been implemented.
- You Decide – a participatory budgeting programme has been in place for three years.
- A 'Celebrating Renfrewshire' fund designed by, and for, young people to have direct say on local area projects. This has been operating for five years, with over 10,000 votes and 400 projects delivered.
- The Community Asset Transfer Policy and Sustainable Communities Fund enables direct community engagement across a range of council investment decisions.

23. The auditor will monitor the council's progress with community engagement as part of their 2024/25 audit.

Effectiveness of performance reporting

24. The auditor has found performance management arrangements at the council to be robust and generally good. Systems for monitoring and reporting overall performance are good, and the council is developing arrangements to better evidence the relationship between strategic objectives, budget decision-making and performance outcomes in future performance reports.

25. The council's Performance Framework for the Council Plan was approved in December 2022 and refreshed in June 2024. The Framework contains 37 high-level actions to be achieved in the next five years, with 34 performance indicators to measure progress.

26. Performance is monitored through quarterly performance reporting to the Corporate Management Team. The chief executive also holds performance scrutiny meetings with each directorate team twice a year, and the council plans to introduce a new performance board in April 2025 to help drive further improvements to service level performance. Performance is reported to elected members through Service Improvement Plans and Council Plan performance reports (six-monthly) and ad hoc operational performance updates for service areas.

27. Local Government Benchmarking Framework (LGBF) data is also reported to the Audit Risk and Scrutiny Board and made available to the public through the council's Public Performance Reporting website page which includes presentations, dashboards and narrative.

Reported performance

28. The council reported progress against the Council Plan and its five strategic outcomes (Place, Economy, Fair, Green, and Living our values) in December 2024. The progress report covered the 37 high-level actions, and 34 performance and data indicators outlined in the Council Plan.

29. Of the council's chosen indicators, 20 have targets, with the remainder providing additional contextual information. Of the 20 indicators with targets, nine are meeting or exceeding the target, four are narrowly missing the target, and seven are behind target.

30. A review of all LGBF indicators shows that 67 of the 107 (63 per cent) available indicators have improved since the base year, three (three per cent) have stayed the same and 37 (35 per cent) have declined.

31. Of the 107 LGBF indicators, 76 are classed as performance indicators, 20 relate to costs and 11 to satisfaction. Seventy-four per cent of performance indicators, 50 per cent of cost indicators, and one satisfaction indicator have improved since the base year.

32. The council has 57 per cent of its LGBF performance indicators in the top two quartiles of council performance, having fallen slightly from 63 per cent in the base year.

33. The council reported on 19 education performance indicators for 2023/24 in a report to the Education and Children's Service's Policy Board in May 2024. One performance indicator has been on target, seven were below target and 11 were within ten per cent of the target, but still below it. When considering the long-term trends of those indicators, 13 report a downward trend, four an upward trend, with the remaining two either not comparable or without any change.

34. LGBF education performance measures show that the council remains in the top ten councils for 14 out of 18 indicators, with the four remaining indicators better than or close to the national average. The council had the fifth lowest cost per secondary school pupil in Scotland in 2023/24.

Workforce planning

35. The auditor concluded that the council has appropriate workforce planning strategies and other policies in place, with a flexible approach to new ways of working and an awareness of the need for further improvement in this area.

36. The council's People Strategy 2021-26 was updated in 2023 to align its themes with the new Council Plan strategic priorities. The focus of the updated strategy being:

- improve employee experience to evolve the council's culture
- workforce planning to support service redesigns
- Equality, diversity, and inclusion.

37. At the beginning of 2024, the council established a Corporate Workforce Planning Group, consisting of heads of services to drive and monitor the Council's People Strategy priorities and outcomes.

38. The People and Development function is currently being reviewed to ensure it is able to deliver on the potential requirements of the new People Strategy under development. A stronger link to financial management is planned for the new strategy.

39. Responsibility for management of the workforce is delegated to individual services. Workforce risk assessment, operational priorities and implementation, and monitoring are undertaken through service improvement plans.

40. The auditor has identified some scope for improvement in how the council tracks progress against both its strategy and individual service plans. Clarity over the status of individual strategy objectives could be improved, with wider use of measurable performance indicators. Reporting in service improvement plans provides limited information on progress against People Strategy objectives.

