

Best Value

East Renfrewshire Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
January 2025

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Key facts



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

- 1.** This report is made by the Controller of Audit to the Accounts Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973. It is based on evidence collected in the 2022/23 and 2023/24 annual audits of the council, with the latter reported in September 2024. [Appendix 1](#) includes links to the 2022/23 and 2023/24 Annual Audit Reports (AAR) and [Appendix 2](#) includes a link to the Best Value Statutory Guidance.
- 2.** The reporting of Best Value is undertaken through the annual audit of each council and includes detailed work focusing on a Scotland-wide theme. The Best Value theme for 2022/23 was councils' leadership of the development of new local strategic priorities while the 2023/24 theme focused on workforce innovation.
- 3.** East Renfrewshire Council (the council) continues to demonstrate a commitment to continuous improvement and has made consistently good progress in delivering recommendations from previous Best Value reports.
- 4.** The council has an established, long term planning framework in place with the Community Planning Partnership that ensures the vision and strategic priorities are aligned across partners. The Community Plan, 'A Place to Grow' was approved in September 2024, setting the partnership's vision for the period to 2040. The vision is based on three strategic pillars, which refocus and prioritise the previous five strategic outcomes. The council's own medium-term planning framework will be aligned to the priority themes, and a detailed three-year delivery plan is expected to be considered in April 2025.
- 5.** The council has drawn upon significant stakeholder engagement and engagement with partners to refine and refresh the vision for the area. This included targeted research and community engagement, interviews with resident and community groups, along with businesses and key stakeholders. The council demonstrates its understanding of its communities, including key equalities groups. As a result, the council's strategic planning adopts cross-cutting themes of equality and inclusion. A Place to Grow identifies themes of inclusion across every area of the plan and human rights are incorporated into the Council's Equality, Fairness and Rights Impact Assessments.
- 6.** It has also invested in data analysis tools to ensure it builds a deeper understanding of communities and vulnerabilities allowing services to be more targeted at a local level. There are clear links between the outcomes of this engagement and the themes that form the basis of the refreshed vision.
- 7.** The council has undergone a period of significant change in both the officer leadership team and elected members. It has taken steps to ensure that the respective roles and strategic priorities are well understood. The council has developed and delivered a programme of essential scrutiny skills training for elected members and refreshed the induction and training programme following the 2022 elections. There are strong examples of effective cross-party working,

examples include the cross-party budget strategy group and cross-party support for the direction of travel for the council's longer-term strategic plan. The council has demonstrated good oversight and support of the East Renfrewshire Integration Joint Board (IJB), which has faced financial challenges, and the council has provided financial support to IJB. The Chief Officer and Chief Financial Officer of the IJB attend the council's budget strategy group.

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

9. The council has a good track record of making savings and has achieved £25.2 million of recurring savings over the past five years, including £3.9 million in 2023/24. The council demonstrates good practice regarding the identification and delivery of savings. Plans were informed by significant public consultation on savings options for 2023-2026 and the council enters into early discussions with cross-party elected members to support a phased agreement of savings before the formal budget-setting meeting.

Exhibit 1

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

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

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

10. The council continues to prepare an outline revenue financial plan (the most recent, from February 2024, covers the period 2024-2030) and draws upon

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

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

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

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

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

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

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

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

17. The council's 10-year capital plan includes a programme of investment of £240 million, focused on significant investments in the learning estate, leisure facilities, and Information and communications technology (ICT) projects. The plan identified £25.5 million for improvements necessary to council property, including energy efficiency measures. In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the Audit and Scrutiny Committee is responsible for ensuring effective inspection of treasury management activities. The council recognises the revenue implications of borrowing and the capital programme is considered by the budget strategy Group.

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

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

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

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

22. The council transformed the technology available to employees to support home working through the pandemic and has a hybrid working policy in place to support employees who can work at home for part of the week. Main council offices are being refurbished to support modern, flexible, digital working. A review has been completed to benchmark the council's practices with other

Scottish local authorities and a report detailing an overview of the advantages and disadvantages of working from home drawing on local experience and the findings of research on this issue at a more national level was presented to the Audit and Scrutiny Committee in September 2024.

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

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

25. The partnership working arrangements are good and the council continues to work collaboratively with bodies across the sector, including the Glasgow City region to maximise the opportunities to increase capability. A Regional Local Government Skills Working Group is working with the University of the West of Scotland to launch courses to respond to the shortage in planning skills. The group is also addressing skills gaps in other areas such as trading standards, health and social care. The council should continue to work towards fully costing the investment plans necessary to deliver net zero by 2045.

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

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

28. The council reported that it delivered 76 per cent of targets against the Strategic Outcomes within the Outcome Delivery Plan in 2023/24. Key achievements include:

- educational achievement, where the council has consistently high performance in primary and secondary, strong inspection evaluations from Education Scotland and very high levels of young people going to positive

destinations, while its multiagency childrens' services have been rated 'excellent',

- the reduction of operational emissions by eight per cent
- exceeding the target to build 270 new affordable homes over the period 2017-23 (413 were completed in partnership between the council and its social housing partners)
- meeting the target 65 per cent of Citizens' Panel respondents who reported that they are satisfied with services.

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

Appendix 1

2022/23 and 2023/24 Annual Audit Reports

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

Each Annual Audit Report comprises:

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

[LINKS TO BE ADDED FOR PUBLICATION]

Appendix 2

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

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

Best Value

East Renfrewshire Council



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk