Renfrewshire Council

Audited Accounts

2025–2026

Renfrewshire Council

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Management Commentary

The purpose of the Management Commentary is to present an overview of Renfrewshire Council's performance during the 2025/26 financial year and to help readers understand its financial position at 31 March 2026. In addition, it outlines the main issues and risks that may impact the performance of the Council in the future.

Renfrewshire Council, one of 32 local authorities in Scotland, was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. It serves a population of 189,170, with a mix of larger urban centres and smaller villages.

The Council works closely with the Renfrewshire Health and Social Care Partnership, which delivers adult care services across the region; and with OneRen, which delivers leisure and cultural services.

These partners are part of the Council's wider Group, with partnerships spanning a number of organisations to varying degrees, as follows:



During 2025/26, Renfrewshire Council was organised into four services, as follows:

Chief Executive's Service
Responsible for the development of corporate policy, as well as partnerships, social inclusion, planning, economic development, regeneration, communications and marketing.

Children's Services
Responsible for schools and education services, children and family social work, and justice social work services.

Environment, Housing and Infrastructure
Includes the management of roads and transportation, housing services, public protection, waste, neighbourhood services, fleet, facilities management and sustainability.

Finance and Resources
Provides services such as legal, HR, ICT and finance, to elected members and other parts of the Council, as well as services to the public, including council tax, and customer and advice services.

The services that the Council provides include:



Our Aims and Objectives

The aims of the Council Plan 2022-2027 were revised during 2024 with a refreshed Community Plan and a new Council Plan. The Community Plan is Renfrewshire's Local Outcomes Improvement Plan, and the Council works with local partners to achieve a Renfrewshire that is Thriving, Well, Fair and Safe.

The Council's vision to 2027, as described in the Council Plan is:

> *'Creating a fairer Renfrewshire built on innovation, wellbeing, and opportunity'.*

The five strategic outcomes, which the Council is working with partners, communities, and businesses to deliver, and one cross-cutting theme that underpins the delivery of these outcomes, are:

- Place: Working together to enhance wellbeing across communities
- Economy: Building an inclusive, green, and resilient economy
- Fair: Nurturing bright, happy, and healthy futures for all
- Green: Leading Renfrewshire to Net Zero
- Living Our Values: Making a difference together
- Improving outcomes for Children and Families: Cross-cutting

Aligned to our Council Plan is our transformation programme, Reshaping Renfrewshire, which explores how we can continue to deliver our vision, as articulated in the Council Plan, within the context of the financial challenges facing local authorities in Scotland. At its heart are the two goals of ensuring a financially sustainable long-term future and improving outcomes for our communities.

Each of the four Council services prepares a Service Improvement Plan, demonstrating how they will each contribute to the delivery of the Council Plan. Work is underway to refresh the Community Plan and the Council Plan for 2027-2032.

Financial Strategy

The financial strategy and service plans of the Council support the delivery of the Council's priorities outlined in the Council Plan. To achieve this, the financial strategy must ensure that resources are effectively and efficiently used in line with overall objectives; and ensure that resources are managed sustainably and in a way that continues to ensure the stability of service delivery.

The medium-term Financial Outlook was reported to the Council on 25 September 2025, with a further update on 26 February 2026. These reports highlight the continued challenging financial and economic environment the Council is facing, predominantly linked to high levels of cost growth, coupled with lower real terms income growth.

The Council's medium-term financial outlook continues to be based on an assumed flat-cash revenue settlement over the short term; this, coupled with significant cost pressures, particularly around pay inflation, is the principal driver for the challenging financial outlook.

On 26 February 2026, the Council decided to increase council tax for 2026/27 by 7.5%. At that time, it was reported to Council that it is estimated to be facing a £40m funding gap over the period to 2028/29, before any decisions on council tax. The Council therefore continues to target cost reductions and savings of around £20m over the medium term, and financial sustainability and stability risks remain high going into 2026/27. It should be noted that these forecasts do not include the potential impact of any additional Council support for the Renfrewshire Health and Social Care Partnership, whose financial

outlook creates a significant financial risk for the Council. Further detail is provided later in the Financial Outlook and Key Risks section.

Information on the year-end financial position of the Council at 31 March 2026 is detailed in the Financial Performance section.

Review of the Year

The Council reports on its progress delivering the Council Plan every six months, and the most recent report can be found here. We also publish an annual Public Performance Report, which gives residents an overview of how the Council performs in relation to its key priorities, and how we perform across the 108 indicators included in the Local Government Benchmarking Framework (LGBF).

A detailed report on Renfrewshire's performance against the LGBF indicators is considered by our Audit, Risk and Scrutiny Board every six months. Some of the key achievements we have reported on during 2025/26 are detailed below under each of our strategic themes.

Key Achievements 2025/26

Place:

Our new river crossing – the Renfrew bridge opened in May 2025, connecting communities on either side of the Clyde. The bridge has quickly proved to be a vital transport link, with 3.5 million journeys being recorded within the first year of opening.

Our town centre regeneration plans are progressing, with a new Vision for Johnstone developed, construction underway for a new civic square in Erskine, designs being produced for the transformation of the former Brown Institute site in Renfrew, and some initial designs for landscape enhancements in the Linwood Lade area being prepared.

Economy:

We have continued to support our young people into post-school positive destinations and now have the second highest percentage of positive leaver destinations in Scotland, with 97.9% of our school leavers continuing with education, or moving into training or employment.

The Events Programme for 2025 exceeded targets across all key performance indicators. Events delivered across the year included new events in Renfrew, Erskine, and Linwood as a result of a broader 'five towns' approach within the new events strategy, and new community events partnership group. The events programme generated an estimated £4.5m in economic impact.

The Council's Procurement and Economic Development teams continue to work together to support local businesses to bid for Council contracts and related work. A draft Local Supply Chain Engagement Strategy has been developed and aims to strengthen engagement with Renfrewshire's business community, increase local supplier participation in public procurement, and improve supplier awareness, capability and readiness for public sector opportunities.

Fair:

A new round of participatory budgeting was delivered specifically for Council tenants. In its first year, £150,000 was made available for Renfrewshire residents to suggest projects that would improve local neighbourhoods, with tenants then voting on those to be funded. This was the first of a three-year programme with £600,000 to be distributed in total.

Attainment figures for this year show that the poverty-related attainment gap has narrowed for both literacy and numeracy, and this continues to be a priority for the Council.

The Council and its partners continue to work together to progress the Fairer Renfrewshire Programme, with a strong shared focus currently on the local response to cost-of-living inequality. A Fairer Renfrewshire Action Plan, agreed by the Leadership Board in December 2025, sets out the priority actions that will be progressed to tackle poverty and inequality in Renfrewshire.

Green:

Our Carbon Management Plan 2025-2030 was developed, setting out how we intend to reduce our emissions over the next five years. Renfrewshire Council already performs strongly relative to other

local authorities in relation to emissions from electricity, gas and transport, as reflected in performance measures included in the Local Government Benchmarking Framework.

We are participating in a regional approach to Electric Vehicle Charging, working with neighbouring authorities on procuring infrastructure.

We invested £15m during the year to improve the energy efficiency of our housing stock through improved insulation, new triple glazing and solar panels.

Living Our Values:

As part of our focus on Best Value, the Council was subject to a Controller of Audit Best Value Report which was published in summer 2025. This was a very positive report, with no formal recommendations for the Council. 'Areas of focus' identified by the Accounts Commission have been added to the Corporate Improvement Plan and were detailed in a report to Council on 26 June 2025. A progress report was taken to the Leadership Board in September and work continues across all elements of the improvement agenda.

We continue to have a strong focus on employee wellbeing, Initiatives in 2025/26 included the delivery of Men's Mental Health awareness events in our Underwood Road depot, a series of 'RenTalks' for staff covering issues as varied as advice on personal finances and on raising teenagers, updated HR policies on equality, diversity and inclusion and respect at work, and the continued provision of services such as Time for Thriving.

We carried out an extensive programme of engagement with local residents; over 1,000 people took part in interview-led surveys on perceptions of local services and Council priorities, and this was supplemented with an online survey and focus groups. We used the findings to create an action plan and intend to repeat the exercise in future years, as part of our ongoing commitment to improving our dialogue with residents and communities through future engagement opportunities.

Improving Outcomes for Children and Young People:

Construction is nearing completion on the Paisley Grammar School Community Campus and it will welcome pupils in August for the new 2026/27 school year. A programme of engagement activities on the next steps of our Learning Estate Strategy is planned for the remainder of this year.

The Promise continues to be embedded within service planning and delivery through our active and expanding Promise Keeper network. There are currently 407 Promise Keepers working across the local authority - comprising staff, elected members, the HSCP, and partner agencies. The Keep The Promise in Renfrewshire Action Plan 2026–29 provides the route map for the next phase of implementing The Promise.

Performance Indicators

Our Council Plan is one way in which we report to elected members and Renfrewshire residents on our performance. The Council Plan reports on 34 indicators, of which 21 have a target.

In 2025/26, 13 of our indicators met or exceeded their target, two narrowly missed the target, and two were behind target. There are four indicators for which 2025/26 data is not yet available.

Council services also track additional performance indicators through their Service Improvement Plans. In 2025, the Council established an officer Performance Board to provide additional senior scrutiny over Council-wide performance. The board supports intensive improvement work and cross-Council working, and in its first year has had a particular focus on planning and building standards, customer interactions, and staff absence. This approach has allowed improvement plans to be developed and delivered in short time frames and is anticipated this will positively impact performance indicators in 2026/27.

Our areas of strong performance include:

- Supporting people into sustained employment;
- Supporting new business start-ups;
- Reducing CO2 emissions from public lighting;

- Completing homeless duties within our target timescales;
- Uptake of free school meals in primary schools;
- Providing community-based placements for Looked After Children.

Other areas where LGBF data indicates we have strong relative performance include:

- pupil attainment at levels 5 and 6 and in numeracy at primary school level;
- hospital readmissions and delayed discharges;
- the condition of Class A and B roads;
- rent arrears;
- the time taken for non-emergency housing repairs;
- financial sustainability measures; and
- CO2 emissions from electricity, gas, and transport.

Areas for Improvement and Development

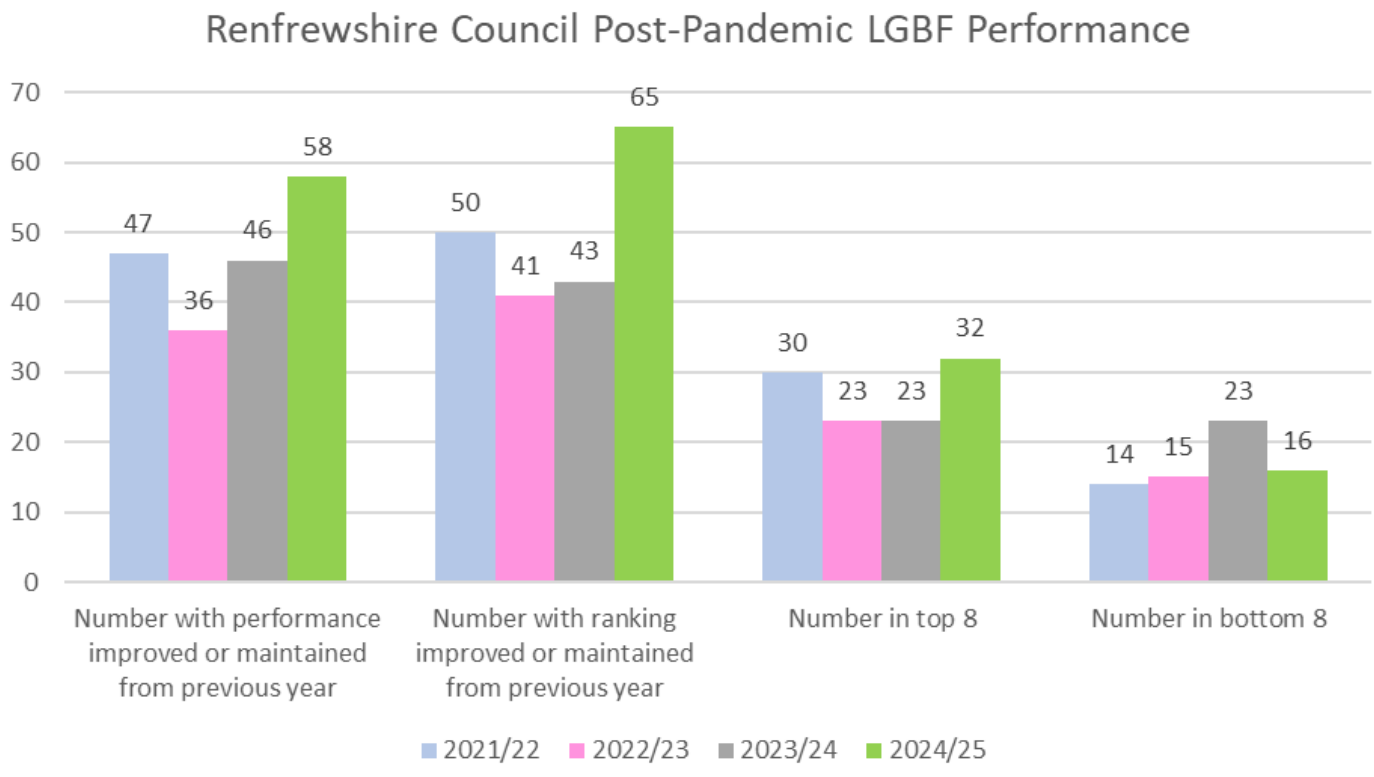
We narrowly missed our annual targets in the following areas:

- The percentage of Council housing meeting Scottish Housing Quality Standards; and
- The percentage of LGBF indicators where Renfrewshire Council's performance is in the top half of Scottish Councils.

There are two measures which are further behind target - one relates to affordable housing and is partly due to a change in how funding is being used, and the other is in relation to staff sickness absence, with a council-wide programme of work underway to address this.

The Local Government Benchmarking Framework (LGBF) provides an opportunity for Scottish local authorities to consider their performance relative to other councils. The latest LGBF data relates to 2024/25, and although the Improvement Service have noted that the pace of improvement is slowing across the whole sector, Renfrewshire Council has improved performance on 58 out of the 92 available indicators, and increased the proportion that rank in the top 8 best performing councils. Longer-term trends show that improvements in 79% of all measures since the LGBF began, and this is a higher proportion than any of our Family Group comparator councils.

The chart below shows the trend in performance – both absolute and relative to other councils – in the years since the pandemic.



General performance information can be found on the Council's website at the following path: Your Council>Information, performance and statistics>Council Performance.

LGBF data can be found at: Your Council>Information, performance and statistics>Council Performance>Benchmarking.

Working Towards Net Zero by 2030

Renfrewshire Council's Public Bodies Climate Change Duties reported a 4.27% emissions reduction compared with the previous year, and overall annual emissions reduction of 66.23% against the 2012/13 baseline.

In November 2025, Renfrewshire Council's Carbon Management Plan 2025-2030 was approved and published. The Plan sets out several projects across key service areas which will contribute to significant reduction in emissions over the next 5 years. These areas include Waste, Transport, Utilities, Street Lighting and Business Travel.

Continued activity includes delivering change across Council operations, and large-scale projects with local benefits aligned to the five themes of Renfrewshire's Plan for Net Zero, which are Clean Energy, Sustainable Transport, Circular Economy, Connected Communities and Resilient Place. Further detail of activity within each theme is set out in the following sections.

Clean Energy:

- The Council is developing outline business cases for two potential district heat networks DHN): one in Paisley, and one extending the existing AMIDS DHN to Glasgow Airport. DHNs strongly support clean energy solutions and reduced emissions on a large scale.
- Year 1 of the project to upgrade and expand Building Management systems (BMS) across public buildings has been completed. This will support more energy efficient buildings and practices and reduce the Council's emissions as a result. Year 2 projects will look at further BMS improvements and solar array expansion.
- Development of the new Paisley Grammar Community Campus is nearing completion and has been built to Passivhaus standard, maximising clean energy supported by air source heat pump heating, and solar array.

Sustainable Transport:

- The project to accelerate the delivery of public EV Charging Infrastructure, aiming to install over 3,000 additional charge points over the coming years in collaboration with the Glasgow City Region, has progressed to procurement stage to appoint a new Charge Place Operator to take this work forward.
- Continued use of hydrotreated vegetable oil (HVO) as alternative fuel for bin lorries and large fleet, reducing CO_2 emissions by up to 90% and contributing to improved air quality. This is a commitment in the Council's approved Carbon Management Plan.

Circular Economy:

- Exploring opportunities to maximise recycling, building on successful recycling initiatives across the school estate. An initial public buildings project is close to completion on the implementation of full recycling facilities within Renfrewshire House, followed by Underwood Road Depot.

Resilient Place:

- The development of an Adaptation Plan for Renfrewshire is underway supported by extensive engagement, which has taken place with internal services and external stakeholders. Once drafted, the plan will be opened for public consultation prior to being finalised.
- Nature Restoration projects continue to be delivered including Restoring Renfrewshire Rivers and Biodiversity Action in Renfrewshire. Potential biodiversity sites that maximise biodiversity related benefits, in line with Nature Network corridors, are currently being identified.

Gender Pay Gap

The gender pay gap is the difference between the average hourly rates of pay of men and women expressed as a percentage, where a positive figure indicates that women are paid less than men. A negative figure indicates that women are paid more than men. The gender pay gap is different from equal pay, which is a direct comparison of two people or groups carrying out the same or an equivalent role. At 31 March 2026, the mean gender pay gap for Renfrewshire Council was -0.81% in favour of female (-0.52% at 31 March 2025).

Mean gender pay gap

in hourly pay

-0.81%

Mean hourly salary



£22.33 Female

£22.15 Male

Workforce demographics



73.45% Female

26.55% Male

Employee Head Count

6,373 Female

2,304 Male

Key Financial Ratios

The following tables provide information regarding the financial performance of the Council in 2025/26 and the affordability of its ongoing commitments:

Financial Indicator	2025/26		2024/25	Commentary
	Estimate	Actual	Actual	
Reserves				
Uncommitted General Fund reserves as a % of budgeted net expenditure	1.8%	2.0%	1.9%	Reflects the level of funding available to meet unplanned expenditure and manage financial risk
Movement in uncommitted General Fund balance	n/a	11.6%	0.0%	Reflects contribution to Unallocated balance in-year
Council Tax				
In-year collection rate	95.0%	94.7%	94.5%	Reflects the Council's effectiveness in collecting Council Tax debt
Council Tax income as a proportion of total taxation and non-specific grant income, excluding capital grants	18.5%	18.8%	18.3%	Reflects the Council's ability to vary expenditure by raising Council Tax, the principal local authority controlled source of finance
Debt/Long term borrowing				
Capital Financing Requirement (CFR)	£697.0m	£650.9m	£599.6m	The information is this section demonstrates that the level of external debt (driven by the capital programme) is affordable, owing to the low proportion of our budget spent on servicing debt. Further information, including descriptions of these terms and their significance, is available in the Treasury Management Annual Report, presented to the June Council meeting each year.
External debt	£492.0m	£422.8m	£368.8m	
Ratio of financing costs to net revenue stream (General Fund)	2.7%	2.8%	2.9%	

Financial Performance

Primary Financial Statements

The annual accounts summarise the Council's transactions for the year, its financial position at 31 March 2026, and its cashflows. The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), Movement in Reserves Statement (MIRS), Balance Sheet and Cashflow Statement. These statements are accompanied by notes to the accounts, which provide more details on the figures shown in the statements and set out the accounting policies adopted by the Council. There are also separate statements for Council Tax, Non-Domestic Rates, the Housing Revenue Account and the Common Good Funds.

The Comprehensive Income and Expenditure Statement (CIES) presents the total cost of providing Council services in 2025/26 along with the income available to fund those services.

The outturn explained in the following section differs from the accounting deficit shown in the CIES due to accounting adjustments required to comply with proper accounting practice, but which under statute should not impact on local taxpayers. A reconciliation of these figures can be found in Note 1: Expenditure and Funding Analysis.

General Fund

The General Fund is funded by government grant and Council Tax revenues, and the Council is also able to

apply usable reserves from the General Fund Balance to fund expenditure.

As mentioned previously, the Council's medium-term Financial Outlook highlights the continuing challenging financial and economic environment the Council is facing, linked to inflation, coupled with slower income growth.

For the General Fund in 2025/26, increases in waste costs, high inflation on vehicle parts and specialist contractors, and public building repairs, have featured in regular budget monitoring reports throughout the financial year. Further pressures emerged through the year relating to children's social care, and staffing costs within schools. These pressures have been offset by increased investment income, additional funding relating to packaging waste disposal, and an underspend in loan charges budgeted for the learning estate, culminating in an overall service underspend against budget of £0.191m (0.03%).

The Council's largest category of spend is staffing, so naturally any pay settlement linked to high levels of inflation will create a further cost pressure. In 2025/26 a two-year national pay settlement was agreed for local government workers, of 4.0% for 2025/26 and 3.5% for 2026/27. In recognition of the challenging financial environment, the Scottish Government provided councils with additional funding to support this pay settlement in 2025/26. For Renfrewshire, this amounted to £2.6m.

Adult social care had a planned year-end deficit of £5.7m, which decreased the reserves of the Renfrewshire Health and Social Care Partnership, who operate these services. As this reserve drawdown does not affect the Council's General Fund balance, it is shown as a break-even position in the table below

The Council fell just short of its target in-year council tax collection rate of 95% in 2025/26, returning a creditable 94.7%, which was an improvement on the 2024/25 collection rate. Income from Council Tax marginally over-recovered by £0.005m.

After adjusting for this over-recovery in Council Tax revenues, the final position for the Council's General Fund balance at 31 March 2026 was an underspend of £0.196m.

2025/26	Revised Budget £m	Actual £m	Variance £m
Chief Executive's Service	30.217	30.195	0.022
Children's Services	273.812	275.837	(2.025)
Environment, Housing and Infrastructure	78.346	78.047	0.299
Finance and Resources	51.124	50.893	0.231
Miscellaneous Services	19.907	18.243	1.664
Adult Services	112.122	112.122	0.000
Net Expenditure	565.528	565.337	0.191
Revenue Support Grant	(368.933)	(368.933)	0.000
Council Tax Income	(108.199)	(108.204)	0.005
Non-Domestic Rates Income*	(108.844)	(108.844)	0.000
Funding	(585.976)	(585.981)	0.005
Contribution to General Fund Balances	(20.448)	(20.644)	0.196

*The Council collected £101.7m directly from local businesses with £7.1m due from the Scottish Government National Non-Domestic Rates Pool.

The Council's Reserves

The Council holds the following balances in reserve. Further details can be found in Note 7: Usable reserves.

As at 31 March 2025 £m	Usable Reserves	As at 31 March 2026 £m
138.769	General Fund Balance	159.414
6.933	Housing Revenue Account	7.973
5.485	Capital Receipts Reserve	4.122
84.008	Other Statutory Funds	65.905
235.195	Total	237.414

The General Fund balance of £159.4m will be carried forward to 2026/27. Of this balance, £147.9m has been earmarked for a particular purpose, as outlined in Note 7: Usable reserves. This leaves unallocated reserves of £11.5m (2.0% of the Council's net annual running costs), which is in line with levels agreed by the Council under its revised financial planning principles.

It is viewed that this balance is appropriate to the financial risk environment the Council is facing, in order to mitigate adverse risks anticipated in public finances over the short to medium term.

Housing Revenue Account

The balance on the Housing Revenue Account (HRA) as at 31 March 2026 has increased to £7.9m. This remains a prudent level of unallocated reserves for the HRA to mitigate the impact of any unforeseen risks and to provide an element of mitigation against forecast pressures related to the prevailing economic climate.

The year-end break-even position was arrived at after some budget variances were experienced in-year. Property repairs and maintenance, including voids management, significantly overspent; however, this was offset by lower capital charges and increased interest receivable following higher interest rates over the year, allowing a contribution to reserves of £1.0m.

Infrastructure Assets

The Scottish Government published a Statutory Override in August 2022, which has been extended to allow councils to continue the current accounting treatment for Infrastructure assets until 31 March 2027. Further detail is provided at Note 9.

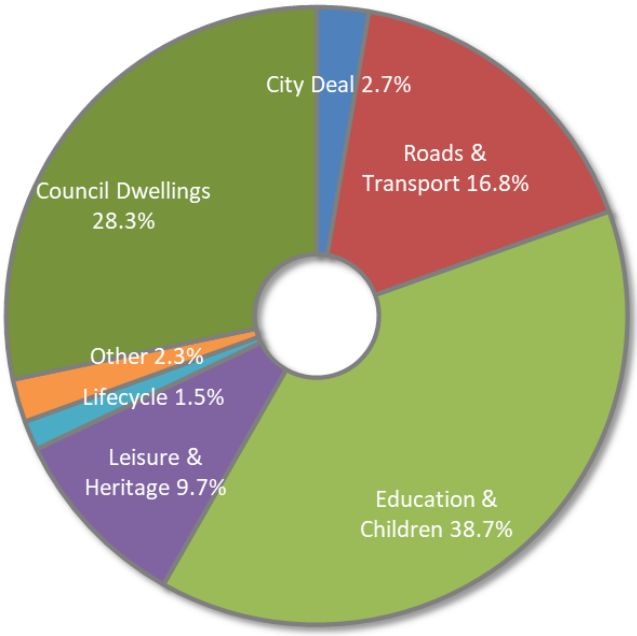
Capital and Borrowing

Renfrewshire Council continues to make significant capital investment in council housing, schools, culture, roads and the town centre estate. On 27 February 2025, the Council approved the housing capital investment programme for 2025/26 of £56m; and the General Fund capital investment programme for 2025/26 of £129m.