41. The council has developed a suite of people metrics to inform workforce update reports to elected members and to support standardised annual reporting of progress against the People Strategy. A report on council workforce demographics and people metrics was taken to the Finance, Resources and Customer Service Policy Board in February 2025.

42. The council offers a blended working approach which allows eligible employees to work from a combination of home and office work, in line with the requirements of their specific service and role. There is also a flexi-time scheme for staff allowing start and finish times to be varied out with core working hours.

43. A staff survey was carried out in June 2021 to capture how staff were feeling and coping, coming out of Covid restrictions, and a new staff engagement survey was undertaken in September 2024. Around 2,000 (or 23 per cent) of the council's total staff (of around 8,500) responded to the latest survey. The lower than targeted response rate may be attributable in part to separate surveys issued by the Care Inspectorate to staff working in children's and adult social work services, as part of an independent inspection process. The Care Inspectorate survey confirmed an overall positive view from the workforce in these areas.

44. The results of the latest staff survey were largely positive, with some areas for improvement identified. Each council service has developed their own bespoke action plan to address agreed key areas for improvement. Newly established employee engagement forums in each service will support their senior management teams to progress these actions and drive improvements.

45. Appropriate arrangements are in place to enable the delivery of the council's digital strategy and as noted at paragraph 18, the council has been recognised for its collaborative approach to digital exclusion. A number of automatic processes to drive efficiency and innovation have been implemented and a variety of digital training is offered to staff. The council recognises that a further assessment of digital skills is needed, and the creation of capacity to enable the review, exploration and development of digital opportunities remains a challenge.

46. The council works collaboratively with neighbouring councils, the Scottish Government, and local partners. And continues to explore opportunities for further collaboration. This includes leading the delivery

of major infrastructure projects through the Glasgow City Region City Deal, fulfilling the lead authority role for Scotland Excel and joint venture arrangements with private sector organisations.

47. The council can cite a number of ongoing collaboration arrangements including one with Inverclyde Council, East Renfrewshire Council, and West Dunbartonshire Council to deliver a civil contingencies service, which supports business continuity and emergency planning across the four council areas.

Financial management and sustainability

48. The auditor has concluded that the council has appropriate financial monitoring arrangements in place with no significant weaknesses in financial controls identified.

49. The Accounts Commission has previously encouraged the council to ensure it is reporting transparently on the financial impact of decisions linked to school provision in Dargavel. The council have confirmed that the capital projects for both the Park Mains High School extension and the new Dargavel Primary School are reported to the Education and Children's Services Policy Board. The council has also indicated that the revenue costs will be captured as part of their standard arrangements for annual budget-setting, monitoring and medium- to longer-term financial planning. The auditor will continue to keep this work under review.

50. In 2022/23, the council reported the use of £4.9 million of general fund reserves to support services, with a further £9.8 million utilised in 2023/24. The council reported overspends against revised base budgets, prior to the planned use of earmarked reserves, of £6.1 million and £2.6 million for 2022/23 and 2023/24 respectively. Overspends were driven by inflationary pressures and increased costs in various service areas including children's, environment, housing, and infrastructure services.

51. Total useable reserves increased by £21.6 million in 2022/23, following the use of financial flexibilities in relation to service concession arrangements, and fell in 2023/24 by £13.9 million to £222.2 million. When reserves are expressed as a proportion of annual budget, the council has a relatively high level of usable reserves, ranked behind just three other councils (including Orkney and Shetland councils) at the end of 2023/24 (LGBF indicators).

52. A large part of the council's reserve balance, £86 million at the end of 2023/24, is held in a capital fund which is earmarked to support investment in assets. The council has approved using £45 million of this balance to finance a new Dargavel Primary School.

53. Of the £117.6 million general fund balance at 31 March 2024, £107.3 million was committed or earmarked for specific purposes and £10.3 million remained uncommitted. The council maintains a policy minimum of £10 million of uncommitted reserves (just over two per cent of net expenditure) held for emergency purposes. Key financial information is included in [Exhibit 1](#).

Exhibit 1.