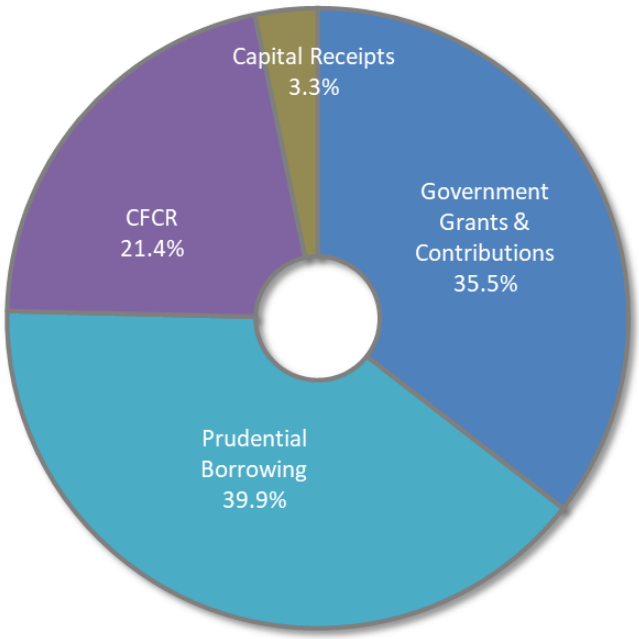
The capital investment programmes were affected by the availability of contractors, the complexity of refurbishment and construction works as well as high levels of inflation impacting construction costs and professional fees. Programmes have therefore been re-profiled during the year to reflect revised timescales of individual projects, or where project completion dates have been delayed, resulting in actual capital spend for the year of £44m for housing capital investment and £111m for the General Fund. Further detail is provided in Note 14: Capital expenditure and capital financing.

The following charts show the actual expenditure incurred and income received in relation to the 2025/26 capital programme.

Capital Investment 2025/26



Capital Funding 2025/26



During the course of 2025/26 there was £64m of new long-term external borrowing to support the capital programme. The level of cash balances available to the Council remains consistent with daily cash requirements, treasury and capital investment plans. The increase in cash balances compared to 31 March 2025 is attributable in part to receipt of grant funding for the AMIDS South project late in the financial year.

The Council's borrowing strategy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities. The majority of the Council's borrowing comes from the Public Works Loan Board with the remainder from market and other loans. Further details are provided in Note 21: Financial Instruments.

The Council regulates its capital spending limits within a prudential framework recommended by CIPFA and endorsed by the Scottish Government. Each year, the Council sets its capital financing requirement (CFR) for the forthcoming year in its Treasury Management Strategy Statement (TMSS), approved by the Council on 27 February 2025 with a mid-year update on 11 December 2025. The TMSS for 2025/26 can be found on the Council Committee Management Information System at: http://renfrewshire.cmis.uk.com.

The CFR is a prudent assessment of the aggregate external borrowings for capital investment purposes that are affordable and sustainable over the longer- term. The actual CFR at 31 March 2026 was £650.9m, within the approved Authorised Limit of £702.0m. The Council's external borrowings have only been applied for capital investment purposes, with the Council's net external debt being £417.2m at 31 March 2026 compared to the approved Operational Boundary of £674.0m. The Council's costs of borrowing remain one of the lowest of all Scottish local authorities, are affordable, and align to the Council's medium to long-term financial strategy. It is anticipated that borrowing costs as a proportion of net revenues will increase in future years as planned investment, predominantly in the learning estate, is completed.

The Council's non-housing financing costs were 2.8% as a proportion of the Council's non-housing net revenue stream. Housing related financing costs as at 31 March 2026 were 19.5% of net

housing revenues, lower than the budgeted level of 24.5%.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Notes 27 and 28. The appointed actuaries, have confirmed an increase of £109m in their assessment of the Council's share of the actuarial position of the local government pension fund as at 31 March 2026. This is largely attributable to the corporate bond yield (upon which the pension discount rate is derived) having risen over the past year, which served to reduce the employer's pension obligations and led to the gain on the balance sheet.

The assessment provides only a snapshot as at 31 March 2026 and necessarily changes on a day-to-day basis to reflect stock market movements in particular. The appointed actuaries remain of the view that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and income to meet future pension liabilities.

Accounting rules require that a cap is placed on the value of a pension asset that can be reported in the Balance Sheet. For 2025/26, this has adjusted the value of the pension asset shown in the balance sheet from £865m to nil. The value of Unfunded liabilities at the same date is £64m.

A potential change to pension rules is outlined in Note 28: Contingent liabilities; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Provisions and Contingencies

The Council has provided for eventualities which may have a material effect on the financial position of the Council. The reasons for the provisions made are outlined in Note 20: Provisions. In general, any contingent liabilities known to the Council are covered by insurance arrangements. As outlined at Note 7, the Council has also set aside £3.2m for uninsured claims. Any contingencies that cannot yet be accurately quantified are outlined in Note 28: Contingent Liabilities.

The Renfrewshire Council Group

Local authorities are required to prepare Group Accounts in addition to their own Council's accounts where they have a material interest in other organisations. The Group Accounts consolidate the results of the Council with five subsidiaries:

- Renfrewshire Leisure Limited, trading as OneRen;
- the Common Good Funds;
- the Coats Observatory Trust;
- Park Lane Developments (Renfrewshire) LLP; and
- Paisley Museum Reimagined Limited.

The Group Accounts also consolidate the Council's share of five other entities treated as associates or joint ventures:

- Strathclyde Partnership for Transport;
- Strathclyde Concessionary Travel Scheme Joint Committee;
- Renfrewshire Valuation Joint Board;
- Renfrewshire Health and Social Care Integration Joint Board; and
- AMIDS Renfrewshire LLP.

The Council has non-material interests in a number of other entities namely Scotland Excel; and Glasgow City Region – City Deal Cabinet.

Financial Outlook and Key Risks

Financial Sustainability

The Financial update reports throughout 2025/26 outlined continued uncertainty for local government finances. In 2020, the Council agreed

to replenish unallocated reserves to a threshold of £10m in order to address the risks of significant and unplanned cost pressures that may emerge over the medium term. In light of expected energy and food price volatility in the short term, a further £1m has been contributed in 2025/26.

The Council continued to feel the impact of global political and economic change during 2025/26, and though general inflation did reduce from its peak of 3.8% (CPI) in summer 2025, it increased again in March 2026 to 3.3%.

The Scottish Government most recently published its Medium Term Financial Strategy (MTFS) on 25 June 2025, outlining its potential spending and funding position over the subsequent 5 years. The MTFS outlined a growing financial gap for the Scottish Government, with spending pressures are expected to outstrip the resources and an estimated funding gap of £4.7 billion by 2029/30. The outlook for the local government settlement is likely to face real terms cuts over the Spending Review period.

As outlined in the Revenue Estimates 2025/26 report to Council in February 2025, after adjusting for new responsibilities, areas of growing responsibility and other conditional aspects of the settlement to provide a like-for-like comparison to 2025/26, the underlying core grant for Renfrewshire Council increased by £9.9m (2.3%). Following the Council meeting, the Scottish Government announced further funding to help offset the rise in employers' National Insurance from 1 April 2025. Renfrewshire's share of this funding was £4.793m.

Existing service and cost pressures arising from pay settlements, demographic and socio-economic factors will continue to play a major role in driving spending pressures for the Council; however, the predominant focus of the Council will be addressing its projected medium-term funding gap.

As reported to the Council in February 2026, the central forecast is a financial gap of £40m by the end of 2028/29, before any decisions on council tax increases.

The Council continues to mitigate treasury risks, including those associated with the security of cash deposits, by actively considering debt restructuring as outlined in the Council's agreed Treasury Management Strategy. The Council also continually reviews, in consultation with its treasury advisors, the criteria for placing deposits with financial institutions on the Council's approved counterparty list.

As part of the Council's treasury strategy, it continues to utilise internal cash balances, deferring or minimising external borrowing with the dual objectives of reducing the level of cash deposits held by the Council, whilst generating ongoing savings in net interest costs. This strategy is monitored carefully in order to ensure that the Council retains sufficient cash balances to support its ongoing requirements and remains alert to any anticipated adverse movement in future borrowing rates.

Common Good Funds and Coats Observatory Trust

The Council administers the Common Good Funds for the areas of Paisley, Renfrew and Johnstone, as well as the Coats Observatory Charitable Trust. In order to comply with the Code, Audit Scotland and the Office of the Scottish Charity Regulator (OSCR) requirements, the Council separately prepares the financial statements of the Coats Observatory Trust, with the financial performance of the Common Good Funds disclosed in the Council's Annual Accounts. Balances are also included in the Group Accounts. Azets is the appointed auditor for the Coats Observatory Charitable Trust.

Overall, the Common Good Funds incurred a combined in-year surplus of £3.832m which is added to the previous surplus brought forward. The

total net asset value improved by £3.832m, driven largely by an increase in investments of £3.007m. Both the market values of investments and income generated from dividends are likely to be subject to ongoing volatility as the economy responds to global political and economic changes, and subject to increased inflationary risk.

The total net asset value of the Observatory Trust increased by £0.523m owing to investment in the Observatory as part of the Paisley Museum Reimagined project.

Other Key Risks

Renfrewshire Council has a robust risk management approach and strategic, corporate and service risks are monitored through our Audit, Risk and Scrutiny Board. The risks identified as Very High for the year ahead are detailed below.

Risk	Mitigating Actions
Tackling health, wellbeing, and low-income inequalities 	In Renfrewshire, we seek to address persistent inequality driven by poverty, the disproportionate impact of the cost-of-living crisis on low-income households, and ongoing changes to welfare reforms through strong partnership working; through our Fairer Renfrewshire programme; through specific programmes to tackle local priorities; through national programmes such as the Scottish Attainment Challenge; and through building community capacity. A number of workstreams under the Connected Communities initiative will seek to address such unequal outcomes over the short to medium term.
Partnership Financial Sustainability 	In common with other Scottish partnerships, the Renfrewshire Health and Social Care Partnership (HSCP) is facing significant financial pressures. Its Integration Joint Board (IJB) is currently forecasting a budget gap in 2026/27 of £7.2m. IJB reserve balances are expected to bridge this gap, but in doing so will close the 2026/27 year with reserve balances of c£6m, which will not be sufficient to cover anticipated 2027/28 budget pressures, and leaves no reserves available for future years. The Integration Scheme that governs the IJB states that should it be unable to achieve a balanced budget for future years, it would be required to seek additional funding from its partner bodies, including the Council.
Successful Cyber Attack 	The likelihood of this risk has escalated, despite sophisticated technical security protocols and cyber architecture being in place. For those organisations who have been impacted by successful attacks, the effects are devastating. For security reasons, we do not publish details of the mitigating actions in place.

The requirement to publish trade union facility-time information arose under the Trade Union (Facility Time Publication Requirements) Regulations 2017. Following repeal of the relevant provisions of the Trade Union Act 2016 under the Employment Rights Act 2025, this statutory duty ended in February 2026. The organisation therefore no longer publishes facility-time data for periods ending after that date.

Conclusion and Acknowledgements

We would like to acknowledge efforts by the whole Finance team in producing the annual accounts, as well as colleagues in other services for their continued hard work and support.

Further information on the annual accounts or on the Council's general finances can be obtained on the Council website (www.renfrewshire.gov.uk), or by telephoning 0300 300 0285.

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

Alastair MacArthur
Director of Finance and Resources

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In Renfrewshire Council, that officer is the Director of Finance and Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that 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), and;
- approve the Annual Accounts for signature.

I can confirm that these annual accounts were approved for signature by the Council at its meeting on 24 September 2026.

Signed on behalf of Renfrewshire Council.

Cllr Iain Nicolson
Leader of the Council

The Director of Finance and Resources' Responsibilities

The Director of Finance and Resources is responsible for the preparation of the Authority'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 the Annual Accounts, the Director of Finance and Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates which were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Director of Finance and Resources has also:

- kept adequate accounting records that were up to date; and
- 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 the Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2026.

Alastair MacArthur
Director of Finance and Resources

Annual Governance Statement

Scope of responsibility

Renfrewshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Council's members and the corporate management team are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework; Delivering Good Governance in Local Government. A copy of the Local Code is available on our website at: www.renfrewshire.gov.uk > Your Council > Information, performance and statistics > Information Governance

This statement explains how Renfrewshire Council has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for an Annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council Plan.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

Corporate Governance

- The Council operates within an established governance framework which incorporates a scheme of delegated functions, financial regulations, standing orders relating to contracts and procedural standing orders. These elements of the framework are kept under regular review by the Council.
- The Council facilitates policy and decision making through a policy board structure.
- Clear and independent governance arrangements are in place with One Ren and the Renfrewshire Health and Social Care Partnership with oversight from the Head of Policy and Partnerships and the Head of Corporate Governance respectively and the Council's Leadership Board. In terms of One Ren specifically, the Head of Policy and Partnerships and Head of Finance and Procurement also sit on the One Ren board as Council appointed observers. A review of services commissioned by the Council from One Ren is ongoing, and as part of this process all related service and operational agreements are subject to review.
- Seven Local Partnerships are in operation and have identified local priorities. Decision making

including that relating to relevant grants is delegated to each Local Partnership through a Lead Officer appointed by the Council, through the Chief Executive.

Strategic Policy and Planning

- The overarching strategic priorities and vision of the Council are set out in the Council Plan 2022-2027, which was refreshed in 2024 to make sure our priorities were clear and focused and to reflect how quickly the context was changing. The Council Plan is aligned to the Renfrewshire Community Plan 2017-2027 and sets out 5 strategic outcomes that the organisation will work to achieve over a 5-year period with specific priorities relating to tackling inequality, promoting economic and cultural regeneration, attainment and sustainability. These strategic outcomes are underpinned by a cross-cutting theme of Improving outcomes for children and families.
- Renfrewshire's Community Plan (which also acts as Renfrewshire's Local Outcome Improvement Plan as required by the Community Empowerment (Scotland) Act 2015) details how the Council and its community planning partners will work together to achieve the key priorities identified for Renfrewshire. A mid- term review of the Community Plan was also undertaken in 2022 in tandem with the development of the new Council Plan, which identified three key areas of focus which would be progressed by partners.
- Work has recently commenced on the refresh of both plans, with a view to these being finalised by September 2027.

Service Delivery and Performance Management

- Services can demonstrate how their own activities link to the Council's vision and priorities through their service improvement plans. Performance management and monitoring of service delivery is reported through policy boards regularly including six monthly updates to the Leadership Board on progress against the implementation of the Council Plan alongside six-monthly updates to policy boards on the service improvement plans. Operational reports are also provided to relevant policy boards by different services.
- The Council has developed a performance management framework and uses the Pentana Portal to co-ordinate and host all performance information.
- A Performance Board was established in 2025 and chaired by the Director of Environment, Housing and Infrastructure. This is an officer group with all services represented and its focus is to drive improvements in performance corporately and across Council services. Service areas can be referred for a 'deep dive' exercise providing access to peer support and other resources to improve performance; referrals may be from the teams themselves or from senior leadership.
- Regarding Performance Monitoring, the Council Plan scorecard is considered alongside other performance information each quarter by the Performance Board (established in 2025) and areas requiring additional scrutiny can be referred up to the Corporate Management Team (CMT). The CMT has access to the Pentana portal which is updated quarterly and shows performance against all Council Plan indicators and followed up with an in-depth look at performance in one service particular area of interest at regular intervals. Performance scrutiny sessions between the Chief Executive and Directorate teams are undertaken, typically twice a year.
- An annual report on the Local Government Benchmarking Framework, which includes data for over 100 indicators for all 32 local authorities, is provided to the Audit, Risk and Scrutiny Board each year. This will increase to 6 monthly in accordance with the 2025/26 Statutory Performance Direction.
- The Council makes a range of performance information available on its website, including the publication of its public performance report " How are we doing?", in line with statutory requirement.
- A revised Business Continuity Policy is in operation and services have business continuity plans in place.

Elected Members and Employees

- The Council has adopted a code of conduct for its employees which is currently under review as part of the Council's People Strategy implementation. A revised code is expected to be presented to Members for approval in the autumn 2026. Elected members adhere to the nationally prescribed Code of Conduct for Members. In addition, the Council has in place a protocol for Relationships between Political Groups, Elected Members and Officers.
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development, including a range of mandatory training which all staff undertake.
- Registers of interests for elected members and senior officers are maintained and published on the Council's website.

Risk Management

- Renfrewshire Council has a well-established approach to risk management with many positive features. During 2025/2026 the council has been progressing the recommendations from an external review undertaken the previous year. Of note, an updated Risk Matters (combined risk policy and strategy), has been prepared and approved by the Audit, Risk and Scrutiny Board in May 2026. Additionally, during 2025/2026, the risk and insurance function moved out of Internal Audit Services and is now under the leadership of the Head of Business Services, Risk and Safety.
- Risks continue to be reported 6 monthly to the Audit, Risk and Scrutiny Board and a Risk Management Annual Report is also provided to Board in respect of corporate risk management arrangements. Online and in-person risk management courses continue to be available to all staff. Our innovative approach for business-as-usual risks (BaURAM © Renfrewshire Council) has now completed 3 years of operation and continues to provide valuable insight to how specific risks are being managed in practice across all areas of the council.

Information Governance

- The Director of Finance and Resources is the Council's Senior Information Risk Owner and information risk is monitored through the Information Management and Governance Group and its sub-groups, including the Information Security Group. The Managing Solicitor (DPO) is the statutory Data Protection Officer.

Cyber Security and Counter Fraud

- Cyber-attacks are growing in both frequency and sophistication; with the evolving threat landscape being further influenced by geopolitical factors, which have increased the risk of cyber-attacks against UK public sector organisations. While no system or internal control can offer absolute protection, the Council has implemented a comprehensive, multi-layered set of cyber security controls. These controls are subject to annual testing to ensure alignment with current government standards and best practices. The Council adheres to recognised industry and public sector cyber security standards, including those set by the Public Sector Network (PSN), the National Cyber Security Centre (NCSC), the Scottish Government Public Sector Cyber Resilience Framework, and the Payment Card Industry Data Security Standards (PCI DSS). The O365 security and compliance toolset provides a wide range of protection against cyber-attacks including identity theft and phishing.
- The Council holds a current Certificate of Compliance for PSN standards. ICT network and digital services are continuously monitored for threats, with ongoing vulnerability assessments conducted in partnership with our external cyber security provider. All activity is overseen by the Security & Compliance Team, led by a Security & Compliance Manager (Cyber) holding both CISSP and CISM certifications. Security events and alerts are monitored 24/7 by our cyber security partner, who are authorised to take immediate preventative action when necessary to protect systems and data and in addition the Council has a Cyber Incident Response Team (CIRT) contract in place, providing access to specialist external expertise in the event of a cyber incident. This

includes support for incident triage, containment and eradication, digital forensics, threat intelligence, and recovery ensuring that, alongside internal capabilities, the Council can respond effectively to incidents, minimise disruption to services, and meet regulatory and reporting obligation.

- The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and the Council's arrangements for fraud prevention, detection and investigation are managed through the corporate counter fraud service. The Council's Counter Fraud Policy was updated in November 2024.
- The Council's approach to 'whistleblowing' is outlined in the whistleblowing policy which was revised in April 2026 and approved by the Finance, Resources and Customer Services Policy Board to reflect the disclosure protections being brought in as part of the Employment Rights Act 2025 reforms. A session on the policy was delivered to the Council's senior manager forum in early 2026 to promote awareness and understanding.

This governance framework has been in place at Renfrewshire Council for the year ended 31 March 2026.

The system of internal financial control

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. The system includes:

- Guidance on financial management supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital expenditure guidelines;
- As appropriate, formal project management principles;
- The Chief Finance Officer is the Director of Finance and Resources who complies with the CIPFA Statement on the Role of The CFO in Public Services.

The role and responsibilities of the Audit Committee and the Chief Auditor

The role of the audit committee is under the remit of the Audit, Risk and Scrutiny Board, which is chaired by an independent elected member, its role includes:

- to approve the internal audit charter and annual internal audit plans;
- to review internal and external audit reports and the main issues arising, including those relating to the annual accounts and seek assurance that action has been taken and make recommendations to the Council where appropriate;
- to receive and consider the Chief Auditor's annual report, summarising internal audit activity and the level of assurance this provides over the arrangements for internal control, risk management and governance within the Council;
- to monitor the performance of Internal Audit;
- to consider the annual review of the Local Code of Corporate Governance.

The internal audit service operated in accordance with Public Sector Internal Audit Standards during 2025/26 and reports to the Audit, Risk and Scrutiny Board. Internal audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Council's Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control. The Council conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. The Audit, Risk and Scrutiny Board complies with the CIPFA guidance Audit Committees: Practical Guidance for Local Authorities and Police. The Council's Chief Auditor has responsibility to review independently and report to the Audit, Risk and Scrutiny Board annually, to provide assurance on the adequacy and effectiveness of the Local Code and the extent of compliance with it. The Audit, Risk and Scrutiny Board performs a scrutiny role in relation to the application of the Local Code of Corporate Governance and regularly monitors the performance of the Council's Internal Audit service.

Internal Audit reporting arrangements include communication of finalised audit engagements, monitoring the progress of agreed management actions and communication of any unacceptable risk identified to the Board.

Review of effectiveness and continuous improvement

Renfrewshire Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of 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 Auditor's annual report, and reports from the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework and how the organisation manages its risks is reviewed annually by the Corporate Management Team, including the use of an annually updated self-assessment tool covering twelve key areas of governance, internal control and risk as follows:

- Asset Management
- Complaints, Comments and Claims
- Financial Control and Governance
- Health and Safety, and managing adverse events
- Information Handling
- Organisational Resilience
- Partnership Management
- People, Wellbeing and Development
- Programme Management
- Service Performance
- Community and Public Safety

This self-assessment indicated the governance framework is being complied with in all material respects. The 2025/26 outturn compares favourably with 2024/25, with only one limited assurance score in the Information Handling module compared to six limited assurances over six modules. In addition, the review of the effectiveness of the governance arrangements and the systems of internal control within the group entities
places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Council's approach to continuous improvement has several strands and is closely aligned to our Council value of "we value learning". Our Council Plan and Service Improvement Planning processes drive much of this and allow for elected member scrutiny of improvement activity. Services also undertake improvement work linked to their core duties and to statutory requirements. Registered services in education, housing, social work and social care regularly undertake self-assessment activity as part of their regulatory framework and inspection process. Services within Environment, Housing and Infrastructure maintain their ISO 9001 accreditation as one means of demonstrating quality.

A Transformation Board (officer group) has been established to provide strategic oversight of the Reshaping Renfrewshire programme. Chaired by the Director of Finance and Resources, this group has a membership of senior officers across the Council and reviews the progress of all major projects and programmes across the organisation, explores and manage interdependencies, shares learning and

supports the management and prioritisation of resources across the programme.

The Council continues to recognise the need to exercise strong financial management arrangements to manage the financial pressures common to all local authorities and it has robust financial control and financial planning processes in place. The CIPFA Financial Management (FM) Code was first adopted by the Council in June 2021, and the resulting action plan contained 59 improvement actions. There are currently 8 outstanding actions still in progress, most of a longer-term nature, with target dates up to December 2026. Work to refresh the initial engagement will be undertaken by the end of 2026/27 to ensure that improvement work continues to be focused, relevant and effective.

The Council continues to manage a number of very significant issues and is operating within a context of new and emerging challenges which require the Council to respond very flexibly to the changing needs of local businesses, communities and citizens. These factors include:

- Ongoing economic and geopolitical uncertainty and volatility, which has significantly increased costs and impacted supply chains utilised by the Council and its partners. The linked cost of living crisis has also required the Council to respond in new ways with partners to meet the needs of those most vulnerable across Renfrewshire through our Fairer Renfrewshire Programme and Action Plan. This remains under regular review, most recently to consider the impacts of the conflict in the middle east in terms of local household income as well as in relation to the Council and its expenditure.
- Inflationary cost pressures, including those linked to pay, continue to significantly impact the Council's financial position. The Council continues to progress its long-term change and transformation programme which will drive a range of service improvements and financial savings across the organisation over both the short and medium term.
- Demand pressures on Council services continue to be experienced particularly in relation to areas such as housing and homeless services and the provision of support through, for example, the Scottish Welfare Fund.
- New and emerging policy developments at a Scottish and UK government level, including in relation to employment legislation, immigration, education provision including reduced class contact time and the public service reform agenda in Scotland, particularly in relation to health and social care and education.
- Responding to the changing needs of our local population, particularly in relation to migration and asylum, support for refugee resettlement and overall population growth which is projected to continue into the longer term.
- Continuing to embed new ways of working across all aspects of our service delivery. This includes building on new working practices following the pandemic through hybrid and flexible working opportunities, as well as embracing the opportunities that can be realised through new advances such as AI.
- Progressing the next phase of the Council's transformation journey – Reshaping Renfrewshire which will focus on improving outcomes for local communities and residents, whilst addressing the ongoing financial challenges facing the Council over the medium term. The programme also has a strong focus on delivering against key corporate priorities such as place shaping – focusing on investment in infrastructure such as housing and our learning estate.
- Building trust and engagement mechanisms with local stakeholders is a particular priority for the Council strategically and at a service level. Building on our consultation and engagement strategy and the results from our resident research, a strong commitment has been made to strengthening the Council's approach to listening and engaging authentically with citizens and communities. It is recognised that trust in public sector authorities is reducing, and the Council will

need to respond positively to address this, including by tackling issues such as mis/dis/mal information.

- Regardless of the Council's technical preparedness for a cyber-attack, the threat remains acute and present, as evidenced by successful attacks on other public sector organisations, with the risk of significant impact on council operations.

Audit Scotland introduced a new approach to auditing Best Value in local government which commenced in 2023 as part of the next 5-year Best Value Audit programme. This approach involves thematic areas of focus each year which will be considered for all local authorities within the same snapshot in time rather than the previous rolling programme of deep dive audits which inspect each local authority across a five-year programme. These reviews have included leadership and governance, workforce innovation and transformation. The thematic review in 2026 will consider asset management.

The Council has received positive reports in relation to each of the thematic reviews which have each been presented to the Audit Risk and Scrutiny Board by the Council's external auditors, Azets.

Following a report to the Accounts Commission in 2024 in relation to Dargavel Primary School and the related s102 process, the Council was notified that further updates in relation to the s102 report would be incorporated within wider best value audit activity planned for Renfrewshire Council, which would be accelerated to early 2025. The Best Value Audit process was undertaken during 2025, with findings being reported in May 2025 by the Accounts Commission. Overall the report was very positive with it being noted that: 'Renfrewshire Council has a strong commitment to improving, including creating a positive culture, supporting its staff to develop as leaders, and focusing on engaging with residents. It must now talk to them about tough spending decisions that lie ahead.'

The 2024/25 Action Plan from the separate self-assessment against the CIPFA guidance for effective Audit Committees which was undertaken with the members of the Audit, Risk and Scrutiny Board has now been implemented and the agreed actions are currently being progressed.

The external auditors, Azets, provided an unqualified audit opinion on the 2024/25 annual accounts and concluded in their annual audit report that the vision, leadership and governance arrangements were effective and appropriate.

Regular reviews of the Council's governance arrangements are undertaken by internal audit. The programme of work undertaken by internal audit during 2025/26 identified three occasions where a limited assurance level was given in relation to the internal control, risk management and governance objectives for the specific areas of each audit review. All were specific to individual service areas and although these areas require to be addressed there is no significant impact on the Council's overall system of internal control and action plans are in place to address the risk identified.

In addition, internal audit conducted two investigative reviews of grant funding given to community organisations and these identified that the Council governance arrangements for grants were unsatisfactory and the Council's grant conditions required to be reviewed. This is being progressed by Senior Management.

Internal audit undertakes an annual exercise to ensure that recommendations arising from internal audit engagements have been implemented by service management and the results are reported to the Audit, Risk and Scrutiny Board. This work highlighted that 85% of recommendations were implemented by the due date, 14% had passed their original due date and revised implementation dates have now been set and 1% were superseded. Of the 33 recommendations followed up that were deemed to be critical, 27 have been fully implemented and 6 has been partially implemented. Revised

implementation dates have been agreed for each of the partially implemented recommendations.

It is our view that the Council has in place a sound framework for governance, risk management and internal control and that appropriate mechanisms are in place to identify any areas of weakness. This is corroborated by an Annual Report incorporating the Annual Assurance Statement prepared by the Council's Chief Auditor stating that subject to management addressing the critical and important recommendations made and the limited assurance report findings, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements.

Forward look on governance

Three main developments have been identified which are likely to further strengthen governance arrangements in the forthcoming year:

At the Leadership Board on 29 April 2026, it was agreed that the Council will progress the AI Transformation Programme 2026 -2030 Business Case.

As part of that process various elements of governance and Elected Member oversight were agreed. This included the creation of three specific officer groups each dealing with specific matters arising from the project. The AI Strategic Programme Officer Board (chaired by the Chief Executive) will provide the overall strategic direction and oversight of the project, with key responsibilities including, approving programme priorities, ensuring alignment with corporate and service strategies, monitoring delivery progress, managing financial oversight and accountability, and reviewing risks and mitigation plans.

The AI Programme Delivery Team (chaired by the Programme Lead) will coordinate day-to-day activity, working closely with services to plan, test, deploy and optimise AI solutions, with key responsibilities including coordinating technical delivery, managing sprint cycles and deployment plans, ensuring compliance with governance decisions, supporting services with implementation activities, and monitoring early impact and usage data.

The Ethics and Assurance Board (chaired by the Head of Corporate Governance) will ensure responsible AI deployment with key responsibilities including reviewing Data Protection Impact Assessments, ensuring GDPR compliance, upholding ethical AI principles, monitoring fairness, transparency and accountability, and ensuring human oversight in all critical decision-making processes.

To ensure Elected Member oversight of the project it was agreed that regular updates on the AI Transformation Programme 2026 – 2030 will be brought to the Leadership Board at appropriate key junctures as the overall programme is progressed over the next 3+ years, and that a 6-monthly 'AI Transparency Report' will also be brought to the Leadership Board outlining AI tools used by the Council, the purpose and function of each system, any data-protection or equality assessments undertaken, changes since the previous report, and any identified risks, mitigations or recommendations for future deployment."

Following on from the Internal Audit investigative reviews of grants, management acknowledged that the processes for awarding of grants throughout the Council to third party organisations were inconsistent and that the Council's Conditions of Grant required updating. A governance review of grant processes is therefore planned to commence in 2026/27.

Reflecting the approach set out and reported through the Reshaping Renfrewshire Transformation and Change Programme to the Council's Leadership Board in February 2026, evaluation findings from the leadership programme, alongside insights from the Cultural Assurance Model (CAM), are being used to inform a more targeted and risk-based approach to leadership development for line managers and senior officers across the Council. This represents a move away from time-limited development programmes towards a more sustained focus on leadership capability as an enabler of effective governance and

assurance. Leadership development activity will prioritise the behaviours and capabilities that evidence shows have the greatest impact on performance, assurance, and team climate.

As part of this next phase, a new managers' induction module will be introduced to provide a consistent foundation for colleagues taking on management responsibilities within the Council. The module will support new starters to understand their role in managing performance, risk, governance and assurance from the outset, while existing managers will also be encouraged to complete it to reinforce core expectations. This approach recognises transition into management as a point of heightened organisational risk and supports more consistent managerial accountability and assurance across services.

In parallel, work is underway to design a dedicated development offer for newly appointed Chief Officers, whether recruited internally or externally. This programme will provide structured, assessment-informed development alongside coaching and mentoring, supporting effective transition into role, early establishment of leadership authority, and understanding of the Council's organisational, governance and cultural context. The intention is to launch the programme in autumn 2026 as part of a more coherent, end-to-end leadership development pathway that supports succession planning, long-term organisational resilience, and strengthened corporate governance.

Work, planning for the next local government elections and the new council in 2027, has commenced throughout the Council and a highly experienced group of staff will lead and deliver workstreams that support electoral event with integrity.

In addition, our external auditors Azets will undertake planned annual best value audit activity in Summer 2026, with a key focus on the Council's activities in relation to Fairness and Inequality. Any related findings will be reported as per the standard process through the Annual Audit report in September 2026.

Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the Council's governance.

Agreed action	Responsible person	Date
Undertake review of Council's conditions of grant and produce updated internal guidance on grants management processes.	Head of Policy and Partnerships	December 2027
Implement actions arising from the Audit, Risk and Scrutiny Board Member's self-assessment which are detailed in the ARSB Annual Report, reported to Council in May 2026.	Head of Corporate Governance/Chief Auditor	March 2027

Update on Previous Action Plans

The agreed actions will be subject to review to identify the progress being made in implementing these actions.

2024/25 Action Plan

Agreed action	Progress Update	Responsible person	Date
Implement recommendations from Best Value Reports, including the follow up report on the council's approach to community engagement and culture change	All recommendations are incorporated as actions within the Council's agreed Corporate Improvement Plan. Updates on progress are reported on a 6 monthly basis to Leadership Board. The last update was provided in February 2026 and noted the majority of actions were now complete with a small number of longer term actions being implemented on an ongoing basis, but within agreed deadlines.	Chief Executive & Director of Finance and Resources	Complete
Implement the new Statutory Performance Information Direction in line with statutory timescales	All requirements relating to the new SPI Direction have been fully implemented – this includes amendments to our public performance report and increased frequency of reporting of Local Government Benchmarking data to Audit Risk and Scrutiny Board.	Head of Policy and Partnerships	Complete
Address the improvement action arising from the independent review of the Council's Risk Management Arrangements	All agreed recommendations are being taken forward and are incorporated into the Strategic Risk Management Development Plan. The progress of this plan is monitored over the life cycle of the Risk Management Policy and progress is reported as part of the Annual Report.	Director of Finance and Resources	Complete

2023/24 Action Plan

Agreed action	Progress Update	Responsible person	Date
Implement improvement plan arising from the Corporate Self-Assessment Exercise.	With one exception , all of these actions have been completed. The development of a webpage on transformation is currently being progressed.	Head of Policy and Partnerships	September 2026

Agreed action	Progress Update	Responsible person	Date
The recommendations arising from the review of the corporate health and safety internal audit report, will be considered and an action plan developed for implementation.	Recommendations have been actioned, with one ongoing (the procurement and implementation of a H&S management system) which is progressing.	Director of Finance and Resources	Complete

2022/23 Action Plan

All the agreed improvement actions are now complete.

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2025/26 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

Remuneration Report

The Local Authority Accounts (Scotland) Amendment Regulations 2014 (SSI No. 2014/200) amend the Local Authority Accounts (Scotland) Regulations 2011 (SI No 2011/64) and requires local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. All information disclosed in sections 3 to 8 in this Remuneration Report will be audited by the Council's appointed auditor, Azets. The other sections of the Remuneration Report will be reviewed by Azets to ensure that they are consistent with the financial statements.

It should be noted that due to the commencement of Section 66 of the Employment Rights Act 2025, public bodies in Scotland are no longer required to include disclosures in their annual report or accounts relating to Trade Union Facility Time. As a result, this section (formerly section 9) is now removed from the Remuneration Report.

1. Remuneration Policy for Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salaries of the Corporate Directors and Heads of Service are based on a spinal column point model as agreed by the Finance and Resources Policy Board on 14 May 2014. Senior employees received a 4.0% pay award in 2025/26.

In December 2025, Council Leaders (through COSLA) implemented a new pay framework for Scottish local authority Chief Executives. In line with the Council's established pay relationships, this had a consequential impact on the salary levels of Chief Officers whose pay is linked to the Chief Executive.

2. Remuneration policy for the Leader of the Council, the Provost and Senior Councillors

The annual salary of the Leader of the Council and the upper limit for the annual salary of the Provost (or civic head) are set by the Scottish Government in terms of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, as amended by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025. The salary for the Leader of the Council in 2025/26 was £50,063 per annum (£42,698 in 2024/25) and the salary for the Provost was £37,548 per annum (£32,024 in 2024/25).

In terms of the same Regulations, the Scottish Government permits Renfrewshire Council to nominate up to 14 senior councillors (in addition to the Leader of the Council and the Provost), whose salaries in aggregate must not exceed a specified amount, in 2025/26 being £444,705 per annum; and whose salaries individually must be on a specified scale, in 2025/26 £25,028 to £37,458. At the Council meeting of 30 June 2022, it was agreed that Renfrewshire Council would have 13 senior councillors: six Policy Board Conveners (salary of £36,885 per annum in 2025/26); four Regulatory Board Conveners (salary of £29,924 in 2025/26); Chair of OneRen Board and Chair of Integration Joint Board (salary of £36,885 in 2025-26); Chair of Valuation Joint Board (salary of £28,207 in 2025/26), and one Leader of the Opposition (salary of £29,924 in 2025/26).

3. Remuneration of Senior Employees

The regulations define a senior employee as any employee who meets one or more of the following criteria:

- has responsibility for the management of the local authority to the extent that the person has power to direct or control the major activities of the authority whether solely or collectively with other persons.

- holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989.
- whose annual remuneration, including any annual remuneration from a local authority subsidiary body is £150,000 or more.

The Council has interpreted the above criteria as including the Chief Executive, Directors and the Chief Executive of OneRen.

The term 'remuneration' means gross salary, fees and bonuses, allowances and expenses and compensation for loss of office. The table below outlines the remuneration details for senior employees, including prior year figures. The table shows the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2026, whether or not those amounts were actually paid to, or received by, those persons within that period. There were no non-consolidated bonuses or performance-related payments made to any senior officer in 2025/26.

2024/25	Senior employees		2025/26
Total Remuneration £	Name	Post held	Total Remuneration £
181,134	Alan Russell	Chief Executive	184,806
144,953	Alastair MacArthur	Director of Finance and Resources	149,498
143,953	Gordon McNeil	Director of Environment, Housing & Infrastructure	149,498
138,112	Janie O'Neil	Director of Children's Services	149,498
608,152	Total		633,300

In 2025/26, there was no renumeration received by Senior Officers in connection with election activities. In 2024/25 this was £10,996.

2024/25	Senior Employees of Subsidiary Bodies		2025/26
Total Remuneration £	Name	Post held	Total Remuneration £
120,016	Victoria Hollows	Chief Executive, OneRen	125,534
120,016	Total		125,534

4. Remuneration of Senior Councillors

Under the regulations, remuneration disclosures are to be made for the Leader of the Council, the Civic Head and any Councillor designated as a Senior Councillor by the Council. The table below shows the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2026, whether or not those amounts were actually paid or received within that period and relate only to the Senior Councillor posts indicated.

2024/25	Senior Councillors		2025/26
Total Remuneration £	Name	Position held	Total Remuneration £
42,698	Iain Nicolson	Leader Of the Council	50,063
32,024	Lorraine Cameron	Provost	37,548
30,746	Michelle Campbell	Policy Board Convener	36,885
30,746	Marie McGurk	Policy Board Convener	36,885
30,746	Jim Paterson	Policy Board Convener	36,885
30,746	Emma Rodden	Policy Board Convener	36,885
30,746	John Shaw	Policy Board Convener	36,885
30,746	Andy Steel	Policy Board Convener	36,885
25,522	Stephen Burns	Regulatory Board Convener	29,924
25,522	Andy Doig	Regulatory Board Convener	29,924
25,522	Cathy McEwan	Regulatory Board Convener	29,924
25,522	John McNaughtan	Regulatory Board Convener	29,924
30,746	Jennifer Adam	Chair/Vice Chair IJB	36,885
30,746	Lisa-Marie Hughes	Chair, OneRen	36,885
25,522	Iain McMillan	Leader of largest opposition group	29,924
448,300	Total		532,311

No payments were made in connection with loss of employment or office, nor were any other payments made which are not included in the table.

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.

From 1 April 2015 benefits for local government employees are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age of each member.

From 1 April 2009 a five-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 members contribution rates are as follows:

Tiered contribution rates on whole time pay 2025/26		Equivalent bandings for 2024/25
Up to £27,500	5.5%	Up to £27,000
£27,501 to £33,600	7.25%	£27,001 to £33,000
£33,601 to £46,100	8.5%	£33,001 to £45,300
£46,101 to £61,400	9.5%	£45,301 to £60,400
Over £61,401	12%	Over £60,401

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for

lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

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 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 pension entitlements for Senior Employees and Senior Councillors for the year to 31 March 2026 are shown in the table below, together with the contribution made by the Council to each individual's pension during the year.

Any senior employees or councillors omitted from the following tables are not members of the Local Government Pension Scheme (LGPS).

		In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2026		Change in accrued pension benefits since 31 March 2025	
		2025/26	2024/25	Pension	Lump Sum	Pension	Lump Sum
Name	Post held	£	£	£000	£000	£000	£000
Senior Employees							
Alan Russell	Chief Executive	11,965	11,541	97	118	11	13
Alastair MacArthur	Director of Finance and Resources	9,682	9,412	75	89	8	9
Gordon McNeil	Director of Environment, Housing & Infrastructure	9,682	9,412	61	41	7	4
Janie O'Neil	Director of Children's Services	9,679	9,129	18	0	3	0
Total		41,008	39,494	251	248	29	26

Senior Employees of Subsidiary Bodies							
		In-year pension contributions by Renfrewshire Leisure		Accrued pension benefits as at 31 March 2026		Change in accrued pension benefits since 31 March 2025	
		2025/26	2024/25	Pension	Lump Sum	Pension	Lump Sum
Name	Post held	£	£	£000	£000	£000	£000
Victoria Hollows	Chief Executive, OneRen	8,131	7,939	58	57	7	4
Total		8,131	7,939	58	57	7	4

The following table reports on in-year pension contributions relating to senior councillor positions only. Pension benefits shown relate to those that the individual has accrued as a consequence of their total local government service and not just their current appointment.

6. Councillors' remuneration

The Council paid the following amounts to its elected members (councillors) during the year.

Leader of the Council, Provost, Senior councillors							
		In-year pension contributions by Renfrewshire Council		Accrued pension benefits as at 31 March 2026		Change in accrued pension benefits since 31 March 2025	
		2025/26	2024/25	Pension	Lump Sum	Pension	Lump Sum
Name	Post held	£	£	£000	£000	£000	£000
Iain Nicolson	Leader Of the Council	3,239	2,822	13	3	1	0
Michelle Campbell	Policy Board Convener	2,386	2,032	5	0	1	0
Marie McGurk	Policy Board Convener	2,386	2,032	7	0	1	0
Jim Paterson	Policy Board Convener	2,386	2,032	6	0	1	0
Emma Rodden	Policy Board Convener	2,386	2,032	5	0	1	0
John Shaw	Policy Board Convener	2,386	2,032	6	0	1	0
Andy Steel	Policy Board Convener	2,386	2,032	6	0	1	0
John McNaughtan	Regulatory Board Convener	1,936	1,687	5	0	1	0
Stephen Burns	Regulatory Board Convener	1,936	1,687	5	0	1	0
Andy Doig	Regulatory Board Convener	1,936	1,687	5	0	1	0
Jennifer Adam	Chair/Vice Chair IJB	2,386	2,032	6	0	1	0
Lisa-Marie Hughes	Chair, OneRen	2,386	2,032	6	0	1	0
Iain McMillan	Leader of largest opposition	1,936	1,687	2	0	0	0
Total		30,071	25,826	77	3	12	0

2024/25 £		2025/26 £
1,051,873	Salaries	1,262,442
917	Travel costs – reimbursed	1,609
5,456	Travel costs – paid directly by the Council	6,473
2,951	Training and Conferences	4,033
0	Telephone and information technology expenses – reimbursed	53
2,983	Telephone and information technology expenses – paid directly by the Council	2,508
1,064,180	Total	1,277,118

The public record of members' salaries, allowances and expenses for 2025/26 is available for inspection on the Register of Councillors' Interests page of the Council's website and navigating to: Your Council>Councillors> Record of councillor salaries, allowances, expenses and training register.

7. Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2025/26, in bands of £5,000; and also details of the number of those employees highlighted who left the employment of the Council during 2025/26. This information includes those senior employees who are subject to the fuller disclosure requirements in the tables above. Note that leavers may be included due to retirement or redundancy costs. Bands with nil employees for both years are not shown.

2024/25				2025/26		
Teachers	Non-teachers	Total	Remuneration band	Teachers	Non-teachers	Total
228	159	387	£50,000 to £54,999	550	125	675
65	64	129	£55,000 to £59,999	81	98	179
102	58	160	£60,000 to £64,999	75	39	114
84	47	131	£65,000 to £69,999	89	48	137
76	13	89	£70,000 to £74,999	70	24	94
27	19	46	£75,000 to £79,999	70	22	92
9	7	16	£80,000 to £84,999	9	6	15
3	4	7	£85,000 to £89,999	8	5	13
6	1	7	£90,000 to £94,999	2	1	3
1	6	7	£95,000 to £99,999	6	3	9
1	2	3	£100,000 to £104,999	0	2	2
2	4	6	£105,000 to £109,999	4	2	6
0	0	0	£110,000 to £114,999	0	6	6
0	5	5	£115,000 to £119,999	0	0	0
0	0	0	£125,000 to £129,999	0	6	6
0	0	0	£130,000 to £134,999	0	1	1
0	1	1	£135,000 to £139,999	0	0	0
0	2	2	£140,000 to £144,999	0	0	0
0	0	0	£145,000 to £149,999	0	3	3
0	1	1	£170,000 to £174,999	0	0	0
0	0	0	£175,000 to £179,999	0	1	1
604	393	997		964	392	1,356

In 2025/26, there was one employee that was only included in this table because they left and received a termination payment (six in 2024/25).

8. Exit Packages

The Council has agreed a number of exit packages in 2025/26 as detailed in the table below. The exit packages agreed were all on a voluntary basis; there were no compulsory redundancies. The Council only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives; and where the savings accruing from an individual ceasing employment with the Council are sufficient to pay back the costs of the exit package within an acceptable period. The assessment of the payback period takes account of the total costs of the exit package.

The total exit package costs in the table below include redundancy, pension strain and compensatory lump sum payments; and also, the notional capitalised costs of compensatory added years. These notional costs are not

based on actual costs, but are the estimated present value of projected costs over the lifetime of the individuals in receipt of the exit package, based on the following assumptions:

	2025/26	2024/25
Future Life expectancy at age 65 – males	20.8 years	20.5 years
Future Life expectancy at age 65 – females	24.2 years	24.1 years
Pension increase rate	3.00%	2.80%
Discount Rate	6.20%	5.80%

Exit Package Cost	2025/26		2024/25	
	Number of Employees	Value £m	Number of Employees	Value £m
£0 - £20,000	0	0.000	6	0.046
£20,001 - £40,000	0	0.000	2	0.059
£40,001 - £60,000	2	0.103	4	0.203
£60,001 - £80,000	0	0.000	2	0.145
£80,001 - £100,000	1	0.083	2	0.176
£100,101 - £150,000	0	0.000	3	0.365
£150,101 - £200,000	2	0.325	3	0.497
£200,001 - £250,000	1	0.239	0	0.000
£350,001 - £400,000	1	0.353	0	0.000
Total	7	1.103	22	1.491

Cllr Iain Nicolson
Leader of the Council

Alan Russell
Chief Executive

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Renfrewshire Council and its group for the year ended 31 March 2026 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, Cash Flow Statements, the Council-only Common Good Funds Income and Expenditure Statement, the Council-only Common Good Funds Balance Sheet, 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 Non-Domestic Rates Income Account, and notes to the financial statements, including material accounting policy information. 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 2025/26 (the 2025/26 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2026 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 2025/26 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

We conducted our 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. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We 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 we have performed, we 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, we 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

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Director of Finance and the Council for the financial statements

As explained more fully in the Statement of Responsibilities, the Director of Finance and Resources 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 Director of Finance and Resources 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 Director of Finance and Resources 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

Our 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 our 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. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of management as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the management and the Convener of the Audit, Risk and Scrutiny Board concerning the policies and procedures of the council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on 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 our 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. This description forms part of our auditor's report.

Reporting on other requirements

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

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Director of Finance and Resources is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration Report.

Our 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 our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we 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 our 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 we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

adequate accounting records have not been kept; or

the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or

we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our 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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Rebecca Lister, (for and on behalf of Azets Audit Services),

Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date:

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Council during the year. It includes, on an accruals basis, all of the Council's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that Councils need to take into account when setting the annual Council Tax charge. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2024/25					2025/26		
Gross expenditure £m	Gross income £m	Net expenditure £m		Note	Gross expenditure £m	Gross income £m	Net expenditure £m
327.708	(18.179)	309.529	Children's Services		317.305	(16.777)	300.528
201.092	(91.120)	109.972	Environment, Housing and Infrastructure		217.105	(107.888)	109.217
106.403	(44.855)	61.548	Finance and Resources		99.802	(35.654)	64.148
48.457	(10.357)	38.100	Chief Executive's Service		49.181	(9.756)	39.425
13.177	(13.191)	(0.014)	Miscellaneous Services		17.562	(16.783)	0.779
182.574	(73.487)	109.087	Adult Services		185.834	(73.529)	112.305
879.411	(251.189)	628.222	Cost of Services		886.789	(260.387)	626.402
1.033	0.000	1.033	(Gain)/Loss on the disposal of non-current assets	8	3.107	0.000	3.107
25.807	(5.741)	20.066	Financing and investment income and expenditure	2	25.739	(2.793)	22.946
0.000	(562.381)	(562.381)	Taxation and non-specific grant income	3	0.000	(631.866)	(631.866)
906.251	(819.311)	86.940	Deficit on the Provision of Services		915.635	(895.046)	20.589
		(86.295)	(Surplus)/Deficit on the revaluation of non-current assets			8	(221.871)
		0.058	(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income			8	(0.179)
		(31.118)	Actuarial (gain)/loss on pension assets and liabilities			27	(15.128)
		(117.355)	Other comprehensive (income) and expenditure				(237.178)
		(30.415)	Total comprehensive (income) and expenditure				(216.589)

Figures shown in brackets represent income or gains and figures without brackets represent expenditure or losses.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those reserves that can be applied to fund expenditure or to reduce local taxation) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax-setting and dwellings rent-setting purposes. The net increase or (decrease) before transfers to other statutory reserves line shows the statutory General Fund Balance and the Housing Revenue Account Balance before any discretionary transfers to or from the other statutory reserves of the Council.

2025/26	Note	General Fund Balance £m	Housing Revenue Account £m	Revenue statutory funds £m	Capital Funds £m	Total Usable Reserves £m	Unusable Reserves £m	Total reserves £m
Balance at 1 April 2025		138.771	6.933	3.573	85.920	235.197	1,320.054	1,555.251
Movement in reserves during the year								
Total Comprehensive Income and Expenditure		(10.004)	(10.585)	0.000	0.000	(20.589)	237.178	216.589
Adjustments to Usable Reserves permitted by accounting standards		22.168	16.975	0.000	0.000	39.143	(39.143)	0.000
Transfers to / (from) other statutory reserves	7	(0.524)	0.000	0.524	0.000	0.000	0.000	0.000
Adjustment for Service Concession Arrangements		2.047	0.000	0.000	0.000	2.047	(2.047)	0.000
Adjustments between accounting basis and funding basis under regulations	6	6.956	(5.350)	0.000	(19.990)	(18.384)	18.384	0.000
Increase / (Decrease) in year		20.643	1.040	0.524	(19.990)	2.217	214.372	216.589
Balance at 31 March 2026		159.414	7.973	4.097	65.930	237.414	1,534.426	1,771.840

Comparative movements in 2024/25	Note	General Fund Balance £m	Housing Revenue Account £m	Revenue statutory funds £m	Capital Funds £m	Total usable reserves £m	Unusable reserves £m	Total reserves £m
Balance at 1 April 2024		117.620	6.164	3.428	95.007	222.219	1,302.617	1,524.836
Movement in reserves during the year								
Total Comprehensive Income and Expenditure		(70.062)	(16.878)	0.000	0.000	(86.940)	117.355	30.415
Adjustments to Usable Reserves permitted by accounting standards		24.204	14.910	0.000	0.000	39.114	(39.114)	0.000
Transfers to / (from) other statutory reserves	7	(0.099)	0.000	0.145	(0.046)	0.000	0.000	0.000
Adjustment for Service Concession Arrangements		13.901	0.000	0.000	0.000	13.901	(13.901)	0.000
Adjustments between accounting basis and funding basis under regulations	6	53.207	2.737	0.000	(9.041)	46.903	(46.903)	0.000
Increase / (Decrease) in year		21.151	0.769	0.145	(9.087)	12.978	17.437	30.415
Balance at 31 March 2025		138.771	6.933	3.573	85.920	235.197	1,320.054	1,555.251

Balance Sheet

The balance sheet shows the value as at 31 March 2026 of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves held by the Council. Reserves are reported in two categories. The first category comprises usable reserves, which are 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 Receipts Reserve, which may only be used to fund capital expenditure or to repay debt). The second category of reserves comprises those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold differences shown as 'adjustments between accounting basis and funding basis under regulations' in the Movement in Reserves Statement.