Renfrewshire Council – key financial information

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Budget-setting				
Budget gap	9	16.4	16.1	8.9
Additional investment	5.6	1.8	2	9.2
	14.6	18.1	18.1	18.1
Planned to be met via:				
• Savings and flexibilities	10	9.6	8.9	7
• Use of reserves	1.7	2.4	4.3	0.4
• Additional council tax/funding	2.9 (3%)	6.1 (6%)	4.9	10.6 (9.5%)
Actual				
Proportion of savings delivered	n/a ¹			
Reserves (after earmarking adjustments)				
			Forecast	
Use of/(contribution to) total reserves	(21.6)	13.9	1.8	
Total usable reserves carried forward	236.1	222.2	220.4	
General fund	127.4	117.6	120.5	
Earmarked	117.1	107.3	110.2	
Uncommitted	10.3	10.3	10.3	

¹: Savings non-delivery is reported by exception for areas of service overspend only.

Source: Council accounts, committee papers and council provided figures

54. Included in the £107.3 million earmarked general fund balance at the end of 2023/24 were amounts of £48.8 million for loan charge flexibility, £13.2 million for financial sustainability, £10.7 million for service modernisation and reform, and £10.6 million in an employability fund.

55. When the council set the budget for 2024/25, the planned use of general fund reserves to close the budget gap was £2.3 million. The council is currently projecting that the actual use of reserves will be lower at £0.5 million (January position reported April 2025). However, there is a £3.7 million overspend forecast for health and social care which will fall on Integration Joint Board (IJB) reserves. Council finances could be impacted by future health and social care overspends once IJB reserves are exhausted.

56. Before the 2025/26 budget was set, the council forecast a budget gap of between £25 million and £40 million for the three years 2025/26, 2026/27 and 2027/28 (inclusive of additional costs associated with the new Dargavel Primary School). The council tax increase approved for 2025/26 was 9.5 per cent which resulted in a balanced budget for that year. The council now estimates a cumulative budget gap of £33 million by 2027/28, this is prior to any council tax increases.

57. The proportion of the council's in-year planned savings that have been delivered does not form part of the council's routine reporting. Non-delivery of savings is reported on an exceptions basis where service overspends are identified. The council has reported that £190 million of savings have been delivered since 2011.

58. In January 2025, the council outlined the next major phase (Phase 5) of its long-term transformation programme – Reshaping Renfrewshire – (covering the period up to 2028). The scale of savings to be delivered from the programme will be updated in the medium-term financial plan in September 2025. Difficult decisions on spending priorities may be necessary.

Delivery of the capital programme

59. The auditor reported, in their 2023/24 report, that the council has an ambitious £730 million capital programme in place over the next five years, for both housing and non-housing programmes.

60. The council's ability to fully deliver its capital programme within the originally planned timescales has been impacted by a number of factors, including the complexity of the works, the cost of materials, supply chain issues and availability of contractors.

61. In 2022/23, capital projects with a value of around £42 million (25 per cent of the capital programme) had to be re-profiled. In 2023/24 just 6.5 per cent of the programme was reprofiled into later years. Given the scale of the council's ongoing capital programme, delivery to plan is likely to remain a challenge.

62. The council's capital financing requirement increased by £81 million in 2022/23 and by £68 million in 2023/24 with a closing balance of £510 million at the end of 2023/34. £29.2 million of this increase is attributable to the use of financial flexibilities.

63. The council's ratio for debt financing cost to net revenue stream is below average for the general fund at 3.1 per cent (against a national average of 5.8 per cent). The ratio for the HRA is higher at 27.7 per cent (against a national average of 20 per cent).

Appendix 1

Audit reports

Annual Audit Reports 2022/23 and 2023/24

Each Annual Audit Report comprises:

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



2022/23 Annual Audit Report Renfrewshire Council November 2023



2023/24 Annual Audit Report Renfrewshire Council October 2024



Interim follow-up audit report on the council's approach to community engagement and culture change 2024/25

The auditor's interim report includes their findings on the follow-up of issues identified in previous controller of audit reports on Dargavel Primary School.



2024/25 Interim Report Renfrewshire Council April 2025



Appendix 2

Best Value Statutory Guidance

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

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

Best Value

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