As at 31 March 2025 £m		Note	As at 31 March 2026 £m
1,955.001	Property, plant and equipment	9	2,222.114
44.186	Heritage assets	10	44.186
1.189	Intangible assets	12	0.690
4.391	Long-term investments	21	4.707
2.002	Long-term debtors	18	1.820
2,006.769	Long-term assets		2,273.517
2.492	Assets held for sale	11	0.000
17.534	Short-term investments	21	24.623
1.060	Inventories	16	1.165
62.480	Short-term debtors	18	75.104
5.505	Cash and cash equivalents	17	40.800
89.071	Current assets		141.692
(89.745)	Short-term borrowing	21	(71.081)
(70.339)	Short-term creditors	19	(112.834)
(0.406)	Short-term provisions	20	(0.567)
(160.490)	Current liabilities		(184.482)
(77.581)	Long-term creditors	19	(73.551)
(5.230)	Long-term provisions	20	(6.786)
(232.050)	Long-term borrowing	21	(314.756)
(65.238)	Other long-term liabilities	27	(63.794)
(380.099)	Long-term liabilities		(458.887)
1,555.251	Net assets		1,771.840
(235.195)	Usable reserves	7	(237.414)
(1,320.056)	Unusable reserves	8	(1,534.426)
(1,555.251)	Total reserves		(1,771.840)

Alastair MacArthur
Director of Finance and Resources

The unaudited accounts were issued on 22 June 2026 and the audited accounts were authorised for issue on 24 September 2026.

Cashflow Statement

This statement shows the changes in cash and cash equivalents of the Council during the year. It 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 that 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 (that is, borrowing) to the Council.

2024/25 £m		2025/26 £m
(86.940)	Net surplus/(deficit) on the provision of services	(20.589)
	Adjustment for non-cash movements:	
125.191	Depreciation, amortisation, impairment and revaluations	106.453
(11.462)	Increase/(decrease) in creditors	41.900
4.237	(Increase)/decrease in debtors	(12.442)
0.227	(Increase)/decrease in inventories	(0.105)
21.876	Pension (liability)/asset	13.684
3.013	Carrying amount of non-current assets sold	7.876
0.285	Other non-cash items charged to the net surplus or deficit on the provision of services	1.717
(25.010)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(51.332)
31.417	Net cash flows from operating activities	87.162
	Net cash flows from investing activities :	
(123.212)	Purchase of property, plant and equipment, investment property and intangible	(155.489)
(1.980)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(3.679)
50.093	Proceeds from short-term and long-term investments	(7.226)
27.091	Other receipts from investing activities	55.011
	Net cash flows from financing activities	
(4.737)	Cash payments for the reduction of the outstanding liability relating to right of use assets and on-balance sheet PFI /PPP contracts	(4.526)
(2.628)	Repayment of short-term and long-term borrowing	64.042
(23.956)	Net increase/(decrease) in cash and cash equivalents	35.295
29.461	Cash and cash equivalents at the beginning of the reporting period	5.505
5.505	Cash and cash equivalents at the end of the reporting period	40.800

The Net cash flow from operating activities above includes the following elements of interest paid and received:

2024/25 £m	Interest Paid and Received	2025/26 £m
(5.741)	Interest received	(2.793)
16.213	Interest paid	15.883
4.919	Interest element of right of use and PPP payments	4.663
15.391		17.753

Note 1: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, Council Tax and non-domestic rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service departments. Income and expenditure accounted for under generally accepted account practices is presented more fully in the CIES.

2025/26	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Depreciation charged to Revaluation Reserve £m	Net Expenditure in the CIES £m
Children's Services	275.837	11.035	13.656	300.528
Environment, Housing and Infrastructure	77.006	12.811	19.400	109.217
Finance & Resources	50.893	11.696	1.559	64.148
Chief Executive's Service	30.195	4.938	4.292	39.425
Miscellaneous Services	18.243	(17.700)	0.236	0.779
Adult Services	112.122	0.183	0.000	112.305
Net cost of services	564.296	22.963	39.143	626.402
Other income and expenditure	(585.981)	(19.832)	0.000	(605.813)
(Surplus) / Deficit	(21.685)	3.131	39.143	20.589
Opening General Fund and HRA balance	(145.702)			
Less (Surplus) / Deficit in the year	(21.685)			
Closing General Fund and HRA at 31 March 2026	(167.387)			

2025/26	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	18.446	3.782	(11.193)	11.035
Environment, Housing and Infrastructure	14.238	4.347	(5.774)	12.811
Finance & Resources	1.793	2.202	7.701	11.696
Chief Executive's Service	4.907	0.792	(0.761)	4.938
Miscellaneous Services	1.392	(3.537)	(15.555)	(17.700)
Adult Services	0.003	2.069	(1.889)	0.183
Net Cost of Services	40.779	9.655	(27.471)	22.963
Other income and expenditure	(51.381)	4.029	27.520	(19.832)
Total adjustments between accounting basis and funding basis	(10.602)	13.684	0.049	3.131

- Adjustments for capital purposes: adds in depreciation, impairment and revaluation gains and losses to the service net expenditure including income on the disposal of assets and the amounts written off for those assets and the statutory charges for capital financing and capital grants which are not chargeable under generally accepted accounting practices.
- Net change for the pensions adjustments: removes employer pension contributions as allowed by statute and replaces with the current and past service costs within the IAS 19 employee benefits pension related

expenditure and income. The net interest on the defined benefit liability is also included as charged to the CIES.

- Other differences: any other differences between those amounts debited or credited to the CIES and amounts payable or receivable to be recognised under statute, including those primarily involved in the financial instruments adjustment account, the employee statutory adjustment account and other statutory funds. Any other non-statutory adjustments would also be included here.

2024/25	Net Expenditure chargeable to the General Fund and HRA £m	Adjustments between Funding and Accounting basis £m	Depreciation charged to Revaluation Reserve £m	Net Expenditure in the CIES £m
Children's Services	257.721	34.850	16.958	309.529
Communities and Housing Services	69.902	22.675	17.395	109.972
Environment & Infrastructure	47.537	12.088	1.923	61.548
Finance & Resources	28.330	7.155	2.615	38.100
Chief Executive's Service	25.322	(25.559)	0.223	(0.014)
Miscellaneous Services	106.810	2.277	0.000	109.087
Net cost of services	535.622	53.486	39.114	628.222
Other income and expenditure	(543.643)	1.271	0.000	(541.282)
(Surplus) / Deficit	(8.021)	54.757	39.114	86.940
Opening General Fund and HRA balance	(123.784)			
Less (Surplus) / Deficit in the year	(8.021)			
Add other items not charged to the Surplus	(13.897)			
Closing General Fund and HRA at 31 March 2025	(145.702)			

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

2024/25	Adjustments for capital purposes £m	Net change for the pensions adjustments £m	Other differences £m	Total Adjustments £m
Children's Services	38.142	6.372	(9.664)	34.850
Environment, Housing and Infrastructure	19.208	7.021	(3.554)	22.675
Finance & Resources	2.208	3.738	6.142	12.088
Chief Executive's Service	5.965	1.389	(0.199)	7.155
Miscellaneous Services	(6.350)	(4.755)	(14.454)	(25.559)
Adult Services	0.003	4.097	(1.823)	2.277
Net cost of services	59.176	17.862	(23.552)	53.486
Other income and expenditure	(27.119)	4.014	24.376	1.271
Total adjustments between accounting basis and funding basis	32.057	21.876	0.824	54.757

Note 2: Financing and investment income & expenditure

2024/25 £m		2025/26 £m
21.793	Interest payable and similar charges	21.710
4.014	Net interest on the net defined benefit liability	4.029
(5.741)	Interest receivable and similar income	(2.793)
20.066	Total	22.946

Note 3: Taxation and non-specific grant income

2024/25 £m		2025/26 £m
(97.701)	Income from Council Tax and community charge	(108.204)
(107.505)	Distribution from the national non-domestic rate pool	(108.844)
(330.084)	General Revenue Grant from the Scottish Government	(359.807)
(27.091)	Capital grants and contributions	(55.011)
(562.381)	Total	(631.866)

Note 4: Expenditure and income analysed by nature

This note presents the subjective analysis of expenditure and income shown by operational service area in the CIES.

2024/25 £m		Note	2025/26 £m
	Expenditure		
381.264	Employee benefits expenses		394.817
412.071	Other service expenses		424.662
86.076	Depreciation, amortisation, impairment		67.310
25.807	Interest Payments	2	25.739
1.033	(Gain) /Loss on the disposal of assets	8	3.107
906.251	Total expenditure		915.635
	Income		
(251.189)	Fees, charges and other service income		(260.387)
(5.741)	Interest and investment income	2	(2.793)
(205.206)	Income from council tax and non-domestic rates	3	(217.048)
(357.175)	Government grants and contributions	3	(414.818)
(819.311)	Total income		(895.046)
86.940	(Surplus) or deficit on the provision of services		20.589

Note 5: Grant income

The Council credited the following grants, contributions and donations direct to services in the CIES during 2025/26.

2024/25 £m		2025/26 £m
37.802	Housing benefit	29.325
0.643	Housing benefit and Council Tax administration	0.653
1.029	Discretionary Housing Payment	0.486
0.600	Private sector housing grant	0.750
0.460	Education Maintenance Allowance	0.421
0.000	Gaelic Education	0.065
0.021	School Milk	0.451
4.663	Pupil Equity Fund	4.663
6.620	Other Education	3.788
3.363	Justice Social Work	4.404
12.254	Adult Services	12.254
2.369	Employability	4.167
3.526	Other grants	8.355
73.350	Total	69.782

Note 6: Adjustment between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure 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.

The first table outlines the current year position, and the second table outlines the comparative prior year position.

2025/26	Usable reserves				Unusable reserves
	General Fund Balance	Housing Revenue Account Balance	Capital Statutory Funds	Capital Receipts Reserve	
	£m	£m	£m	£m	£m
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items charged to the CIES:					
Charges for depreciation and impairment of non-current assets	(49.134)	(17.293)	0.000	0.000	**66.427**
Amortisation of intangible assets	(0.883)	0.000	0.000	0.000	**0.883**
Capital grants and contributions applied	44.922	10.089	0.000	0.000	**(55.011)**
Revenue expenditure funded from capital under statute	(0.523)	0.000	0.000	0.000	**0.523**
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	(2.947)	(0.160)	0.000	0.000	**3.107**
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	5.597	8.981	0.000	0.000	**(14.578)**
Capital expenditure charged against the General Fund and HRA Balances	8.888	4.590	18.626	0.000	**(32.104)**
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the CIES	0.000	0.000	0.000	(3.679)	**3.679**
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	5.043	**(5.043)**
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0.298	0.104	0.000	0.000	**(0.402)**
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	(29.351)	(1.659)	0.000	0.000	**31.010**
Employer's pension contributions and direct payments to pensioners payable in the year	16.685	0.641	0.000	0.000	**(17.326)**
Adjustment primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(0.508)	0.057	0.000	0.000	**0.451**
Total adjustments	(6.956)	5.350	18.626	1.364	(18.384)

2024/25	Usable reserves				Unusable reserves
	General Fund Balance £m	Housing Revenue Account £m	Capital Statutory Funds £m	Capital Receipts Reserve £m	£m
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items charged to the CIES:					
Charges for depreciation and impairment of non-current assets	(67.936)	(17.292)	0.000	0.000	**85.228**
Amortisation of intangible assets	(0.848)	0.000	0.000	0.000	**0.848**
Capital grants and contributions applied	25.080	2.112	0.000	0.000	**(27.192)**
Revenue expenditure funded from capital under statute	(0.352)	0.000	0.000	0.000	**0.352**
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	(1.015)	(0.018)	0.000	0.000	**1.033**
Insertion of items not charged to the CIES:					
Statutory provision for the repayment of Loans Fund & Finance Lease principal	3.893	9.105	0.000	0.000	**(12.998)**
Capital expenditure charged against the General Fund and HRA Balances	9.557	4.567	7.008	0.000	**(21.132)**
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the CIES	0.000	0.000	0.000	(1.980)	**1.980**
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	4.013	**(4.013)**
Adjustment primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0.298	0.107	0.000	0.000	**(0.405)**
Adjustments primarily involving the Pension Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	(38.880)	(1.958)	0.000	0.000	**40.838**
Employer's pension contributions and direct payments to pensioners payable in the year	18.357	0.605	0.000	0.000	**(18.962)**
Adjustment primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1.361)	0.035	0.000	0.000	**1.326**
Total adjustments	(53.207)	(2.737)	7.008	2.033	46.903

Note 7: Usable reserves

Usable reserves are those reserves the Council is able to apply to fund expenditure or reduce taxation and comprise both capital and revenue reserves. Movements in the revenue reserves during the year are outlined in the Movement in Reserves Statement and a summary is shown in below.

More information about the Housing Revenue Account can be found on page 99.

As at 31 March 2025 £m	Usable Reserves	As at 31 March 2026 £m
(138.769)	General Fund Balance	(159.414)
(6.933)	Housing Revenue Account Balance	(7.973)
(5.485)	Capital Receipts Reserve	(4.122)
(84.008)	Other Statutory Funds	(65.905)
(235.195)	Total	(237.414)

This note sets out the amounts set aside from the General Fund Balance in statutory funds established under Schedule 3 of the Local Government (Scotland) Act 1975 to provide financing for specific areas of expenditure, and the amounts transferred back from these funds to meet General Fund expenditure in 2025/26.

	Balance at 1 April 2024 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2025 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2026 £m
Insurance Fund	2.901	0.000	0.128	3.029	0.000	0.137	3.166
DHN Repair and Renewal Fund	0.186	0.000	0.000	0.186	0.000	0.372	0.558
Reservoir Repair Fund	0.341	0.000	0.017	0.358	0.000	0.015	0.373
Revenue statutory funds	3.428	0.000	0.145	3.573	0.000	0.524	4.097
Education Capital Items Fund	1.454	(0.279)	0.232	1.407	(0.275)	0.285	1.417
Investment Capital Fund	86.035	(8.714)	1.707	79.028	(21.630)	2.993	60.391
Capital statutory funds	87.489	(8.993)	1.939	80.435	(21.905)	3.278	61.808
Total	90.917	(8.993)	2.084	84.008	(21.905)	3.802	65.905

- The Insurance Fund is the funding mechanism for the control of insurable risk and covers the main classes of insurance. It is earmarked for premiums and self-funded insurance costs.
- The DHN Repair and Renewal Fund is earmarked for future component replacement of the District Heating Network at the Advanced Manufacturing Innovation District Scotland (AMIDS).
- The Reservoir Repair Fund is funding received from a contractor for repairs in perpetuity to the Thornly Dam.
- The Education Capital Items Fund is earmarked funding for specific schools to be used in future years for planned purchases of a capital nature, such as computers and information communication technology equipment.
- The Investment Capital Fund represents planned funding earmarked to support the Council's investment programme and the wider strategic management of the Council's associated debt profile.
- In addition to the capital statutory funds above the Capital Receipts Reserve is also a statutory fund. The Capital Receipts Reserve holds cash receipts from asset sales and is used to fund planned capital expenditure.

	Balance at 1 April 2024 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2025 £m	Sale proceeds £m	Capital exp funded £m	Balance at 31 March 2026 £m
Capital Receipts Reserve	7.518	1.980	(4.013)	5.485	3.679	(5.042)	4.122

The following note sets out the amounts within the General Fund Balance that the Council has ring-fenced for future expenditure plans. The unallocated balance of £11.476m represents 2.0% of the Council's net annual running costs.

Ring-fenced elements of the General Fund Balance	Balance at 1 April 2024 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2025 £m	Transfers out £m	Transfers in £m	Balance at 31 March 2026 £m
Alcohol and Drugs Commission	0.767	(0.139)	-	0.628	(0.628)	-	-
City Deal	1.903	(1.007)	0.654	1.550	(0.577)	0.745	1.718
Civil Contingencies Shared Service	0.126	(0.032)	0.025	0.119	(0.034)	-	0.085
Clydeplan Unfunded Pension	-	-	-	-	(0.011)	0.157	0.146
Connected Communities	-	-	-	-	-	0.215	0.215
Culture Bid Legacy	2.009	(0.621)	0.438	1.826	(0.657)	0.208	1.377
Development Contribution – Paisley	0.519	(0.265)	-	0.254	-	1.200	1.454
Digital Infrastructure	1.441	(1.000)	-	0.441	-	-	0.441
Early Years Change Fund	2.100	-	-	2.100	-	-	2.100
Employability	10.590	-	0.110	10.700	(0.375)	-	10.325
Environment & Infrastructure	0.790	(0.250)	0.300	0.840	(0.006)	0.113	0.947
Fairer Renfrewshire Programme	2.855	(0.542)	0.023	2.336	(1.089)	0.410	1.657
Financial Sustainability Fund	13.244	(5.116)	13.069	21.197	(1.374)	16.010	35.833
Fly Tipping Enforcement	-	(0.200)	0.250	0.050	(0.050)	-	-
Homelessness (Housing First)	-	-	-	-	-	0.337	0.337
Investment Zone Funding	-	-	-	-	-	0.908	0.908
Learning Estate Support Fund	-	-	2.000	2.000	(0.291)	2.200	3.909
Leisure: Inclusive Play Facility	0.007	-	-	0.007	(0.007)	-	-
Loan Charges Flexibility Fund	48.759	-	14.897	63.656	-	1.000	64.656
Local Authority Economic	0.100	-	-	0.100	(0.100)	-	-
Local Heat and Energy Efficiency	-	-	0.036	0.036	(0.036)	0.014	0.014
Local Place Plans	-	-	-	-	(0.059)	0.100	0.041
Oakshaw Heritage Trail	-	-	0.050	0.050	(0.050)	-	-
Paisley Town Centre Heritage	0.334	(0.334)	-	-	-	-	-
Planning Enforcement	-	-	0.120	0.120	(0.022)	-	0.098
Private Sector Housing Grant	2.308	(0.141)	-	2.167	-	0.780	2.947
Pupil Equity Fund	0.524	-	0.137	0.661	(0.131)	-	0.530
Resettlement and Asylum Fund	1.429	(0.537)	0.247	1.139	(1.290)	0.151	-
School Music Participation	0.276	(0.179)	0.162	0.259	-	0.021	0.280
Service Modernisation and Reform	10.662	(0.756)	0.269	10.175	(1.436)	3.839	12.578
Sustainable Communities Fund	0.394	(0.163)	0.028	0.259	-	0.026	0.285
Villages Improvement Fund	0.200	(0.064)	-	0.136	(0.038)	-	0.098
Welfare Reform	0.999	(0.713)	0.666	0.952	(0.585)	0.086	0.453
Year end flexibility:							
Children's Services	5.005	(2.110)	1.837	4.732	(0.677)	0.451	4.506
General Fund: Ring-fenced	107.341	(14.169)	35.318	128.490	(9.523)	28.971	147.938
Unallocated Balance	10.279		-	10.279	-	1.197	11.476
Total General Fund Balance	117.620	(14.169)	35.318	138.769	(9.523)	30.168	159.414

Housing Revenue Account	6.164	(0.298)	1.067	6.933	(1.013)	2.053	7.973

Note 8: Unusable reserves

Unusable reserves are those reserves that the Council is not able to utilise to provide services, and comprise:

- Reserves that hold unrealised gains and losses, particularly in relation to the revaluation of property, plant and equipment and financial instruments, where amounts will only become available to provide services (or limit resources in the case of losses) once the gains or losses are realised as the assets are disposed of. This category of reserves comprises the Revaluation Reserve and the Financial Instruments Revaluation Reserve.
- Adjustment accounts that deal with situations where income and expenditure are recognised according to statutory regulations against the General Fund Balance and the Housing Revenue Account Balance on a different basis from that expected by generally accepted accounting practices. These adjustment accounts will carry either a debit balance (showing that the Council is required by statute to fund its expenditure more slowly than accounting standards would expect) or a credit balance (where the Council has set resources aside under statute earlier than accounting standards require). The adjustment accounts effectively offset the General Fund Balance and the Housing Revenue Account Balance to give the Council more or less spending power in the short term than proper accounting practices would allow. The adjustment accounts comprise the Capital Adjustment Account, the Financial Instruments Adjustment Account, the Capital Receipts Reserve, the Pension Reserve and the Employee Statutory Adjustment Account.

As at 31 March 2025 £m	Unusable Reserves	As at 31 March 2026 £m
(813.454)	Revaluation Reserve	(991.707)
65.238	Pension Reserve	63.794
(589.856)	Capital Adjustment Account	(624.399)
10.283	Financial Instruments Adjustment Account	9.881
(0.500)	Financial Instruments Revaluation Reserve	(0.679)
8.233	Employee Statutory Adjustment Account	8.684
(1,320.056)	Total Unusable Reserves	(1,534.426)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

i) revalued downwards or impaired and the gains are lost,

ii) used in the provision of services and the gains are consumed through depreciation; or

iii) disposed of and the gains are realised.

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

As at 31 March 2025 £m	Revaluation Reserve	As at 31 March 2026 £m
(768.193)	Balance at 1 April	(813.454)
(86.293)	Upward revaluation of non-current assets	(221.871)
39.114	Difference between fair value depreciation and historic cost depreciation	39.145
1.918	Accumulated (gains) / losses on disposal of non-current assets transferred to the Capital Adjustment Account	4.473
(45.261)	Movement in Year	(178.253)
(813.454)	Balance at 31 March	(991.707)

Pension Reserve

The Pension 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 or regulations. The Council accounts for post-employment benefits in the CIES 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. The debit balance on the Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the Council's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

As at 31 March 2025 £m	Pension Reserve	As at 31 March 2026 £m
74.480	Balance at 1 April	65.238
(787.413)	Actuarial (gains) / losses on pension assets and liabilities	(880.441)
756.295	Restriction to Asset Ceiling	865.313
40.838	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	31.010
(1.383)	Effect of business combinations and disposals	0.000
(17.579)	Employer's pension contributions payable in the year	(17.326)
65.238	Balance at 31 March	63.794

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. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Capital Adjustment Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Capital Adjustment Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council, and also revaluation gains accumulated on property, plant and equipment before 1 April 2007. The Revaluation Reserve was created to hold such gains arising from 1 April 2007 onwards.

As at 31 March 2025 £m	Capital Adjustment Account	As at 31 March 2026 £m
(625.941)	Balance at 1 April	(589.856)
	Reversal of items relating to capital expenditure charged to the CIES:	
85.228	Charges for depreciation, impairment and revaluation losses of non-current	66.427
0.848	Amortisation of intangible assets	0.883
0.352	Revenue expenditure funded from capital under statute	0.523
1.980	Non-current assets sale proceeds	3.679
1.033	(Gain)/Loss on disposal of non-current assets charged to the CIES	3.107
(1.918)	Adjusting amounts written out of the Revaluation Reserve	(4.473)
87.523	Net written out amount of non-current assets consumed in the year	70.146
	Capital financing applied in the year:	
(4.013)	Use of the Capital Receipts Reserve to finance new capital expenditure	(5.043)
(27.192)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(55.011)
(14.404)	Loans Fund and Finance Lease principal repayments	(14.578)
(21.132)	Capital expenditure charged against the General Fund and Housing Revenue Account balances and Capital Statutory Funds	(32.104)
15.303	Adjustment for Service Concession Arrangements	2.047
(51.438)		(104.689)
(589.856)	Balance at 31 March	(624.399)

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 in accordance with statutory provisions [or regulations]. The Council uses the Financial Instruments Adjustment Account to:

- Manage premiums incurred on the early repayment of borrowings. Generally accepted accounting practices require that premiums are debited to the CIES when they are incurred (except where the loan debt being repaid is exchanged for new loan debt on substantially similar terms). However, statutory arrangements or regulations allow any premiums that would normally require to be to be taken immediately to the surplus or deficit on the provision of services, to be amortised to the General Fund Balance over the various periods of time as specified in the regulations/statutory guidance. Furthermore, statutory arrangements [or regulations] require that any premiums that were on the Council's balance sheet at 31 March 2007 be amortised to the General Fund Balance over the unexpired term that was outstanding on the associated loans when they were redeemed. The Council had various premiums totalling £17.630m at 31 March 2007 and, under the statutory arrangements, these will be fully amortised to the General Fund Balance by financial year 2053-2054.
- Manage borrowings that were on the Council's balance sheet at 31 March 2007 and that have a stepped interest rate feature. These borrowings comprise four 'lender option borrower option' (LOBO) loans for which the

interest rate was fixed for an initial period, and at a pre-agreed later date the interest rate changed. Generally accepted accounting practices require that interest charges relating to borrowings that have a stepped interest rate feature are debited to the CIES on the basis of a single effective interest rate (EIR) over the expected life of the loans, rather than based on the contractual cash outflows of interest. However, statutory arrangements [or regulations] allow such borrowings that were on the Council's balance sheet at 31 March 2007 to be charged to the General Fund Balance in accordance with the accounting treatment prior to 1 April 2007, which did not require the use of the effective interest rate as the basis for the interest charge.

- Manage 'soft loans' that were on the Council's balance sheet at 31 March 2007. Soft loans are loans advanced by the Council at nil or below prevailing interest rates. Generally accepted accounting practices require that the discounted interest rate is recognised as a reduction in the fair value of the loan, with the difference being debited to the CIES as service expenditure. However, statutory arrangements [or regulations] require that, for soft loans on the Council's balance sheet at 31 March 2007, the reduction in value and corresponding charge to be reversed, so that there is no impact on the General Fund Balance. As at 31 March 2007 interest free loans amounting to £0.156m had been advanced to employees who had had changes implemented to their pay cycle. These loans are repayable when employees leave the Council's employment.

Financial Instruments Adjustment Account	Refinancing premiums and discounts £m	Borrowing on stepped interest rate loans £m	Loans to third parties at less than market rate £m	Total £m
Balance at 1 April 2025	9.219	1.053	0.011	10.283
Premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(0.389)	(0.013)	0.000	(0.402)
Balance at 31 March 2026	8.830	1.040	0.011	9.881

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income.
The balance is reduced when investments with accumulated gains are:

i) revalued downwards or impaired and the gains are lost; or

ii) disposed of and the gains are realised.

As at 31 March 2025 £m	Financial Instruments Revaluation Reserve	As at 31 March 2026 £m
(0.558)	Balance at 1 April	(0.500)
0.058	Downward/(Upward) revaluation of investments	(0.179)
(0.500)	Balance at 31 March	(0.679)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for short-term accumulating compensated absences at the end of the financial year.

As at 31 March 2025 £m	Employee Statutory Adjustment Account	As at 31 March 2026 £m
6.907	Balance at 1 April	8.233
(6.907)	Settlement or cancellation of accrual made at the end of the prior year	(8.233)
8.233	Amounts accrued at the end of the current year	8.684
8.233	Balance at 31 March	8.684

Note 9: Property, Plant and Equipment

The Code requires that where a component of an asset is replaced, the carrying amount (i.e. net book value) of the old component shall be derecognised to avoid double counting and the new component is reflected in the carrying amount of the infrastructure asset. However, due to practical difficulties in applying component accounting for the recognition and derecognition of replaced components of infrastructure assets, most local authorities have been unable to comply with the requirement to assess the net book value of the replaced component and have treated the amount of the replaced component as zero, because the replaced component is considered to have been fully used up at the point that it is replaced.

In recognition of this difficulty, the Scottish Government issued a Statutory Override in August 2022. Finance circular 6/2025 extended the temporary measures until 31 March 2027. Renfrewshire Council has elected to apply both of the following provisions:

- **Statutory Override 1**: For accounting periods commencing from 1 April 2021 until 31 March 2027 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.
- **Statutory Override 2**: For accounting periods commencing from 1 April 2010 until 31 March 2027 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is required to be a nil amount, and no subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Note 9: Property, Plant and Equipment (continued)

Movements in 2025/26	Council dwellings £m	Other land and buildings £m	Vehicles, plant, furniture and equipment £m	Infrastructure assets £m	Assets under construction £m	Surplus assets £m	Total £m	Of which funded by PPP/ROU £m
Balance sheet net carrying amount at 31 March 2025	844.137	612.096	45.018	235.476	196.036	22.238	1,955.001	116.964
Other Reclassifications	0.000	(1.572)	0.753	108.697	(107.878)	0.000	(0.000)	0.000
Additions	38.544	4.764	10.857	15.875	85.065	0.000	155.105	3.937
Disposals	(0.832)	(2.995)	(0.009)	0.000	0.000	(0.458)	(4.294)	0.000
Depreciation	(33.317)	(42.967)	(7.455)	(12.591)	0.000	(0.121)	(96.451)	(9.441)
Revaluation adjustments taken to the Revaluation Reserve	196.636	21.389	(0.079)	0.000	0.000	3.266	221.212	0.000
Revaluation adjustments recognised in the CIES	0.000	(7.131)	0.000	0.000	0.000	(1.328)	(8.459)	(1.081)
Balance sheet net carrying amount at 31 March 2026	1,045.168	583.584	49.085	347.457	173.223	23.597	2,222.114	110.379
Gross carrying amount at 31 March 2026	1,045.168	685.788	127.227	n/a	173.223	25.890	2,057.296	126.772
Accumulated depreciation at 31 March 2026	0.000	(102.204)	(78.142)	n/a	0.000	(2.293)	(182.639)	(16.393)
Infrastructure Assets	0.000	0.000	0.000	347.457	0.000	0.000	347.457	0.000
Balance sheet net carrying amount at 31 March 2026	1,045.168	583.584	49.085	347.457	173.223	23.597	2,222.114	110.379

Movements in 2024/25 (restated)	Council dwellings £m	Other land and buildings £m	Vehicles, plant, furniture and equipment £m	Infrastructure assets £m	Assets under construction £m	Surplus assets £m	Total £m	Of which funded by PFI £m
Balance sheet net carrying amount at 31 March 2024	766.932	643.505	47.638	228.036	149.695	22.415	1,858.221	107.508
Reclassified (to)/ from Assets Held for Sale	0.000	0.000	(2.492)	0.000	0.000	0.000	(2.492)	0.000
Other Reclassifications*	5.918	3.440	(0.042)	0.464	(10.869)	(0.001)	(1.090)	0.000
Recognition of Right of Use Assets and Increase in PPP liability	0.000	20.136	0.659	0.000	0.000	0.000	20.795	20.215
Additions	27.532	5.067	7.914	18.604	60.144	0.179	119.440	2.991
Disposals	(1.204)	(0.310)	(0.005)	0.000	0.000	(0.304)	(1.823)	0.000
Depreciation	(31.260)	(44.541)	(9.226)	(11.628)	0.000	(0.121)	(96.776)	(8.809)
Impairment adjustments recognised in the CIES	0.000	0.000	0.000	0.000	(2.934)	0.000	(2.934)	0.000
Revaluation adjustments taken to the Revaluation	76.219	9.601	0.406	0.000	0.000	0.067	86.293	11.454
Revaluation adjustments recognised in the CIES	0.000	(24.802)	0.166	0.000	0.000	0.003	(24.633)	(16.395)
Balance sheet net carrying amount at 31 March 2025	844.137	612.096	45.018	235.476	196.036	22.238	1,955.001	116.964
Gross carrying amount at 31 March 2025	844.137	698.658	127.029	n/a	196.036	27.450	1,893.310	142.166
Accumulated depreciation at 31 March 2025	0.000	(86.562)	(82.011)	n/a	0.000	(5.212)	(173.785)	(25.202)
Infrastructure Assets	0.000	0.000	0.000	235.476	0.000	0.000	235.476	0.000
Balance sheet net carrying amount at 31 March 2025	844.137	612.096	45.018	235.476	196.036	22.238	1,955.001	116.964

*During 2024/25 the Council reclassified £1.090m of property from Council assets to the Paisley Common Good Fund (£0.285m) and the Renfrew Common Good Fund (£0.805m). This reclassification was undertaken following a review of historical title and legal advice confirming the assets formed part of the Common Good.

Following a review of the Council's asset componentisation policy in line with the CIPFA Code of Practice on Local Authority Accounting, certain assets previously classified within Vehicles, Plant, Furniture and Equipment have been reassessed as more appropriately recognised as either Council Dwellings or Other Land and Buildings. Reflecting that the assets meet the definition of building components rather than stand-alone plant. The opening net balances of the 2024/25 values have been restated to reflect this.

Note 10: Heritage Assets

A valuation of the fair value of the Council's Heritage Assets was last carried out by an external valuer in 2021/22. In the five years prior to 2025/26, there were no acquisitions, donations, or disposals of Heritage Assets. The value at 31 March 2026 was £44.186m (£44.186m at 31 March 2025).

The combined collections managed by the Renfrewshire Arts and Museums Service number in excess of 350,000 objects and it is impractical to undertake a full valuation of all the items in the collection. The balances above reflect the valuation of materials examined by the external valuer during 2021/22. Further detail on the valuation of each category of asset is outlined in Accounting Policy K on page 88.

The details of the valuations of the assets are as follows:

- Archaeology items
- Natural history and science book collections
- Art collection
- Ceramics
- Natural history and Numismatics
- Science and social history collections
- Special collections
- Textiles
- Transport collection
- World cultures

Note 11: Assets held for sale

The following table summarises the movement in the fair value of assets held for sale during the year:

2024/25 £m	Assets Held for Sale	2025/26 £m
0.100	Opening balance at 1 April	2.492
	Assets reclassified as held for sale:	
2.492	Other Land and Buildings	0.000
(0.100)	Assets sold	(2.492)
2.492	Closing balance at 31 March	0.000

Note 12: Intangible assets

The Council accounts for purchased software licences as intangible assets. The cost of the licences is amortised on a straight-line basis over the expected life of the licences, which is three to five years for all ICT systems. Amortisation charges are initially charged to ICT services and then absorbed as an overhead across all the service headings in the net expenditure of services.

The movement on intangible asset balances during the year is shown in the following table.

2024/25 £m	Purchased Software Licences	2025/26 £m
	Balance at 1 April	
5.927	Gross carrying amount	6.060
(4.203)	Accumulated amortisation	(4.871)
1.724	Net carrying amount at 1 April	1.189
0.313	Additions: purchases	0.384
(0.180)	Disposals	0.000
0.180	Disposal amortisation	0.000
(0.848)	Amortisation for the year	(0.883)
1.189	Net carrying amount at 31 March	0.690
	Comprising:	
6.060	Gross carrying amount	6.444
(4.871)	Accumulated amortisation	(5.754)
1.189	Balance at 31 March	0.690

There are no individual intangible assets that are material to the financial statements.

Note 13: Capital expenditure and capital financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future Council Tax and non-domestic rate payers. It is financed from borrowing and capital income (sales receipts), and so the cost of the asset is effectively borne over a number of years.

The Council's overall capital investment programme is sub-divided into two programmes: housing and non-housing. In 2025/26 total spending on capital projects was £156.012m (£120.105m in 2024/25) and was within the overall prudential limits approved by Council. Capital receipts of £5.043m (£4.013m) were used to fund spending on capital projects.

The net capital expenditure for the year of £62.842m (£67.768m in 2024/25) was financed from external borrowing, credit arrangements and from cash balances. The table below shows the total amount of capital expenditure incurred in the year, including the value of assets acquired under lease and service concession arrangements.

Also shown are the resources that have been used to finance this capital expenditure. 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 Finance Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The movement in the CFR during the year is also analysed in the table below.

As at 31 March 2025 £m		As at 31 March 2026 £m
510.099	Opening Capital Financing Requirement	599.561
	Capital investment:	
119.440	Property, plant and equipment	155.105
0.313	Intangible assets	0.384
0.352	Revenue expenditure funded from capital under statute	0.523
20.795	Recognition of Right of Use Assets and increase in PPP Liability	0.000
	Sources of finance:	
(4.013)	Capital receipts – sale of council assets	(5.043)
(27.192)	Government grants and other contributions	(55.011)
(21.132)	Sums set aside from revenue – direct revenue contributions	(32.104)
(14.404)	Loans Fund/Finance Lease principal repayments	(14.578)
15.303	Adjustment for Service Concession Arrangements	2.047
599.561	Closing Capital Financing Requirement	650.884
	Explanation of movements in year:	
58.971	Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	53.098
3.529	Increase/(decrease) in Right of Use Asset Creditor	(0.400)
26.962	Increase/(decrease) in PPP finance lease creditor	(1.375)
89.462	Increase/(Decrease) in Capital Financing Requirement	51.323

At 31 March 2026 the Council had commitments on capital contracts for non-housing projects of £72.361m (£65.412m in 2024/25) and for housing projects of £87.040m (£11.534m in 2024/25). This expenditure will be funded from a combination of government grants, external borrowing, income from selling assets and contributions from revenue budgets.

Note 14: Service Concession Arrangements

The Council entered into a Public Private Partnership on 1 July 2006 for the provision and maintenance of educational buildings and other facilities. This agreement provides the Council with replacement buildings such as primary and secondary schools and community education premises. The provider is required to ensure the availability of these buildings to a pre-agreed standard, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standard.

When the agreement ends in 2038, the buildings will be handed to the Council at nil consideration with a guarantee of no major maintenance requirements for a five-year period. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the course of the remainder of the contract. The assets used to provide services are recognised on the Council's Balance Sheet. Movements in their value over the year are shown in the movement on the Property, Plant and Equipment balance in Note 9.

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards. Under the agreement the Council is committed to paying the following sums (assuming an average inflation rate of 2.5% per annum and excluding any performance/availability deductions). The discount rate used in this calculation is the interest rate implicit in the PFI agreement, which was fixed at the outset at 7.6%.

Future Repayment Periods - Schools	Service Charges £m	Liability Repayment £m	Interest Repayment £m	Total £m
Payable within 1 year	12.168	4.468	5.074	21.710
Payable within 2-5 years	55.285	20.964	16.653	92.902
Payable within 6-10 years	88.492	31.681	10.879	131.052
Payable within 11-15 years	36.739	11.651	0.997	49.387
Total	192.684	68.764	33.603	295.051

In 2019/20, the Council entered into a Service Concession Agreement for the use of a waste materials recovery facility at Bargeddie. Residual waste is then processed at a thermal treatment plant in Dunbar. North Lanarkshire Council is the lead authority and is contracted to Viridor. Five councils, including Renfrewshire, have an inter-authority agreement with North Lanarkshire Council. Renfrewshire Council's share of the contract is 20%.

The discount rate used in this calculation is the interest rate implicit in the agreement, which was fixed at the outset at 5.68%.

Future Repayment Periods - Waste Facility	Service Charges £m	Liability Repayment £m	Interest Repayment £m	Total £m
Payable within 1 year	4.587	0.152	0.300	5.039
Payable within 2-5 years	25.066	0.862	1.105	27.033
Payable within 6-10 years	28.222	0.257	1.257	29.736
Payable within 11-15 years	30.896	1.757	0.959	33.612
Payable within 16-20 years	24.953	2.245	0.312	27.510
Total	113.724	5.273	3.933	122.930

Outstanding Service Concession Arrangements	Schools £m	Waste Facility £m	Total £m
Balance at 1 April 2024	(60.235)	(4.701)	(64.936)
Increase in liability to recognise net present value of contingent rents	(16.285)	(0.580)	(16.865)
Payments during the year	4.492	(0.100)	4.392
Balance at 31 March 2025	(72.028)	(5.381)	(77.409)
Increase in liability to recognise net present value of contingent rents	(1.081)	(0.020)	(1.101)
Payments during the year	4.345	0.127	4.472
Balance at 31 March 2026	(68.764)	(5.274)	(74.038)

In accordance with Accounting Policy and in line with Finance Circular 10/2022, the Council applied the permitted PPP Service Concession Arrangement flexibility in financial year 2022/23 on a retrospective annuity basis with a useful life of 40 years. The flexibility being applied is consistent with the current Loans Fund arrangements and is considered prudent, sustainable and affordable over the life of the asset.
The current annuity charges based on the estimated useful life for the schools service concession arrangement have been compared against the liability repayment profile based on the estimated useful asset lives for the schools service

The most appropriate asset life was considered to be 40 years which replicated the useful life of other similar type assets on the council's balance sheet i.e. schools. The calculation of the repayment charges for the service concession arrangement using asset life annuity is compared to the current charges which are made over the contract period.
In addition to the one-off retrospective element, an in-year saving occurred in the scheduled debt repayments in 2025/26 of 2.047m (£1.406m in 2024/25). This will be followed by a reduction in the annual charges for a further 12 years and then the continuation of statutory charges after the contract arrangements have been repaid. Over the full asset life of the service concession arrangement, the total debt liability remains the same.

With effect from 1 April 2024, IFRS 16 Leases also applied to service concession arrangements. Under IFRS 16, where indexation affects future service concession payments, the lease liability requires to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on revised level of payments. The effect of this has been to increase balance sheet assets by £1.101m (2024/25 £16.865m), with an equal increase in lease liabilities as at 31 March 2026.

PPP Service Concession Liability Repayment	Prior Repayment £m	Current Repayment £m	(Cost)/Reduction £m
Pre 2025/26	66.860	22.358	44.502
Paid in 2025/26	4.345	2.298	2.047
Payable within 1 year	4.468	2.503	1.965
Payable within 2-5 years	20.964	12.309	8.655
Payable within 6-10 years	31.681	21.207	10.474
Payable within 11-15 years	11.651	30.424	(18.773)
Payable within 16-20 years	0.000	43.538	(43.538)
Payable within 21-25 years	0.000	5.332	(5.332)
Total	139.969	139.969	0.000

Note 15: Leases

Renfrewshire Council as Lessee

Right of Use Assets

The Council adopted IFRS 16 leases from 1 April 2024, as per the Code of Practice for Local Authority Accounting. The main impact of the new requirements is that for arrangements previously accounted for as operating leases, a right of use asset and a lease liability have been brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

The Council has 17 properties classed as a right of use asset with a liability. As at 31 March 2026, outstanding obligations to make payments are as follows:

As at 31 March 2025 £m		As at 31 March 2026 £m
0.413	Not later than one year	0.349
1.220	Between one and five years	1.208
1.457	Between six and ten years	1.171
0.376	Later than ten years	0.338
3.466		3.066

Renfrewshire Council as Lessor

Operating Leases

The Council leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

As at 31 March 2025 £m		As at 31 March 2026 £m
0.235	Not later than one year	0.281
0.494	Between one and five years	0.658
1.355	Later than five years	1.524
2.084		2.463

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

Note 16: Inventories

2024/25 £m	Inventories	2025/26 £m
1.287	Balance at 1 April	1.060
9.670	Additions during the year	9.787
(9.893)	Recognised as an expense during the year: inventories sold, exchanged or distributed	(9.677)
(0.004)	Recognised as an expense during the year: inventories written down	(0.005)
1.060	Balance at 31 March	1.165

Note 17: Cash and cash equivalents

The balance of cash and cash equivalents is made up of the following components. With the exception of imprest accounts held at Council establishments, the balances in all of the categories listed below are used together to manage the Council's overall cash balances on a day-to-day basis.

2024/25 £m	Cash and cash equivalents	2025/26 £m
(13.479)	Current account balances with the council's banker	(3.139)
0.516	Euro account balances with the council's banker - sterling equivalent	0.550
5.301	Callable deposits with UK banks and building societies	8.024
13.127	Callable deposits in money market funds and ultra-short bond funds	35.327
0.040	Imprest accounts held at council establishments	0.038
5.505	Total cash and cash equivalents	40.800

Note 18: Debtors

Amounts due to be received by the Council at 31 March are set out below. This is analysed by type of debtor to provide greater transparency of the sums due.

31 March 2025			As at 31 March 2026	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
23.728	0.000	Central government bodies (non-NHS)	36.109	0.000
5.037	0.900	Central government bodies (NHS)	9.128	0.810
1.535	0.000	Other local authorities	2.269	0.000
8.281	0.000	HM Revenue and Customs	7.559	0.000
0.064	0.029	Employees	0.001	0.026
21.889	0.000	Council Tax arrears	23.634	0.000
(14.397)	0.000	less impairment	(15.738)	0.000
4.376	0.000	Rent arrears	5.029	0.000
(3.240)	0.000	less impairment	(4.031)	0.000
35.814	6.045	Other entities and individuals	25.481	5.953
(20.607)	(4.972)	less impairment	(14.337)	(4.969)
62.480	2.002	Total Debtors	75.104	1.820

Note 19: Creditors

Amounts due to be paid by the Council as at 31 March are set out below. This is analysed by type of creditor to provide greater transparency of the sums due.

As at 31 March 2025			As at 31 March 2026	
Short-term £m	Long-term £m		Short-term £m	Long-term £m
(5.485)	(0.549)	Central government bodies (non-NHS)	(31.704)	(0.517)
(1.894)	0.000	Central government bodies (NHS)	(0.264)	0.000
(2.506)	0.000	Other local authorities	(2.042)	0.000
0.000	0.000	Public corporations and trading funds	(0.007)	0.000
(7.895)	0.000	HM Revenue and Customs	(8.857)	0.000
(5.368)	0.000	Strathclyde Pension Fund and Scottish Public Pensions Agency	(5.478)	0.000
(14.069)	0.000	Employees	(14.644)	0.000
(4.345)	(67.683)	Service concession arrangements: school	(4.468)	(64.296)
(0.017)	(5.364)	Service concession arrangements: waste	(0.152)	(5.121)
(0.413)	(3.053)	Right of Use Assets	(0.349)	(2.717)
(3.488)	0.000	Council Tax refundable to taxpayers	(3.438)	0.000
(1.656)	0.000	Council Tax receipts in advance	(1.320)	0.000
(23.203)	(0.932)	Other entities and individuals	(40.111)	(0.900)
(70.339)	(77.581)	Total Creditors	(112.834)	(73.551)

Note 20: 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. Teacher's maternity pay is a short-term provision, made to reflect the changes in European legislation that allow teachers to accrue all holidays during parental leave.
The movement in these short-term provisions is detailed below:

Short-term Provisions	Teachers' maternity pay £m	Other £m	Total £m
As at 1 April 2025	(0.142)	(0.264)	(0.406)
Additional provisions made during the year	(0.146)	(0.421)	(0.567)
Amounts used during the year	0.142	0.264	0.406
As at 31 March 2026	(0.146)	(0.421)	(0.567)

A summary of the movements in the long-term provisions made by the Council is detailed below, along with an explanation of the reason for the provision:

Long-term Provisions	Holiday pay compensation £m	Insurance claims £m	Total £m
Balance at 1 April 2025	(0.445)	(4.785)	(5.230)
Additional provisions made during the year	0.000	(1.951)	(1.951)
Amounts used during the year	0.000	0.395	0.395
As at 31 March 2026	(0.445)	(6.341)	(6.786)

Holiday pay compensation payments

The Council has received a number of claims arising from a European Court of Justice ruling in relation to holiday pay. A provision has been made to reflect the potential outcome of known claims.

Insurance claims

The provision for insurance claims represents the actuarial assessment of excess costs arising from insurance claims together with identified liabilities in respect of insurance claims outstanding against Renfrewshire Council and predecessor local authorities. The Council has increased its net assessment by £1.951m on the basis of information held by the Council and notified by Glasgow City Council, the coordinating authority for the former Strathclyde Regional Council.

Note 21: Financial Instruments

Categories of financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The term ‘financial instrument’ covers both financial assets and financial liabilities and includes trade payables, borrowings (for example Public Works Loan Board debt and market debt), financial guarantees, bank overdraft, trade receivables, loans receivable, cash deposits with financial institutions (some on a fixed term basis and some which are immediately available) and longer-term investments. The following categories of financial instrument are carried in the balance sheet.

Loans to other entities and individuals comprise a loan to Kilbarchan Amateur Athletic Club of £0.071m (2024/25 £0.073), home loans of £0.201m (2024/25 £0.213m) and social care charging order debtors of £0.653m (2024/25 £0.737m). Note that these balances are not principal amounts owed, rather valued at amortised cost based on a notional (effective) interest rate.

As at 31 March 2025			As at 31 March 2026	
Long-term £m	Current £m	Financial Liabilities	Long-term £m	Current £m
(232.050)	(5.000)	Principal sum borrowed	(294.432)	(0.002)
0.000	(2.694)	Accrued interest	0.000	(3.110)
(232.050)	(7.694)	Total Public Works Loan Board (PWLB) borrowing	(294.432)	(3.112)
0.000	(46.766)	Principal sum borrowed	(20.000)	(26.766)
0.000	(0.858)	Accrued interest	0.000	(0.857)
0.000	(0.588)	EIR adjustments	(0.324)	(0.251)
0.000	(48.212)	Total non-PWLB borrowing (“market debt”)	(20.324)	(27.874)
0.000	(33.839)	Borrowing from group entities	0.000	(40.095)
(232.050)	(89.745)	Total Borrowing	(314.756)	(71.081)
0.000	(33.091)	At amortised cost trade payables	0.000	(74.297)
(76.100)	(4.775)	Service Concession and Right of Use Asset liabilities	(72.136)	(4.968)
(0.395)	0.000	Financial guarantees	(0.260)	0.000
(76.495)	(37.866)	Financial Liabilities included in Creditors	(72.396)	(79.265)

As at 31 March 2025			As at 31 March 2026	
Long-term £m	Current £m	Financial Assets	Long-term £m	Current £m
		At amortised cost:		
0.000	17.521	Principal	0.000	24.589
0.000	0.017	Accrued interest	0.000	0.039
0.000	(0.004)	Loss allowance	0.000	(0.005)
4.391	0.000	At fair value through other comprehensive income - designated equity instruments	4.707	0.000
4.391	17.534	Total Investments	4.707	24.623
		At amortised cost:		
0.000	(8.165)	Principal	0.000	4.903
0.000	0.029	Accrued interest	0.000	0.025
0.000	(0.003)	Loss allowance	0.000	(0.003)
0.000	13.644	At fair value through profit or loss	0.000	35.876
0.000	5.505	Total Cash and cash equivalents	0.000	40.801
		At amortised cost:		
5.959	70.444	Trade receivables	5.873	77.977
4.826	0.044	Loans made for service purposes	0.916	0.041
(4.972)	(23.847)	Loss allowance	(4.969)	(18.369)
5.813	46.641	Financial Assets included in Debtors	1.820	59.649

Equity instruments elected to fair value through other comprehensive income

The Council has elected to account for the Insurance Fund at fair value through other comprehensive income because it is a long-term strategic holding and changes in its fair value is not considered to be part of the Council's annual financial performance. The Insurance Fund is invested in the Phoenix Fund, managed on behalf of the Council by LGT Wealth Management.

The objective of the fund is to achieve long term growth with low volatility, through a widely diversified portfolio. The fair value of the investment is £4.707m at 31 March 2026 (£4.391m as at 31 March 2025). Income from the Fund is reinvested.

Fair value of financial instruments

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including money market funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026.

The Council's 'Fair value through other comprehensive income' assets comprise its insurance fund investments. The fair value of the insurance fund investments equates to the market value of those investments, and this valuation has been provided by the Council's investment manager, LGT Wealth Management.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- For 'lender option borrower option' (LOBO) loans, PWLB premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures. The PWLB redemption rates provide a reasonable proxy for rates and a number of market participants have used this basis when considering early redemption costs for market loans. It is likely that lenders will only exercise their options when market rates have risen above the contractual loan rate. The interest rate risk associated with the Council's LOBOs is not deemed to be significant and the potential penalties charged may make the redemption of the loans an uneconomic option.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

The fair value for each category of financial instrument is shown below, with the balance sheet carrying amount shown for comparison.

As at 31 March 2025		Financial Liabilities	Fair value level	As at 31 March 2026	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
		Financial liabilities measured at amortised cost:			
(239.743)	(189.683)	Public Works Loan Board borrowing	2	(297.547)	(238.477)
(48.211)	(53.523)	Non-PWLB borrowing (“market debt”)	2	(48.198)	(53.858)
		Other liabilities:			
(80.875)	(80.875)	Service Concession and Finance Lease liabilities	3	(77.103)	(77.103)
(0.395)	(0.395)	Financial guarantees	3	(0.260)	(0.260)
(369.224)	(324.476)	Total financial liabilities for which fair value is disclosed		(423.108)	(369.698)
		Financial liabilities measured at amortised cost:			
(33.839)	n/a	Borrowing from group entities		(40.618)	n/a
(33.091)	n/a	Trade payables: short-term		(74.297)	n/a
(66.930)		Total financial liabilities for which fair value is not disclosed		(114.915)	

As at 31 March 2025		Financial Assets	Fair value level	As at 31 March 2026	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
13.128	13.128	Callable deposits in money market funds and ultra-short bond funds	1	35.326	35.326
0.516	0.516	Euro current account balances with the council’s banker	2	0.550	0.550
4.391	4.391	Investments in pooled funds (insurance fund)	1	4.707	4.707
18.035	18.035	Total Financial assets measured at fair value		40.583	40.583
17.534	17.534	Fixed term deposits withUK building societies	2	24.623	24.623
(8.178)	(8.178)	Callable deposits with UK banks and building societies (including sterling current account balances with the Council’s banker)	2	4.885	4.885
0.040	0.040	Imprest accounts held at council establishments	2	0.040	0.040
1.023	1.037	Loans made for service purposes	3	0.925	0.945
10.419	10.433	Total Financial assets measured at amortised cost		30.473	30.493
28.454	28.468	Total financial assets for which fair value is disclosed		71.056	71.076
		Financial assets measured at amortised cost:			
1.020	n/a	Trade receivables and prepayments: long-term		0.934	n/a
46.598	n/a	Receivables and prepayments: short-term		59.610	n/a
47.618		Total financial assets for which fair value is not disclosed		60.544	

Items of income, expense, gain and loss relating to financial instruments

The following items of income, expense, gain and loss relating to financial instruments are included within the lines ‘Financing and investment income and expenditure’ and ‘(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income’ in the CIES.

2024/25 £m		Financial Assets: Amortised cost £m	Financial Assets: Elected to Fair Value through Other Comprehensive Income £m	Financial Assets: Fair Value through Profit or Loss £m	Financial liabilities at amortised cost £m	2025/26 £m
17.118	Interest expense	0.000	0.000	0.000	16.517	16.517
2.472	Impairment losses	1.602	0.000	0.000	0.000	1.602
0.007	Fee expense	0.000	0.000	0.000	0.022	0.022
19.597	Total expense in the Surplus / Deficit on the Provision of Services	1.602	0.000	0.000	16.539	18.141
(5.736)	Interest income	(1.677)	0.000	(1.105)	0.000	(2.782)
(0.128)	Dividend income	0.000	(0.136)	0.000	0.000	(0.136)
(5.864)	Total income in the Surplus/Deficit on the Provision of Services	(1.677)	(0.136)	(1.105)	0.000	(2.918)
0.068	Net (gain) or loss on revaluation	0.000	(0.180)	(0.023)	0.000	(0.203)
0.068	(Surplus)/Deficit on the revaluation of financial assets	0.000	(0.180)	(0.023)	0.000	(0.203)
13.801	Net (Gain)/Loss for the year	(0.075)	(0.316)	(1.128)	16.539	15.020

Note 22: Nature and extent of risks arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council complies with CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with Scottish Government guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield.

The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

Credit Risk

Credit risk arises from the short-term lending of surplus funds to financial institutions and local authorities, as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with other local authorities and a limited number of high-quality banks, building societies and money market funds whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each entity.

The Treasury Management Strategy outlines the limits placed on investments with any counterparty. The table below summarises the credit risk exposures of the Council's treasury investment portfolio (including accrued interest) by credit rating.

2024/25 £m	Total Investment Portfolio by Credit Rating	2025/26 £m
13.071	AAA (money market funds and ultra-short bond funds)	35.226
2.465	A+	3.431
2.810	A	4.571
17.521	UK Debt Management Office	24.589
35.867	Total	67.817

The Council does not generally allow credit for customers such that, at 31 March 2026, £10.540m of sundry income debt is past its due date for payment (£9.111m as at 31 March 2025). The past due amount can be analysed by age as follows:

2024/25 £m	Sundry Income Debt Past Due	2025/26 £m
1.549	Less than three months	1.971
1.864	Three to six months	1.310
0.666	Six months to one year	1.211
5.032	More than one year	5.476
9.111	Total	9.968

Loss allowances on trade receivables have been calculated by reference to the Council's historic experience of default, adjusted for current and forecast economic conditions. Receivables are determined to have suffered a significant increase in credit risk where they are 30 or more days past due and they are determined to be credit-impaired where they are 90 or more days past due. Receivables are written off to the Surplus or Deficit on the Provision of Services when there is no reasonable prospect of payment, or when they become prescribed; but steps are still taken to collect sums owing when information becomes available which suggests the debtor can make payment.

Collateral

Renfrewshire Council occasionally provides loans to residents who wish to buy their homes under Right to Buy legislation. In such cases the Council takes a standard security over the property. As at 31 March 2026 the outstanding value of home loans advanced by the Council was £0.201m (£0.213m as at 31 March 2025).

Liquidity risk

The Council's main source of borrowing is HM Treasury's Public Works Loan Board, but the Council also has loans classed as 'lender option borrower option' (LOBO). There is no significant risk that the Council will be unable to raise finance to meets its commitments under financial instruments.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates.

The Council's policy is to ensure that no more than 15% of loans are due to mature within any financial year and 50% within any rolling five-year period through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity analysis of the principal element of borrowing is as follows:

As at 31 March 2025		Principal Borrowing Maturity Analysis	As at 31 March 2026	
£m	%		£m	%
5.000	1.76%	Less than one year	0.002	0.00%
0.007	0.00%	Between one and two years	15.000	4.40%
0.000	0.00%	Between two and five years	49.000	14.36%
278.809	98.24%	More than five years	277.198	81.24%
283.816	100.00%	Total	341.200	100.00%

Market risk: interest rate risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charged on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer. Changes in market rates also affect the notional 'fair value' of lending and borrowing. For example, a rise in interest rates would reduce the fair value of both lending and borrowing at fixed rates. Changes in the fair value of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council's finances:

- it is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 25% of what it borrows;
- during periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt;
- the Council takes daily advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructurings of existing borrowings.

To illustrate the notional impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher during 2025/26, with all other variables held constant.

Interest rate risk	As at 31 March 2026 £m
Increase in interest payable on new fixed rate borrowings taken during the year	0.130
Increase in interest receivable on deposits placed during the year	(0.684)
Notional impact on the Surplus/Deficit on the Provision of Services	(0.554)
Share of this impact which would be attributable to the Housing Revenue Account	(0.182)
Other changes that would have no impact on the Surplus/Deficit on the Provision of Services or Other Comprehensive Income and Expenditure:	
Decrease in the fair value of fixed rate loans and deposits	0.008
Decrease in the fair value of fixed rate borrowing	31.214

The impact of a 1% fall in interest rates would be as above but with the changes being reversed.

Market risk: price risk

The Council's Insurance Fund is invested in an externally managed fund under the powers of schedule 3 of the Local Government (Scotland) Act 1975 and section 3 of the Local Government etc. (Scotland) Act 1994. The investments are managed on behalf of the Council by LGT Wealth Management in the Phoenix Fund. The objective of the fund is to achieve long-term growth with low volatility, through a widely diversified portfolio. The benchmark return is SONIA+2% per annum. During 2025/26 the book cost of investments increased by £0.136m (£0.135m increase during 2024/25). The investment is classified as fair value through other comprehensive income, meaning that all movements in price will impact on the gains and losses recognised in other comprehensive income and expenditure. This is an accounting requirement that has no impact on the taxpayer. To illustrate the impact of changes in share price upon the Council, an increase or fall of 5% in the general price of shares at 31 March 2026 would have resulted in a £0.086m gain or loss being recognised in Other Comprehensive Income and Expenditure for 2025/26.

Market risk: foreign exchange risk

As at 31 March 2026 the Council had a foreign currency deposit of €0.629m with the Council's banker (€0.617m as at 31 March 2025). This sum was being held in order to mitigate the foreign exchange risk associated with a contract being entered into as part of the Glasgow and Clyde Valley City Deal programme. The sterling valuation of this deposit as at 31 March 2026, based on the euro to sterling exchange rate at that time, was £0.550m. To illustrate the impact of changes in foreign exchange rates upon the Council, a relative increase or decrease of 1% in the euro to sterling exchange rate at 31 March 2026 would have resulted in a £0.005m gain or loss being recognised in Other Comprehensive Income and Expenditure for 2025/26.

Note 23: External audit costs

2024/25 £m	Audit Fees	2025/26 £m
0.487	Fees payable with regard to external audit services carried out by the appointed auditor for the year	0.500
0.487	Total	0.500

Note 24: Agency services

The Council bills and collects non-domestic rates on behalf of the Scottish Government from ratepayers situated within Renfrewshire Council and East Renfrewshire Council. The Council also bills and collects, along with its own Council Tax, domestic water and sewerage charges on behalf of Scottish Water.

2024/25 £m	Agency Services	2025/26 £m
107.505	Scottish Government - Contributions (to)/from the non-domestic rates pool	108.844
15.951	Non-domestic rates collected: East Renfrewshire	16.102
0.073	Service income from East Renfrewshire Council for collection of non-domestic rates	0.075
(16.024)	Cost of collection of Non-domestic rates from East Renfrewshire	(16.177)
38.164	Domestic water and sewerage charges collected	41.970
(38.164)	Domestic water and sewerage charges paid over to Scottish Water	(41.970)
0.730	Service income from Scottish Water for collection of domestic water and sewerage	0.741

Note 25: Related parties

The Council's related parties are those bodies or individuals that have the potential to control or significantly influence the Council, or to be controlled or significantly influenced by the Council, or where those individuals or bodies and the Council are subject to common control. The Council is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information 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.

Senior Officers and Elected Members

Members of the council and senior officers have control over the Council's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total of councillors' and senior officers' remuneration allowances paid in 2025/26 are shown in the Remuneration Report on page 29.

Senior Officers

No senior officer holds a remunerated position outside of their Council employment. For details of Senior Officers' interests, please check the register of interests on the Council website at:

Register-of-senior-officers-interests

Senior Elected Members

Under the Council Code of Conduct, elected members and senior officials must declare any registered interests in any bodies where the Council itself does not have significant influence over their operations. Each member's Register of Interest is available at Councillors - Renfrewshire Website.

In 2025/26, the Council made payments totalling £9.921m (£6.581m 2024/25) to bodies where members hold a position where they have significant influence or control as listed below:

2024/25 Expenditure £m	2024/25 Income £m	2024/25 Debtor £m	2024/25 Creditor £m		2025/26 Expenditure £m	2025/26 Income £m	2025/26 Debtor £m	2025/26 Creditor £m
4.401	(0.108)	0.107	0.000	Quarriers - Charity Care Organisation	4.651	0.087	0.019	(0.050)
0.599	(3.971)	0.480	0.140	NHS Greater Glasgow and Clyde Health Board	2.312	(5.417)	1.137	(0.019)
0.000	0.000	0.000	0.000	Johnstone Sound Radio Station	0.006	0.000	0.000	0.000
1.520	0.000	0.000	0.000	Kibble Trust	2.699	0.000	0.000	0.000
0.061	0.000	0.000	0.000	Erskine Arts - Charity	n/a	n/a	n/a	n/a
0.000	(0.006)	0.001	0.001	St Mirren Independent Supporters Association*	0.235	(0.008)	(0.001)	0.000
6.581	(4.085)	0.588	0.141	Total	9.903	(5.338)	1.155	(0.069)

NB: This disclosure excludes group entities and trade union membership.

*These figures relate to expenditure to and income from St Mirren Football Club and not the Supporters Association

Key Related Parties: subsidiaries and associates

The organisations set out in the group accounts note are those which the Council is considered to have control or influence over. For further details of the nature of group relationships, please refer to the Group Accounts and Notes from page 104.

IAS 24 requires related party transactions during the year to be disclosed. This disclosure should include the nature of the transaction and any outstanding balances. Significant transactions with other public bodies are displayed below:

2024/25 Expenditure £m	2024/25 Income £m	2024/25 Debtor £m	2024/25 Creditor £m	Joint Ventures	2025/26 Expenditure £m	2025/26 Income £m	2025/26 Debtor £m	2025/26 Creditor £m
155.834	(49.083)	0.000	(24.186)	Renfrewshire Health and Social Care Integration Joint Board	162.824	(48.633)	0.000	(28.480)
0.000	0.000	0.000	0.000	Advanced Manufacturing Innovation District Scotland (AMIDS)	0.139	0.000	0.000	(0.066)
155.834	(49.083)	0.000	(24.186)	Total	162.963	(48.633)	0.000	(28.546)

2024/25 Expenditure £m	2024/25 Income £m	2024/25 Debtor £m	2024/25 Creditor £m	Subsidiary	2025/26 Expenditure £m	2025/26 Income £m	2025/26 Debtor £m	2025/26 Creditor £m
16.186	(0.631)	0.274	(1.487)	Renfrewshire Leisure Ltd trading as OneRen	15.762	(0.362)	1.320	(0.690)
0.352	0.000	0.000	0.000	Coats Observatory Trust	0.523	0.000	0.000	0.000
0.048	(0.056)	0.000	0.000	Paisley Museum Reimagined Ltd	0.005	(0.037)	0.000	0.000
16.586	(0.687)	0.274	(1.487)	Total	16.290	(0.399)	1.320	(0.690)

2024/25 Expenditure £m	2024/25 Income £m	2024/25 Debtor £m	2024/25 Creditor £m	Associates	2025/26 Expenditure £m	2025/26 Income £m	2025/26 Debtor £m	2025/26 Creditor £m
2.955	(0.165)	0.000	0.000	Strathclyde Partnership for Transport	3.031	(0.550)	0.551	(0.007)
0.332	0.000	0.000	0.000	Strathclyde Concessionary Travel Scheme Joint Committee	0.341	0.000	0.000	0.000
1.643	(0.162)	0.000	(1.493)	Renfrewshire Valuation Joint Board	1.644	(0.110)	0.000	(1.530)
4.930	(0.327)	0.000	(1.493)	Total	5.016	(0.660)	0.551	(1.537)

Key Related Parties: Other Public Bodies

Scottish Government

The Scottish Government has effective control over the operations of the Council as 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, such as Council Tax and Non-Domestic Rates. Significant transactions with the Scottish Government are shown in the table below:

2024/25 Expenditure £m	2024/25 Income £m	2024/25 Debtor £m	2024/25 Creditor £m		2025/26 Expenditure £m	2025/26 Income £m	2025/26 Debtor £m	2025/26 Creditor £m
0.000	(452.499)	0.202	0.000	Scottish Government	0.000	(484.436)	0.020	0.000
0.000	(452.499)	0.202	0.000		0.000	(484.436)	0.020	0.000

Note 26: Pension schemes accounted for as defined contribution schemes

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 2024, which set the contribution rate payable from 1 April 2024 to 31 March 2027.

Renfrewshire 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. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Renfrewshire Council is unable to identify its share of the underlying assets and liabilities of the scheme. While the employee rate applied is variable, it will provide an actuarial yield of 9.6% of pensionable pay. At the last valuation a shortfall of £2.9bn was identified in the notional fund, which will be repaid by the increased rate of employers' pension contribution, effective from 1 April 2024, of 26%.

Based on the proportion of employer contributions paid in 2025/26, Renfrewshire Council's level of participation in the scheme is 2.9%. The Council paid £26.142m (£24.806m in 2024/25) for employer's contributions to the Scottish Public Pensions Agency. £0.313m of expenditure (£0.375m in 2024/25) was charged to service revenue accounts in respect of "added years" pension enhancement termination benefits, representing 0.3% of teachers' pensionable pay (0.4% in 2024/25). The estimated contribution for 2026/27 is £25.327m.

Note 27: Defined benefit pension schemes

27a: Participation in pension schemes

The pension scheme for teachers (the Scottish Teachers' Superannuation Scheme) is explained in the previous note, whilst this note relates exclusively to the pension scheme for all other employees: the Local Government Pension Scheme.

The Local Government Pension Scheme in Scotland (LGPS) is a funded, defined benefit, statutory occupational pension scheme. It is regulated by the Scottish Public Pensions Agency but is administered locally by fund administering authorities through regional pension funds. For Renfrewshire Council, the fund administering authority is Glasgow City Council and the regional pension fund is the Strathclyde Pension Fund.

As a funded scheme, the Council and employees pay contributions into the fund, calculated at a level intended to balance the scheme's pension liabilities with the scheme's investment assets.

The statutory nature of the fund means that the post-employment benefits are defined and set out in law.

The Strathclyde Pension Fund is a multi-employer fund, and it is possible for each employer to identify its own share of the assets and liabilities of the fund on a consistent and reasonable basis.

The principal risks to the scheme are assumptions relating to longevity, inflation, and investment performance; in addition, statutory changes to the scheme. These risks are mitigated to an extent by statutory requirements limiting charges to the Council's general fund. The Council has additional liabilities for unfunded discretionary pension payments outside the main schemes such as arrangements for the award of discretionary post-employment benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made.

However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

27b: Transactions relating to post-employment benefits

The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and accounting for investment returns on any resources set aside to meet the costs. However, the charge according to statutory regulations that is required to be made against the General Fund Balance and the Housing Revenue Account Balance is based upon the employer contributions payable by the Council to the pension fund in the year.

This requires an adjustment to be made in the movement in reserves statement to remove the cost (according to generally accepted accounting practices) of post-employment benefits and replace that cost with the value of employer contributions payable to the fund in the year.

The following transactions have been made in the CIES and the General Fund Balance via the movement in reserves statement during the year:

2024/25 £m		2025/26 £m
	Included within net cost of services:	
34.765	Current service cost	25.076
0.665	Past service cost/(gain)	1.905
	Included within Financing and Investment income and expenditure:	
62.127	Interest cost	66.026
27.231	Interest on the effect of the asset ceiling	43.834
(85.344)	Expected return on scheme assets	(105.831)
39.444	Total of Post-employment benefits charged to the Surplus/Deficit on the Provision of Services	31.010
	Included within Other Comprehensive Income and Expenditure:	
22.312	Return on Assets excluding amounts included in net interest	(62.505)
(2.183)	Actuarial gains and losses arising on changes in Demographic Assumptions	7.329
(196.867)	Actuarial gains and losses arising on changes in Financial Assumptions	(34.765)
(14.730)	Actuarial gains and losses arising on changes in Other Assumptions	9.629
(594.551)	Changes in effect of Asset Ceiling	(800.129)
(746.575)	Total of LGPS post-employment benefits charged to the CIES	(849.431)
	Movement in reserves statement:	
(787.413)	Actuarial losses or (gains)	(880.441)
756.295	Restriction on pension asset to Asset Ceiling	865.313
(1.383)	Effect of business combinations and disposals	0.000
40.838	Reversal of items relating to post-employment benefits debited or credited to the Surplus/Deficit on the Provision of Services	31.010
(17.579)	Employer contributions and direct payments to pensioners payable in the year	(17.326)
(9.242)	Movement in the year on the Pension Reserve	(1.444)

The cumulative amount of actuarial gains and losses recognised in the CIES as at 31 March 2026 is a gain of £1,180,866m (£1,179,986m gain as at 31 March 2025).

27c: Assets and liabilities relating to post-employment benefits

Renfrewshire Council's share of the defined benefit obligation (that is, the scheme liabilities) and of the scheme assets in the Strathclyde Pension Fund has been assessed by Hymans Robertson LLP, the Fund's independent actuaries. The assessment indicates that, as at 31 March 2026, scheme assets exceeded the defined benefit obligation by £801.519m (£691.057m excess of assets over obligations as at 31 March 2025). The defined benefit obligation is valued on an actuarial basis using the "projected unit credit" method, which estimates the pensions that will be payable in future years (dependent on assumptions about mortality rates, salary levels and other factors) discounted to their present value. The discount rate used at 31 March 2026 was 6.2% based on the indicative rate of return on high quality corporate bonds. Scheme assets are valued at fair value which, in the case of marketable securities, is market value using the current bid price. Where no market price is available, the fair value of scheme assets is estimated. The valuations are based on the latest formal valuation of the Strathclyde Pension Fund which was carried out as at 31 March 2024.

The common position for employers participating in the Strathclyde Pension Fund is that, based on a snapshot valuation as at 31 March 2026, a net pension asset is disclosed as a result of prevailing market conditions at that date. The net pension position of £801.519m represents an increase in asset of £110.462m between 31 March 2025 and 31 March 2026.

The net pension asset has a substantial impact on the net worth of the Council as recorded in the balance sheet). However, this surplus of scheme assets is restricted to the "asset ceiling" i.e., the net present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2026. This has been calculated to be £0 for funded obligations. After adjusting for the asset ceiling, the balance sheet now reflects a pension liability of £63.794m, representing the unfunded obligations of the scheme.

Local government legislation provides that local authorities have an obligation to meet the expenditure of the joint boards of which they are constituent members. As a consequence, Renfrewshire Council has additional liabilities arising from the pension scheme deficits of the Renfrewshire Valuation Joint Board. In accordance with accounting regulations, the group accounts include a share of the post-employment benefits transactions, defined benefit obligations and scheme assets of this joint board. Further information can be found in the annual report and accounts of each joint board. The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

27d: Movement in defined benefit obligation (scheme liabilities)

The following is a reconciliation of the 2025/26 opening and closing balances of the present value of Renfrewshire Council's share of the Strathclyde Pension Fund's defined benefit obligation (that is, scheme liabilities).

2024/25 £m		2025/26 £m
1,297.361	Balance at 1 April	1,144.060
34.765	Current service cost	25.076
0.665	Past service cost (including curtailments)	1.905
62.127	Interest cost	66.026
10.447	Member contributions	11.893
2.686	Effect of business combinations and disposals	0.000
(213.780)	Actuarial losses or (gains)	(17.807)
	Losses or (gains) on curtailment	
(5.398)	Estimated benefits paid: unfunded	(5.340)
(44.813)	Estimated benefits paid: other	(45.036)
1,144.060	Balance at 31 March	1,180.777

27e: Movement in scheme assets

The following is a reconciliation of the 2025/26 opening and closing balances of the fair value of Renfrewshire Council's share of the Strathclyde Pension Fund's scheme assets.

2024/25 £m		2025/26 £m
1,790.201	Balance at 1 April	1,835.117
85.344	Expected return on scheme assets	105.831
10.447	Member contributions	11.893
12.181	Employer contributions	11.986
5.398	Contributions in respect of unfunded benefits	5.340
4.069	Effect of business combinations and disposals	0.000
(22.312)	Actuarial (losses) or gains	62.505
(5.398)	Estimated benefits paid: unfunded	(5.340)
(44.813)	Estimated benefits paid: other	(45.036)
1,835.117	Balance at 31 March	1,982.296

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy as provided by the administering authority. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets from 1 April 2025 to 31 March 2026 was 9.2%.

The fair value of the assets held in the scheme may be analysed as follows:

As at 31 March 2025				As at 31 March 2026		
Quoted Prices in active markets £m	Prices not quoted in active markets £m	Total £m		Quoted Prices in active markets £m	Prices not quoted in active markets £m	Total £m
380.164	1.187	381.351	Equity instruments	416.848	1.433	418.281
0.000	424.190	424.190	Private Equity	0.000	475.395	475.395
0.000	138.456	138.456	Real Estate	0.000	137.411	137.411
6.719	839.751	846.470	Investment Funds	0.000	887.283	887.283
0.000	(0.001)	(0.001)	Derivatives	0.000	0.000	0.000
0.000	44.651	44.651	Cash and cash equivalents	0.000	63.926	63.926
386.883	1,448.234	1,835.117	Fair value of scheme assets	416.848	1,565.448	1,982.296

27f: Scheme history: analysis of defined benefit obligation and scheme assets

The Council's share of the accumulated deficit or surplus in the scheme is shown below. The analysis shows the nature of various elements of the Council's share of the scheme's defined benefit:

As at 31 March 2025 £m		As at 31 March 2026 £m
(485.593)	Current employee members	(532.790)
(49.398)	Pre-local government reorganisation (1996) liabilities	(48.448)
(115.874)	Deferred pensioners	(117.260)
(427.957)	Pensioners	(418.485)
(1,078.822)	Total Present Value of the Defined Benefit Obligation - Funded liabilities	(1,116.983)
1,835.117	Fair value of scheme assets	1,982.296
756.295	Net Asset / (Liability) arising from funded obligations	865.313
(756.295)	Restriction to asset ceiling	(865.313)
(59.651)	Retirals from Renfrewshire Council	(58.663)
(5.587)	Retirals pre-local government reorganisation (1996)	(5.131)
(65.238)	Total Present Value of the Defined Benefit Obligation - Unfunded liabilities	(63.794)
(65.238)	Net Pension Asset / (Liability)	(63.794)

Basis for estimating assets and liabilities

The following table shows the principal assumptions used by Hymans Robertson LLP, the Fund's independent actuaries, to estimate the Council's post-employment benefits transactions for 2025/26, and the Council's share of the Strathclyde Pension Fund's defined benefit obligation (scheme liabilities) and scheme assets as at 31 March 2026:

2024/25		2025/26
5.8%	Discount rate for defined benefit obligation	6.2%
2.7%	Long-term expected rate of return on scheme assets*	3.0%
3.5%	Rate of increase in salaries	3.7%
2.8%	Rate of increase in pensions	3.0%
2.8%	Rate of inflation	3.0%
	Mortality assumptions (years):	
	Longevity at age 65 for current pensioners:	
19.5	Men	19.9
22.3	Women	22.4
	Longevity at age 65 for future pensioners:	
20.5	Men	20.8
24.1	Women	24.2
	Take up of option to convert annual pension into retirement lump sum	
75%	For Pre-April 2009 service	75%
75%	For Post-April 2009 service	75%

**The expected rates of return are set equal to the discount rate as per IAS19.*

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have 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 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 did not change from those used in the previous period. The limitations of methods and assumptions used are associated with any changes in market conditions that affect the net discount rate. These can have a significant effect on the value of the obligations reported.

Impact on the Defined Benefit Obligation on the Scheme	%	£m
0.1% decrease in the Real Discount Rate	2%	18.333
1 year increase in the member life expectancy	4%	47.231
0.1% increase in the Salary Increase Rate	0%	1.230
0.1% increase in the Pension Increase Rate	1%	17.079

Impact on the Authority's cash flows

An objective of the Fund is 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. Employers' and employees' contributions have been determined so that rates are standard across all participating employers.

The rate for employer contributions has been set at 6.5% for 2025/26, rising to 17.5% in 2026/27. The total contribution expected to be made by the Council to the Strathclyde Pension Fund in the forthcoming year to 31 March 2027 is £29.852m. The weighted average duration of the defined benefit obligation is 17 years.

Note 28: Contingent liabilities

i) The Council has been notified of a number of contractor claims for additional costs incurred on construction contracts. The Council disputes the claims, which may be referred for arbitration. The Council recognises a contingent liability for potential costs, which may be incurred to resolve this dispute. It is not considered practicable at this stage to estimate the financial effect.

ii) Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be 0.1% of gross obligations, which equates to £1.141m for the Council. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 29: Events after the balance sheet date

Events taking place after the authorised date for issue per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 30: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that

will be required by a new standard that has been issued but not yet adopted.

The following new standards and amendments to existing standards have been published but not yet adopted by the Code:

- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Contracts referencing nature dependent electricity (amendments to IFRS 9 and IFRS 7) issued in December 2024.

There is no material impact anticipated in future years from the implementation of these standards.

Note 31: Accounting Policies – Renfrewshire Council

The Financial Statements for the year ended 31 March 2026 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice, supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Council and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of non-current assets and financial instruments, and on a going concern basis.

A Accruals of Expenditure and Income

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

i) Revenue from the sale of goods or provision of services is recognised when the performance obligation relating to the transaction has been satisfied, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

ii) 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. Works are charged as expenditure when they are completed, before which they are carried as assets under construction on the Balance Sheet.

iii) Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument. Interest receivable and dividend income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

iv) Where income 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 there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

v) Supplier invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by 31 March 2026 or relate to services associated with the prior financial year.

B Business Improvement District

Following the formation of the Paisley First BID company on 15 January 2015, the Council has entered into an agreement to act as the billing body for the purposes of the Planning etc. (Scotland) Act 2006 and the Regulations and is responsible for the administration, collection and recovery of the BID Levy. As the Council is acting as agent for the BID company, no transactions in relation to the BID levy or BID Revenue Account are included in the CIES with the exception of any contribution made by the Council to the BID project, the costs and income related to the collection of the BID levy or any income from the BID company in relation to services provided.

C Cash and Cash Equivalents

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand. Cash equivalents are defined as call accounts, money market funds and instant deposits. Fixed term deposits are not classified as cash or cash equivalents as these are held for investment purposes rather than for meeting short-term cash commitments.

D Charges for the Use of Assets

Services are charged for the use of assets no matter how they are financed, and this charge includes a provision for depreciation where appropriate.

E Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts where they are deemed material.

F Employee Benefits

Benefits payable during employment

All salaries and wages earned up to 31 March 2026 are included in the Accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned by employees, but not taken before the year end and which employees may carry forward into the next financial year; along with any pay inflation agreed for the year and not yet paid.

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. They are charged on an accruals basis to the relevant service line in the CIES when the Council is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary redundancy. The Council is only demonstrably committed to a termination when it has a detailed formal plan for the termination, and it is without realistic possibility of withdrawal.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to 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.

Post-employment benefits

The Council participates in two formal pension schemes: the Local Government Pension Scheme which is administered by Strathclyde Pension Fund; and the Scottish Teachers' Superannuation Scheme. Liabilities for the Scottish Teachers' Superannuation Scheme cannot be identified specifically to the Council; therefore, the scheme is accounted for as a defined contributions scheme.

The Local Government Pension Scheme is accounted for as a defined benefit scheme in accordance with International Accounting Standard 19 (IAS19) (as revised in 2011). Renfrewshire Council's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve are recognised in the Balance Sheet. The CIES recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year. Liabilities are included in the Balance Sheet on an actuarial basis using the projected unit method. Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds. Assets are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

G 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.

H Prior Period Adjustments

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the CIES or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

Where there has been a change in accounting policy, that change will be applied retrospectively. Where there has been a change in accounting estimate, that change will be applied prospectively. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

I Financial Instruments

Financial Assets

Financial assets are classified into three categories of valuation:

- At amortised cost;
- At fair value through other comprehensive income – designated equity instruments; and
- At fair value through profit or loss.

Financial Assets Measured at Amortised Cost

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 Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans made by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES. The Council has assets such as investments and debtors which are classified as financial assets measured at amortised cost.

Financial Assets Measured at Fair Value through other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Investment income is credited to Financing and Investment Income and Expenditure in the CIES when it becomes receivable by the Council. Where an equity instrument is designated as FVOCI, changes in fair value are posted to Other Comprehensive Income and Expenditure and are balanced by an entry in the Financial Instruments Revaluation Reserve (an unusable reserve).

When the asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income and Expenditure is transferred from the Financial Instruments Revaluation Reserve and recognised in the Surplus or Deficit on the Provision of Services. The Council has made an irrevocable election to designate these assets as FVOCI on the basis that they are held for non-contractual benefits, not for trading, but for strategic purposes.

Financial assets measured at fair value through profit and loss

Assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the CIES when it becomes receivable by the Council.

Assets values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the CIES. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Expected Credit Loss Model

Where assets are identified as impaired as a result of an expected credit loss, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

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 initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES 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 (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Income and Expenditure Account in the year of extinguishment. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the

modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Guarantees

Financial guarantees are recognised at fair value assessed as the probability of the guarantees being called and the likely amount payable under the guarantees.

Loans Fund

The Council operates a Loans Fund and all loans raised are paid into the Fund. Advances are made to departments to finance capital expenditure during the year. Repayments to the Loans Fund are calculated using the annuity method.

The local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 - loans fund accounting came into force on 1 April 2016 and replaced the statutory provisions for local authority borrowing, lending and loans funds as set out in Schedule 3 of the local Authority (Scotland) Act 1975. The regulations contain the following provisions in respect of the loans fund:

- Regulation 12 places a duty on a local authority to maintain a loans fund, which is to be administered in accordance with the proper accounting practices and prudent financial management;
- Regulation 13 requires a local authority to make loans fund advances each year for expenditure of or lending to third parties by, the local authority which it has determined should be met from borrowing; and
- Regulation 14 requires a local authority to determine for each loans fund advance the period over which it will be repaid and the amount of each repayment. Both the period and the annual amounts must be considered by the authority to be prudent.

Interest is calculated and allocated to the CIES in accordance with Local Authorities Scotland Accounts Advisory Committee's (LASAAC) Guidance Note 2: Statement on the Calculation and Allocation of Loans Fund Interest and Expenses.

Financial Instruments - Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability take place either in the principal market for that asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Valuation techniques used are appropriate in the circumstances and have sufficient data available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority 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
- Level 3 – unobservable inputs for the asset or liability.

The fair value hierarchy gives priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

J Government Grants and other Contributions

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 CIES until conditions attaching to the grant or contribution have been satisfied. 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 or Taxation and Non-Specific Grant Income in the CIES.

Where capital grants are credited to the CIES, 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 Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

K Heritage Assets

The Council's heritage assets are held in the museums operated by OneRen (Paisley Museum and Art Gallery, Renfrew Town Hall and Museum, and The Secret Collection). The purpose of holding these assets according to the Museums' Statement of Purpose is "to enhance public understanding of the human and natural world, principally by the use of original objects".

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.

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. Purchased acquisitions are recognised at cost and donated acquisitions are recognised at valuation with reference to appropriate commercial markets.

Acquisitions are made in line with the approved Acquisition and Disposal Policy. The collections of heritage assets are accounted for as follows:

Art Collection	The collection includes fine, contemporary and applied art works. The collection is included in the balance sheet at market value where this is available (from external valuations provided by suitably experienced and knowledgeable experts) or insurance valuations provided by the relevant collection curator. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.

Shawl and textile design	The museums hold a collection of approximately 1,000 Paisley-type shawls, and a considerable collection of original designs for shawl manufacture. The collection is included in the balance sheet at insurance valuation which is based on market values. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.
Natural History	The collection includes vertebrate and invertebrate zoology, botany, geology and microslide collections; in addition to a library of natural history books. The collection is included in the balance sheet at insurance valuation which is based on market values. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore no depreciation is charged.
Human History	The museums hold collections relating to social history, transport, science (including an important collection of astronomical apparatus in Coats Observatory), archaeology, arms, local archives, numismatics, photography, textiles, ethnography and Egyptology. The collection is included in the balance sheet at insurance valuation which is based on market values. However, where an external valuation or cost information is available, or a valuation may be secured at a cost which is not prohibitive relative to the value of the item, then the Council will recognise the asset in the balance sheet at this value. The assets within the collection are deemed to have indeterminate lives and a high residual value, and therefore, no depreciation is charged.

In addition to the museum collections, there are a number of public space statues, monuments, memorials, fountains and outdoor artworks at various locations throughout Renfrewshire. These assets are not generally recognised in the balance sheet. The Council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets and the lack of comparable data. However, where reliable cost information can be reasonably obtained, the asset will be included in the balance sheet.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Heritage assets will occasionally be disposed of in accordance with the approved Acquisitions and Disposal Policy (a copy of which is available). Assets are only disposed of for curatorial reasons (eg the item has deteriorated to such an extent it is no longer suitable for public display) and not with the aim of generating funds. Any proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.
Expenditure incurred in preserving individual items is recognised in the CIES.

L Intangible Assets

The Council accounts for purchased software licences as Intangible Assets. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Items costing less than £10,000 are not treated as Intangible Assets.

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 an intangible asset is amortised over its useful life. An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

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 and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

M Interests in Companies and Other Entities

The Council has material interests in two charitable companies, two limited liability partnership and Joint Boards and Committees that have the nature of subsidiaries and associates under accounting conventions, requiring it to prepare group accounts. In the Council's own single-entity accounts, these interests are not recorded as the Council has no shares in, or ownership of, any of these organisations.

Reflected in the Council's single-entity balance sheet is a 50% share in an Integration Joint Board, which is recorded as an investment.

N Inventories

Inventories (generally consumable stock) are included in the Balance Sheet at weighted average cost. The Code requires inventories to be held at lower of cost or Net Realisable Value. Weighted average cost is used as the measure of cost.

O Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements 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 and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

P Leases

The Council as Lessee

Right of use assets

As a lessee, The Council previously classified leases as operating or finance leases based on its assessment of whether the lease significantly transferred all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right of use assets and corresponding lease liabilities for most lease arrangements.

The Council has elected to apply recognition exemptions and will not recognise right of use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of a low value, under £10,000. The Council will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At the commencement date, a lease liability will be measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily identified. If that rate cannot be readily determined, the Council's incremental borrowing rate will be used.

Right of use assets are measured either at:

- An amount equal to the lease liability;
- Their carrying amount at the commencement date;
- For right of use assets for nominal lease payments, right of use assets shall be recognised at fair value as at commencement date. Any gain being the difference between that fair value and lease liability, recognised as a donated asset on the commencement date.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal.

Lease rentals receivable are apportioned between:

- a capital receipt for the disposal of the asset – applied to write down the Debtor (together with any premiums received); and
- finance income (credited to the CIES).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the CIES.

Q Overheads and Central Support Costs

Where internal costs are allocated to user departments, the basis of allocation varies by originating department, for example the cost of Payroll Services may be allocated on the number of payslips per service. In many instances the allocation is time-based. Internal transactions are no longer present in the income and expenditure figures reported in the CIES.

R Service Concession Arrangements – School Buildings and Other Facilities

The Council carries the assets used under PFI or Service Concession contracts on its Balance Sheet as part of 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.

The accounting treatment of the contractual arrangements are in accordance with IFRIC12 *Service Concession Arrangements*.

S 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. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential 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.

The cost of assets acquired other than by purchase is deemed to be its fair value. The valuation of work-in-progress is based on cost plus an appropriate proportion of overheads, together with attributable profits and allowances for foreseeable losses.

Plant, furniture and computer equipment costing less than £10,000 are not treated as fixed assets. This de-minimis level does not apply where certain categories of these assets are grouped together and form part of the approved capital programme.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the CIES. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account.

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH). Council dwellings are valued using a Beacon Principle (adjusted vacant possession) methodology in accordance with the Royal Institution of Chartered Surveyors (RICS) guidance;
- Vehicles, plant, furniture and equipment – depreciated replacement cost;
- Other land and buildings – fair value, determined as the market value amount that would be paid for the asset in its existing use (existing use value – EUV). Operational assets are shown at the lower of net current replacement cost or net realisable value in existing use. Non-operational assets are shown at the lower of net current replacement cost or net realisable value.

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. The effective date of any revaluation is 31 March. Valuations are undertaken by the Council Valuer who is MRICS qualified. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

From 1 April 2025, the Code of Practice on Local Authority Accounting (the Code) requirements changed in respect of revaluations of property, plant and equipment.

The Council will revalue assets over a rolling programme of revaluations over a five year cycle with annual indexation applied during the 4 intervening years. If the total annual indexation is material then the carrying amount of the assets will be revalued to the indexation amount using the Elimination Method, where accumulated depreciation will be eliminated against the gross carrying amount of the asset, after taking into account accumulated impairment losses.

Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured are categorised within the fair value hierarchy as follows:

- Level 1 - quoted prices in active markets for identical assets that the authority can access at the measurement date;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly;
- Level 3 - unobservable inputs for the asset.

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 an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

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 CIES. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services.

Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are credited to the Capital Receipts Reserve.

Depreciation

Depreciation is provided for on all Property, Plant and 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, investment properties and assets that are not yet available for use (i.e., assets under construction). When surplus assets are revalued, the useful life of the asset is updated and depreciation recalculated on that basis.

Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property of between 10 and 50 years as estimated by the Council Valuer;
- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer based on useful lives of between 3 and 30 years;

- infrastructure – straight-line allocation based on useful lives of between 10 and 60 years.

General Fund services are charged with depreciation where appropriate for the use of assets no matter how they are financed. Depreciation on the Council's non-operational assets is not charged to service revenue accounts. It is however reflected in the CIES through non-distributable costs.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Significance is determined by comparing a component's cost against the overall cost of an asset, and a component is deemed significant if its cost is 20% or more of the total asset cost. The de-minimis threshold for componentisation is £1m.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

T 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. Provisions are charged as an expense to the appropriate service line in the CIES. 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.

U Reserves

The Council has various reserve funds. The two capital reserves arising from the system of capital accounting are the Revaluation Reserve and the Capital Adjustment Account. The former of these represents the store of gains on revaluation of fixed assets not yet realised through sales and the latter relates to amounts set aside from capital resources to meet past expenditure.

The two accounting reserves arising from the restatement of financial instruments to "fair value" are the Financial Instruments Adjustment Account and the Financial Instruments Revaluation Reserve. The Financial Instruments Adjustment Account is a balancing account to allow for differences in statutory requirements and proper accounting practices for lending & borrowing by the Council. The Financial Instruments Revaluation Reserve is a store of gains or losses on revaluation of the investments of the Insurance Fund not yet realised through sales.

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Council's share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Council's share of the Pension Fund net liability chargeable to the CIES.

V Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the

Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

W Value Added Tax

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

Note 32: Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a judgement has been made, this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

Item	Judgement
Public Sector Funding	The Council has assessed that anticipated levels of local government funding over the medium term do not provide sufficient indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. The medium term outlook is discussed further in the Management Commentary.
Service Concession Arrangements	The Council is deemed to control the services provided under the agreement for the provision of schools. The accounting policies for PFI schemes and similar arrangements have been applied and the assets under the contract are included within Property, Plant and Equipment on the Council's Balance Sheet. Bargeddie Waste Facility is shared by a number of Scottish councils with North Lanarkshire Council taking the lead. The apportionment of costs and liabilities over the life of the facility, which was funded by a service concession agreement, has been agreed between the councils involved and the local external audit team. Note 14 provides further details.
Impairment of financial assets	In line with IFRS9: Financial Instruments, the approach to impairment of financial assets depends on the type of asset being assessed, either using a 'historic loss rate' approach, or a 'probability of default' approach, whereby historical experience of default rates across a similar class of instrument and credit rating is used to estimate 12-month expected credit losses. Further detail can be found at Note 21: Financial Instruments.
Determination of Contingent Liabilities and Provisions	A Provision is defined by the Code as a liability of uncertain timing or amount. A Contingent Liability is a possible obligation whose timing or value cannot be reliably measured and the Council makes a judgement on which is appropriate based on information available at the Balance Sheet date.
Rolling Valuation Programme	The Council employs professional valuers who are registered with the Royal Institution of Chartered Surveyors. These valuers carry out regular reviews of the value of assets reported in the Balance Sheet and any significant changes in value are processed as asset revaluations or impairments. These values are based on their professional opinion using available market information at the time of assessment. Due to the high number of assets, a rolling programme of asset valuation has been established for many years, with the aim one fifth of the portfolio each financial year. This carries inherent risk that assets not valued in-year have been subject to material changes in value. The highest risk in this respect relates to assets valued using the Depreciated Replacement Cost (DRC) method, which for Renfrewshire Council, includes schools and leisure centres. To mitigate for this risk, annual indexation is applied during the four intervening years where the assets will be revalued to their indexed amount if a material change has occurred.

Note 33: Assumptions made about the future

The Annual 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 as at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Effect if results differ from assumption
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 firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The carrying value of the net pension asset was £865.3m, before the asset cap, as at 31 March 2026 (asset of £691m as at 31 March 2025). Further detail can be found in Note 29: Defined Benefit Pension Schemes.	The effects on the net pension asset of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in a decrease in the pension asset of £18.3m. However, the assumptions interact in complex ways. At 31 March 2026, the Council's actuaries advised that (before the asset cap is applied) the net pensions asset had decreased by £9.6m as a result of estimates being corrected as a result of experience; decreased by £7.3m as a result of updating demographic assumptions; and increased by £34.7m as a result of updating financial assumptions.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings would increase by £6.862m for every year that useful lives had to be reduced.

Common Good Funds

The Common Good Funds comprise land granted to a Burgh by the Crown; further grants of land and buildings, mainly in the late 19th and early 20th century by local industrialists and other landowners for the common good of the inhabitants of the Burgh; and rental income and sale proceeds from such land. The bulk of the Paisley Common Good was granted to the Burgh of Paisley by the King Charles II Charter, dated 27 and 28 July 1666, and has been administered by the Burgh and its successors since that date. The bulk of the Renfrew Common Good was granted to the Royal Burgh of Renfrew by the Queen Anne Charter, dated 7 August 1703, and again has been administered by the Burgh and its successors since that date.

Income and expenditure statement

Income and Expenditure Statement for the Year Ending 31 March 2026	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Expenditure	0.271	0.000	1.097	1.368
Income	(1.763)	0.000	(3.437)	(5.200)
(Surplus)/Deficit for the year	(1.492)	0.000	(2.340)	(3.832)
(Surplus)/Deficit Brought Forward	(6.578)	(0.052)	(36.803)	(43.433)
Accumulated (Surplus)/Deficit at 31 March 2025	(8.070)	(0.052)	(39.143)	(47.265)

Income and Expenditure Statement for the Year Ending 31 March 2025 (restated)	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Expenditure	0.247	0.000	0.853	1.100
Income	(0.452)	0.000	(1.476)	(1.928)
(Surplus)/Deficit for the year	(0.205)	0.000	(0.623)	(0.828)
(Surplus)/Deficit Brought Forward	(6.373)	(0.052)	(36.180)	(42.605)
Accumulated (Surplus)/Deficit at 31 March 2024	(6.578)	(0.052)	(36.803)	(43.433)

During 2024/25, following a review of historical title and legal advice, the Council reclassified £1.090m of property from Council assets to the Paisley Common Good (£0.285m) and the Renfrew Common Good (£0.805m). The Income and Expenditure Statement for the year ended 31 March 2025 has been restated to reflect this.

Balance Sheet

Balance at 31 March 2026	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Tangible Fixed Assets	1.866	0.000	13.877	15.743
Heritage Assets	0.063	0.046	0.109	0.218
Investments	5.629	0.000	21.591	27.220
Debtors	0.000	0.000	0.024	0.024
Short-term deposits	0.493	0.006	4.004	4.503
Total assets	8.051	0.052	39.605	47.708
Creditors: Amounts Falling Due Within One Year	(0.006)	0.000	(0.029)	(0.035)
Net Assets	8.045	0.052	39.576	47.673
Income Funds	(3.899)	(0.036)	(22.315)	(26.250)
Revaluation reserve: Investments	(1.803)	0.000	(6.514)	(8.317)
Revaluation reserve: Fixed Assets	(2.343)	(0.016)	(10.747)	(13.106)
Total Reserves	(8.045)	(0.052)	(39.576)	(47.673)

Balance at 31 March 2025	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Tangible Fixed Assets	1.049	0.000	13.915	14.964
Heritage Assets	0.063	0.046	0.109	0.218
Investments	5.019	0.000	19.194	24.213
Debtors	0.000	0.000	0.020	0.020
Short term deposits	0.452	0.006	3.591	4.049
Total assets	6.583	0.052	36.829	43.464
Creditors: Amounts Falling Due Within One Year	(0.005)	0.000	(0.026)	(0.031)
Net Assets	6.578	0.052	36.803	43.433
Income Funds	(3.836)	(0.036)	(21.923)	(25.795)
Revaluation reserve: Investments	(1.307)	0.000	(4.602)	(5.909)
Revaluation reserve: Other Fixed Assets	(1.435)	(0.016)	(10.278)	(11.729)
Total Reserves	(6.578)	(0.052)	(36.803)	(43.433)

Accounting Policies and Note

Accounting Policies adopted for the Common Good are the same as those adopted for Renfrewshire Council except for the application of IAS 16. IAS 16 requires that assets be depreciated and that the charge for depreciation be set against and surplus in the Income and Expenditure account. In addition, IAS 16 requires any decreases in the value of assets to be recognised in the Income and Expenditure account, unless there is a previous increase in the value of the asset held in the Revaluation Reserve. Conversely, any increases in the value of assets are to be recognised in the surplus or deficit in the Income and Expenditure account, to the extent that it reverses a decrease of the same asset previously recognised in the Income and Expenditure account.

The Council is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient, and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given that the Common Good is owned by the Council, these specific provisions are supplemented by the general provisions relating to the administration of local authority monies, i.e., the duty to obtain best value.

Income to the Common Good Funds is solely from investment returns (both financial investments and property rental income) and bank interest; no donations to the Funds are solicited. The only other source of income, which arises periodically, is from the sale of fixed assets.

The investment performance of the Common Good Funds is monitored regularly by Council officers and is reported bi-annually to the Investment Review Board, which is comprised of five cross-party elected members. The minutes of the Investment Review Board are submitted to the Finance, Resources and Customer Services Policy Board, whose meetings are held in public. In turn, the minutes of this Board are submitted to the full Council for ratification. Therefore, all elected members are kept informed of both the performance of the funds and any decision regarding the operation of the Funds, which would be made by the Finance, Resources and Customer Services Policy Board.

Revaluation adjustments related to investments are included in Income within the CIES and were £0.000m for Paisley Common Good and £0.023m for Renfrew Common Good.

Housing Revenue Account

Income and expenditure statement

The Housing Revenue Account (HRA) reflects a statutory obligation to maintain a revenue account for local authority housing provision in accordance with the Housing (Scotland) Act 1987. The Housing Revenue Account 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 rents and government grants. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the movement on the Housing Revenue Account statement.

2024/25 £m		2025/26 £m
22.179	Repairs and maintenance	23.118
15.120	Supervision and management	17.118
32.202	Depreciation and impairment of non-current assets	34.268
(0.058)	Increase/(Decrease) in the allowance for bad debts	0.321
3.810	Other expenditure	3.345
73.253	Total Expenditure	78.170
(53.993)	Dwelling rents	(58.120)
(1.120)	Non-dwelling rents	(1.183)
(1.808)	Other income	(2.205)
(56.921)	Total Income	(61.508)
16.332	Net Cost of HRA services as included in the CIES	16.662
	HRA share of the operating income and expenditure included in the CIES:	
0.018	(Gain)/Loss on sale of HRA non-current assets	0.160
3.137	Interest payable and similar charges	3.936
(1.850)	Interest and investment income	(1.102)
1.353	Pensions interest cost and expected return on pensions assets	1.018
(2.112)	Taxation and non specific grant income	(10.089)
16.878	Deficit for the year on HRA services	10.585

Movement on the Housing Revenue Account statement

This statement shows the movement in the year on the Housing Revenue Account (HRA) Balance. The surplus or deficit for the year on the HRA income and expenditure statement represents the true economic cost of providing the Council's HRA services, more details of which are shown in the HRA income and expenditure statement itself.

The adjustments between accounting basis and funding basis under regulations detail the adjustments that are made to the HRA income and expenditure, as recognised by the Council in the year in accordance with proper accounting practice, to the statutory amounts required to be charged to the HRA Balance for dwellings rent setting purposes. An analysis of these adjustments can be found in Note 6: Adjustment between accounting basis and funding basis under regulation on page 48.

2024/25 £m		2025/26 £m
(6.164)	Balance on the HRA at 1 April	(6.933)
16.878	Deficit for the year on the HRA income and expenditure statement	10.585
(2.737)	Adjustments between accounting basis and funding basis under statute	5.350
(14.910)	Adjustments to Usable Reserves permitted by accounting standards	(16.975)
(0.769)	Net (Increase)/Decrease before transfers to or from reserves	(1.040)
(6.933)	Balance on the HRA at 31 March	(7.973)

Notes to the Housing Revenue Account income and expenditure statement

The number and types of dwelling in the Council's housing stock

The Council was responsible for managing 11,942 dwellings during 2025/26 (12,078 in 2024/25). The following shows an analysis of these dwellings by type. The figures below exclude void initiative properties.

As at 31 March 2025			As at 31 March 2026	
Number	Average weekly rent	Type of dwelling	Number	Average weekly rent
419	£70.22	One-apartment	416	£69.04
3594	£84.83	Two-apartment	3,516	£85.84
5773	£99.00	Three-apartment	5,716	£99.01
2078	£111.22	Four-apartment	2,080	£109.75
214	£120.08	Five-apartment	214	£118.64
12,078		Total	11,942	

Other information

	Dwellings £m	Non-Dwellings £m	Total as at 31 March 2026 £m	Total as at 31 March 2025 £m
Void Rent Loss	1.697	0.272	1.969	2.461
Rental Income Arrears	3.987	0.581	4.568	4.184
Provision for uncollectable rent arrears	3.205	0.542	3.747	3.568
Corporate and Democratic Core costs			0.046	0.033

Council Tax Income Account

The Council Tax income account shows the gross income raised from Council Taxes levied and deductions made under statute. Councils raise taxes from residents through Council Tax, which is a tax linked to property values. The Council Tax Reduction Scheme represents a discount introduced across Scotland following the abolition of Council Tax Benefits as part of the UK government's Welfare Reform programme. The resultant net income is transferred to the Council's CIES.

2024/25 £m		2025/26 £m
132.893	Gross council tax levied	146.445
(17.658)	Other discounts and reductions	(19.367)
(13.666)	Council tax reduction scheme	(15.141)
(3.387)	Write-off of uncollectable debts and allowance for impairment	(3.622)
(0.481)	Adjustment to previous years' community charge and council tax	(0.111)
97.701	Transfer to the Comprehensive Income and Expenditure Statement	108.204

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 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, which are based on pre-determined proportions relative to the band D charge. The band D charge for 2025/26 was £1,572.61 (£1,436.17 in 2024/25).

2024/25 £	Council Tax Band	2025/26 £
957.45	A	1,048.41
1,117.02	B	1,223.14
1,276.60	C	1,397.88
1,436.17	D	1,572.61
1,886.97	E	2,066.23
2,333.78	F	2,555.49
2,812.50	G	3,079.69
3,518.62	H	3,852.89

If a property is occupied by only one person over 18, a discount of 25% is applied.

Since 15 July 2016, unoccupied and unfurnished properties have been exempted from Council Tax for the first six months. A discount of 10% is then available for the next six months and 100% additional Council Tax levy is then payable for as long as the property remains empty, although the 10% discount may be extended by a further 12 months if the property is being actively marketed for sale or let.

Certain persons are disregarded for Council Tax purposes, including students, people who are in detention and those who are severely mentally impaired. Reductions in Council Tax are available for people with disabilities.

Charges for water and sewerage services are the responsibility of Scottish Water. 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.

Calculation of the Council Tax base

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.

Band	Number of dwellings	Number of exemptions	Disabled relief	Discounts	Council Tax Reduction	Total equivalent dwellings	Ratio to Band D	2025/26 Band D equivalent	2024/25 Band D equivalent
A	13,115	1,923	6	1,900	3,359	**5,983**	0.67	**3,988**	3,857
B	25,860	1,641	56	3,344	5,198	**15,676**	0.78	**12,192**	11,958
C	15,519	572	55	1,675	1,965	**11,298**	0.89	**10,043**	9,923
D	13,895	319	46	1,327	754	**11,537**	1.00	**11,537**	11,258
E	11,808	203	88	786	406	**10,386**	1.31	**13,646**	13,465
F	7,280	87	61	329	123	**6,696**	1.62	**10,881**	10,779
G	4,619	97	16	159	55	**4,293**	1.96	**8,407**	8,182
H	199	8	1	9	2	**179**	2.45	**439**	456
	92,295	Band A dwellings subject to disabled relief						6	6
Class 17 and 24 dwellings								65	70
Sub-total								71,204	69,954
Less: Provision for non-payment and future award of discounts and reliefs								(2,401)	(2,098)
Council Tax Base								68,803	67,856

Non-Domestic Rates Income Account

This account is an agent's statement that reflects the statutory obligation for those councils who issue bills to non-domestic rate payers to maintain a separate non-domestic rate account. The account shows the rates collected from non-domestic rate payers during the year. Any difference between the rates collected and the amount the Council is guaranteed to receive under the national pooling arrangements is adjusted via the Scottish Government's general revenue grant to the Council. Non-domestic rate income is redistributed from the national non-domestic rate pool in proportions based on the prior year mid-year income returns net of prior year adjustments. In 2012/13 the Scottish Government introduced the Business Rates Incentivisation Scheme (BRIS) which allows councils, where an agreed target income figure is exceeded, to retain 50% of the 'above target' income.

2024/25 £m		2025/26 £m
146.060	Gross rates levied	142.990
(26.998)	Reliefs and other deductions	(29.712)
(1.840)	Write-off of uncollectable debts and allowance for impairment	(1.734)
117.222	Net Non-Domestic Rates income	111.544
(10.047)	Adjustment to previous years' non-domestic rates	(9.819)
0.330	Contribution (to)/from the National Non-Domestic Rate pool	7.119
107.505	Transfer to the Comprehensive Income and Expenditure Statement	108.844

The nature and amount of each rate fixed

The non-domestic rates charge for each subject is determined by the rateable value placed upon it by the Assessor, multiplied by the rate per pound (the "rate poundage") set each year by the Scottish Government. For 2025/26 the charge was 49.8 pence in the pound, with a 5.6 pence supplement for properties with a rateable value over £51,000 and a 7.0 pence supplement for properties with a rateable value above £100,000.

Analysis of Renfrewshire Council's rateable values

Analysis of Rateable Values	2025/26 £m
Commercial	90.538
Industrial and freight transport	54.879
Education and public service	30.095
Communications	1.989
Others	90.866
Rateable Value at 1 April	268.367
Adjustments (Full Year Rateable Value)	(8.202)
Rateable Value at 31 March	260.165
Less: Wholly Exempt Subjects	(1.558)
Net Rateable Value at 31 March	258.607

Group Accounts

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing operations during the year. It includes, on an accruals basis, all day-to-day expenses and related income. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that councils need to take into account when setting the annual Council Tax charge. The required adjustments between accounting basis and funding basis under regulations are shown in the group movement in reserves statement.

2024/25 (restated)				2025/26		
Gross expenditure £m	Gross income £m	Net expenditure £m	Note	Gross expenditure £m	Gross income £m	Net expenditure £m
327.708	(18.179)	309.529	Children's Services	317.305	(16.777)	300.528
201.092	(91.120)	109.972	Environment, Housing and Infrastructure	217.105	(107.888)	109.217
106.403	(44.855)	61.548	Finance and Resources	99.802	(35.654)	64.148
53.320	(15.504)	37.816	Chief Executive's Service	55.335	(16.489)	38.846
13.833	(12.998)	0.835	Miscellaneous Services	18.668	(16.562)	2.106
182.574	(73.487)	109.087	Adult Services	185.834	(73.529)	112.305
884.930	(256.143)	628.787	Cost of Services	894.049	(266.899)	627.150
1.033	0.000	1.033	(Gain)/Loss on the disposal of non-current	3.107	0.000	3.107
25.807	(7.660)	18.147	Financing and investment income and expenditure G6	25.739	(6.004)	19.735
0.000	(562.381)	(562.381)	Taxation and non-specific grant income 3	0.000	(631.866)	(631.866)
911.770	(826.184)	85.586	Deficit on the Provision of Services	922.895	(904.769)	18.126
		(1.738)	Share of the (surplus) / deficit on the provision of services by associates and joint ventures		G3	(5.046)
		83.848	Group Deficit/(Surplus)			13.080
		(86.295)	(Surplus)/Deficit on the revaluation of non-current assets			(221.871)
		0.028	(Surplus)/Deficit from investments in equity instruments designated as Fair Value through Other Comprehensive Income		G15	(2.587)
		(32.330)	Actuarial (gain)/loss on pension assets and liabilities			(15.812)
		(1.393)	Share of other comprehensive (income) and expenditure of associates and joint ventures		G3	(1.356)
		(119.990)	Other comprehensive (income) and expenditure			(241.626)
		(36.142)	Total comprehensive (income) and expenditure			(228.546)

Figures shown in brackets represent income or gains and figures without brackets represent expenditure or losses.

Group Movement in Reserves Statement

The group movement in reserves statement shows the movement in the year on the different reserves held by the Council's group, analysed into the Council's usable reserves, the Council's unusable reserves and the Council's share of the reserves of the subsidiaries, associates, and joint ventures within the group.

2025/26	Note	Council's Usable Reserves £m	Council's Unusable Reserves £m	Council's Total Reserves £m	Council's share of Reserves of Subsidiaries, Associates and Joint Ventures £m	Total Reserves £m
Balance at 1 April 2025		235.197	1,320.054	1,555.251	105.140	1,660.391
Movement in reserves during the year						
Total Comprehensive Income and Expenditure		(5.293)	237.178	231.885	(3.339)	228.546
Adjustments between Group accounts and Council accounts	G5	(15.296)	0.000	(15.296)	15.296	0.000
Adjustments to Usable Reserves permitted by accounting standards	7	39.143	(39.143)	0.000	0.000	0.000
Adjustment for Service Concession Arrangements		2.047	(2.047)	0.000	0.000	0.000
Adjustments between accounting basis and funding basis under regulations	6	(18.384)	18.384	0.000	0.000	0.000
Increase / (Decrease) in year		2.217	214.372	216.589	11.957	228.546
Balance at 31 March 2026		237.414	1,534.426	1,771.840	117.097	1,888.937

Comparative movements in 2024/25 (restated)	Note	Council's Usable Reserves £m	Council's Unusable Reserves £m	Council's Total Reserves £m	Council's share of Reserves of Subsidiaries, Associates and Joint Ventures £m	Total Reserves £m
Balance at 1 April 2024		222.219	1,302.617	1,524.836	99.413	1,624.249
Movement in reserves during the year						
Total Comprehensive Income and Expenditure		(70.981)	117.355	46.374	(10.232)	36.142
Adjustments between Group accounts and Council accounts	G5	(15.959)	0.000	(15.959)	15.959	0.000
Adjustments to Usable Reserves permitted by accounting standards		39.114	(39.114)	0.000	0.000	0.000
Adjustment for Service Concession Arrangements		13.901	(13.901)	0.000	0.000	0.000
Adjustments between accounting basis and funding basis under regulations	6	46.903	(46.903)	0.000	0.000	0.000
Increase / (Decrease) in year		12.978	17.437	30.415	5.727	36.142
Balance at 31 March 2025		235.197	1,320.054	1,555.251	105.140	1,660.391

Group Balance Sheet

The group balance sheet shows the value as at 31 March 2026 of the assets and liabilities recognised by the Council. The net assets of the Council's group are matched by the reserves held by the group. Reserves are reported in two categories: usable reserves, which are 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; and unusable reserves, comprising those that the group is not able to use to provide services. This category includes reserves that hold unrealised gains/losses in the value of assets where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown as 'adjustments between accounting basis and funding basis under regulations' in the group movement in reserves statement.

As at 31 March 2025 (restated) £m		Note	As at 31 March 2026 £m
1,971.599	Property, plant and equipment	G10	2,240.133
44.404	Heritage assets	G11	44.404
0.409	Investment property	G9	0.403
1.189	Intangible assets	12	0.690
28.604	Long-term investments	G15	31.927
57.358	Investments in associates and joint ventures	G3	63.785
2.002	Long-term debtors	G15	1.820
2,105.565	Long-term assets		2,383.162
2.492	Assets held for sale	11	0.000
17.534	Short-term investments	G15	24.623
1.120	Inventories		1.221
62.985	Short-term debtors	G12	77.270
7.514	Cash and cash equivalents	G15	42.991
91.645	Current assets		146.105
(85.804)	Short-term borrowing	G15	(68.642)
(70.047)	Short-term creditors	G13	(111.748)
(0.406)	Short-term provisions	20	(0.567)
(156.257)	Current liabilities		(180.957)
(77.581)	Long-term creditors	19	(73.551)
(5.230)	Long-term provisions	20	(6.786)
(232.050)	Long-term borrowing	G15	(314.756)
(0.023)	Liabilities in associates and joint ventures	G3	(0.048)
(65.678)	Other long-term liabilities		(64.232)
(380.562)	Long-term liabilities		(459.373)
1,660.391	Net assets		1,888.937
(265.762)	Usable reserves	G7	(269.253)
(1,394.629)	Unusable reserves	G8	(1,619.684)
(1,660.391)	Total reserves		(1,888.937)

Alastair MacArthur
Director of Finance and Resources

The unaudited accounts were issued on 22 June 2026 and the audited accounts were authorised for issue on 24 September 2026.

Group Cashflow Statement

The group cash flow statement shows the changes in cash and cash equivalents of the Council's group during the year. It 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 that 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 (that is, borrowing) to the Council. The Council's share of the cash flows of its associates and joint ventures is disregarded for the purpose of this statement because the Council's share of the associates' and joint ventures' reserves is unusable and cannot be used to fund services.

2024/25 £m		2025/26 £m
(83.848)	Group surplus/(deficit)	(13.080)
140.324	Adjustment for non-cash movements	155.455
(25.010)	Adjustments for items included in the group surplus/deficit that are investing and financing activities	(55.032)
31.466	Net cash flows from operating activities	87.343
(48.008)	Net cash flows from investing activities	(111.383)
(7.365)	Net cash flows from financing activities	59.516
(23.907)	Net increase/(decrease) in cash and cash equivalents	35.476
31.422	Cash and cash equivalents at the beginning of the reporting period	7.515
7.515	Cash and cash equivalents at the end of the reporting period	42.991

Notes to the Group Accounts

The Council's share of Group entities is reviewed on an annual basis and some prior year figures are adjusted as a result, when compared to the prior year audited accounts. The impact was an increase in net assets of £0.012m.

Note G1: Details of the group's combining entities

Renfrewshire Council is represented on the board of a number of organisations. The extent of the Council interest has been reviewed in determining those entities that should be consolidated and incorporated within the group accounts. Those organisations, which have a significant impact on the Council's operations, are listed below. The accounting period for all of these bodies is the year to 31 March 2026. In addition to the information included in the group accounts on the preceding pages the accounting regulations require specific disclosures about the combining entities and the nature of their business.

OneRen, the Paisley, Renfrew and Johnstone Common Good Funds, Paisley Museum Reimagined Limited, Park Lane Developments (Renfrewshire) LLP and the Coats Observatory Trust administered by Renfrewshire Council (as sole trustee) are treated as subsidiaries in the Council's group accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line. AMIDS (Renfrewshire) LLP is a joint venture arrangement.

Renfrewshire Leisure Limited, trading as **OneRen**, is a company limited by guarantee formed in 2014 and registered as a charity in Scotland. Its principal place of business is the Lagoon Leisure Centre, 11 Christie Street, Paisley PA1 1NB. The charity provides leisure and culture facilities within Renfrewshire Council's area to the general public and operates ten leisure centres within Renfrewshire plus a range of cultural service buildings, libraries and community halls. The objectives of the charity are to provide facilities for recreation, sport, cultural and other leisure activities for the benefit of the community in Renfrewshire. Any surplus generated by the charity is applied solely to its continuation and development. The accounts of the charity are published separately and may be obtained from the Chief Executive, OneRen, Lagoon Leisure Centre, 11 Christie Street, Paisley PA1 1NB.

The **group comprehensive income and expenditure statement (CIES**) includes total net comprehensive income for the year of £0.740m (2024/25 £1.144m restated) for OneRen, total net comprehensive income for the year of £4.241m (2024/25 £0.830m restated) for the Paisley, Renfrew and Johnstone Common Good Funds, total net comprehensive expenditure for the year of £0.027m (2024/25 net comprehensive income of £0.227m) for Park Lane Developments (Renfrewshire) LLP, total net comprehensive income for the year of £0.070m (2024/25 £0.045m restated) for Paisley Museum Reimagined Limited and total net comprehensive income for the year of £0.523m (2024/25 £0.352m restated) for the Coats Observatory Trust.

The **group balance sheet** includes net assets of £1.937m (2024/25 £1.197m restated) for OneRen, net assets of £47.673m (2024/25 £43.433m restated) for the Common Good Funds, net assets of £0.094m (2024/25 £0.121m) for Park Lane Developments (Renfrewshire) LLP, net assets of £1.287m (2024/25 £1.209m restated) for Paisley Museum Reimagined Limited and net assets of £2.369m (2024/25 £1.845m) for the Coats Observatory Trust.

Strathclyde Concessionary Travel Scheme Joint Committee comprises the twelve councils in 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 twelve constituent councils and by direct grant funding from the Scottish Government. Strathclyde Partnership for Transport administers the scheme on behalf of the committee. In 2025/26, Renfrewshire Council contributed £0.341m or 8.16% of the committee's estimated running costs (2024/25 £0.332m or 8.11%) and its share of the year-end net asset was £0.374m (2024/25 £0.303m) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to Strathclyde Concessionary Travel Scheme, Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Strathclyde Partnership for Transport was formed on 1 April 2006 as the successor to the Strathclyde Passenger Transport Authority. It is a joint committee of the twelve councils in the west of Scotland. In association with the related strategic development committees, the partnership's remit includes the promotion of joint working to set out the policy framework for achieving the most effective management, development and integration of the transport network across boundaries in the medium to longer term through the Regional Transport Strategy. Renfrewshire Council contributed £3.031m or 8.26% to the committee's estimated running costs in 2025/26 (2024/25 £2.955m or 8.22%) and its share of the year-end net asset was £48.100m (2024/25 £44.072m) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Strathclyde Partnership for Transport £m	Renfrewshire Council's Share £m		Strathclyde Partnership for Transport £m	Renfrewshire Council's Share £m
As at 31 March 2025		Balance Sheet Summary	As at 31 March 2026	
367.769	30.227	Long-term assets	403.546	33.339
186.984	15.369	Current assets	217.896	18.002
(16.326)	(1.342)	Current liabilities	(37.182)	(3.072)
(2.213)	(0.182)	Long-term liabilities	(2.051)	(0.169)
536.214	44.072	Net assets	582.209	48.100
2024/25		Income and Expenditure Summary	2025/26	
115.145	9.464	Income	122.303	10.104
83.326	6.849	*less:* Expenditure	89.846	7.423
31.819	2.615	Surplus for the year	32.457	2.681

Renfrewshire Valuation Joint Board was formed in 1996 at local government re-organisation by Act of Parliament. Its principal place of business is Renfrewshire House, Cotton Street, Paisley PA1 1BF. The board maintains the electoral, council tax and non-domestic rates registers for the three councils of East Renfrewshire, Inverclyde and Renfrewshire. The board's running costs are met by the three member councils. Surpluses or deficits on the board's operations are shared between the councils. In 2025/26, Renfrewshire Council contributed £1.644m or 57.5% of the board's estimated running costs (2024/25 £1.6m or 57.7%) and its share of the year-end net asset was £1.084m (2024/25 £0.903m restated) and is included in the group balance sheet. Copies of its accounts may be obtained from the Treasurer to the Renfrewshire Valuation Joint Board, Renfrewshire Council, Renfrewshire House, Paisley PA1 1JB. The following additional disclosures are required under accounting regulations for Renfrewshire Valuation Joint Board because it is a related party to the Council.

Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m		Renfrewshire Valuation Joint Board £m	Renfrewshire Council's Share £m
As at 31 March 2025 (restated)		Balance Sheet Summary	As at 31 March 2026	
0.167	0.097	Long-term assets	0.725	0.417
1.543	0.890	Current assets	1.551	0.891
(0.098)	(0.057)	Current liabilities	(0.184)	(0.106)
(0.046)	(0.027)	Long-term liabilities	(0.206)	(0.118)
1.565	0.903	Net assets	1.886	1.084
2024/25 (restated)		Income and Expenditure Summary	2025/26	
3.205	1.848	Income	3.426	1.969
2.827	1.630	*less:* Expenditure	3.122	1.795
0.378	0.218	Deficit for the year	0.303	0.174

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and adult social care in Scotland. On 27 June 2015, Scottish Ministers legally established the Renfrewshire Health and Social Care Integration Joint Board (IJB) as a formal legal partnership between Renfrewshire Council and NHS Greater Glasgow and Clyde.

The IJB is responsible for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements. Copies of the financial statements for the IJB may be obtained from Chief Officer, Renfrewshire Health and Social Care Integration Joint Board, Renfrewshire House, Cotton Street, Paisley, PA1 1WB.

Renfrewshire Integration Joint Board £m	Renfrewshire Council's Share £m		Renfrewshire Integration Joint Board £m	Renfrewshire Council's Share £m
As at 31 March 2025		Balance Sheet Summary	As at 31 March 2026	
24.159	12.080	Current assets	28.454	14.227
24.159	12.080	Net assets	28.454	14.227
2024/25		Income and Expenditure Summary	2025/26	
419.678	209.839	Income	443.270	221.635
421.595	210.797	*less:* Expenditure	438.976	219.488
(1.917)	(0.958)	(Deficit)/Surplus for the year	4.294	2.147

Note G2: Non-material interest in other entities

In addition to the combining entities detailed in note G1, the Council has a "significant interest" in a number of joint committees. The Council's share of the net assets or liabilities of these joint committees is not material to the fair understanding of the financial position and transactions of the Council. Accordingly, the group accounts do not include these organisations. In the interest of transparency, the following disclosures are made concerning the business nature of each organisation.

Scotland Excel is formed by agreement among local authorities throughout Scotland and is maintained through a joint committee comprising representatives from all of the member councils. Launched on 1 April 2008 as a centre of procurement expertise for the local government sector, it is the largest non-profit making purchasing agency in Scotland. Its aim is to help improve the efficiency and effectiveness of public sector procurement. Renfrewshire Council contributed £0.130m (3.3%) to the committee's estimated running costs in 2025/26 (£0.130m in 2024/25).

Glasgow and the Clyde Valley Strategic Development Planning Authority was dissolved on 31 March 2025 and all activities transferred to the Glasgow City Region City Deal Cabinet. Under the Town and Country Planning (Scotland) Act 1997, eight member councils had responsibilities not only for local planning matters within their own boundaries but also for strategic issues affecting the wider Glasgow and Clyde Valley area. The committee was responsible for preparing, monitoring and reviewing the Strategic Development Plan on behalf of the member councils and for liaising with central government, Scottish Enterprise and other bodies. No contribution was required from Renfrewshire Council in 2025/26. In 2024/25 the contribution was £0.053m (12.5%) to the committee's estimated running costs.

Glasgow City Region – City Deal Cabinet is a Joint Committee, the purpose of which 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 £1.13 billion investment programme through 20 infrastructure projects and will drive innovation and growth through the support of the key sectors, including delivery of labour market and innovation programmes. The committee operates in an administrative / project management capacity and does not hold any

assets or liabilities developed from the City Deal programme. Renfrewshire Council contributed £0.037m (10%) to the committee's estimated running costs in 2025/26 (£0.031m (9.7%) in 2024/25).

Note G3: Associates and joint ventures

The aggregate value of the assets, liabilities, income and expenditure of the Council's associates and joint ventures are shown in the two tables which follow. The net asset figure from these two tables combined (£14.179m + £49.558m = £63.737m) equates to the net of the two figures disclosed in the group balance sheet as 'Investments in associates and joint ventures' (£63.785m) and 'Liabilities in associates and joint ventures' (£0.048m).

Aggregate of Joint Venture results £m	Renfrewshire Council's Share £m	Joint ventures	Aggregate of Joint Venture results £m	Renfrewshire Council's Share £m
As at 31 March 2025		Balance Sheet Summary	As at 31 March 2026	
24.629	12.315	Current assets	29.168	14.584
(0.032)	(0.016)	Current liabilities	(0.150)	(0.075)
(0.484)	(0.242)	Long-term liabilities	(0.660)	(0.330)
24.113	12.057	Net assets	28.358	14.179
2024/25		Income and Expenditure Summary	2025/26	
419.786	209.893	Income	443.432	221.717
421.738	210.869	*less:* Expenditure	439.187	219.595
(1.952)	(0.976)	(Deficit)/Surplus for the year	4.245	2.122

Aggregate of Associate results £m	Renfrewshire Council's Share £m	Associates	Aggregate of Associate results £m	Renfrewshire Council's Share £m
As at 31 March 2025 (restated)		Balance Sheet Summary	As at 31 March 2026	
367.936	30.324	Long-term assets	404.271	33.756
193.187	16.636	Current assets	224.313	19.29
(17.348)	(1.473)	Current liabilities	(37.652)	(3.201)
(2.259)	(0.209)	Pension asset / (liability)	(2.257)	(0.287)
541.516	45.278	Net assets	588.675	49.558
2024/25 (restated)		Income and Expenditure Summary	2025/26	
122.728	11.667	Income	130.103	12.43
91.994	8.953	*less:* Expenditure	96.498	9.506
30.734	2.714	Surplus for the year	33.605	2.924

Note on contingent assets, contingent liabilities and capital commitments

The Council is unaware of any material contingent asset or contingent liability as at 31 March 2026 in relation to any of its associates or joint ventures. The Council is unaware that any commitments have been entered into by any of its associates or joint ventures as at 31 March 2026, either with the Council itself or with other parties.

Note G4: Material items of group income and expenditure

In order to assist the reader in a better understanding of the impact of the inclusion of the results of the associates and joint ventures, the following tables provide an analysis of the Council's share of the material amounts of income and expenditure disclosed in the group CIES.

2024/25 (restated) £m	Material items of group income and expenditure	2025/26 £m
	Share of (surplus) or deficit:	
(1.354)	**Subsidiaries:**	**(2.463)**
(0.798)	Paisley, Renfrew and Johnstone Common Good Funds	(1.833)
(0.352)	Coats Observatory Trust	(0.523)
0.068	OneRen	(0.056)
(0.227)	Park Lane Developments (Renfrewshire) LLP	0.027
(0.045)	Paisley Museum Reimagined Limited	(0.078)
(2.714)	**Associates:**	**(2.924)**
(2.615)	Strathclyde Partnership for Transport	(2.681)
0.119	Strathclyde Concessionary Travel Scheme Joint Committee	(0.069)
(0.218)	Renfrewshire Valuation Joint Board	(0.174)
	Joint Venture:	
0.958	Renfrewshire Health and Social Care Integration Joint Board	(2.147)
0.018	AMIDS (Renfrewshire) LLP	0.025
(3.092)	Aggregate share of (surplus) or deficit	(7.509)
	Share of other comprehensive (income) and expenditure:	
(1.242)	**Subsidiaries:**	**(3.092)**
(0.030)	Paisley, Renfrew and Johnstone Common Good Funds	(2.408)
(1.212)	OneRen	(0.684)
(1.393)	**Associates:**	**(1.356)**
(1.273)	Strathclyde Partnership for Transport	(1.347)
(0.005)	Strathclyde Concessionary Travel Scheme Joint Committee	(0.002)
(0.115)	Renfrewshire Valuation Joint Board	(0.007)
(2.635)	Aggregate share of other comprehensive (income) and expenditure	(4.448)
(5.727)	Aggregate share of total comprehensive (income) and expenditure	(11.957)

Note G5: Adjustments between group accounts and council accounts

In the group movement in reserves statement, adjustments between group accounts and council accounts are required to bring the Council's reserve balances back to the amount presented in the Council-only figures (before adjustments between accounting basis and funding basis under regulations). This is because intra-group transactions are eliminated when total comprehensive income and expenditure is calculated for the group. The adjustments between group accounts and council accounts can be analysed as follows:

2024/25 £m	Adjustments between Group accounts and Council accounts	2025/26 £m
0.168	Grants made by the Paisley, Renfrew and Johnstone Common Good Funds to Renfrewshire Council in contribution towards the funding of community events and projects	0.230
0.059	Governance costs charged to the Paisley, Renfrew and Johnstone Common Good Funds by Renfrewshire Council	0.059
(0.186)	Interest income received from Renfrewshire Council by the Paisley, Renfrew and Johnstone Common Good Funds	(0.173)
(16.654)	Service charge and other expenditure payable by Renfrewshire Council to OneRen	(15.762)
0.631	Expenditure payable by OneRen to Renfrewshire Council	0.373
0.023	Expenditure/(income) payable by/(to) Paisley Museum Reimagined Limited to/(by) Renfrewshire Council	(0.023)
(15.959)	Total adjustments between Group accounts and Council accounts	(15.296)

Note G6: Group financing and investment income and expenditure

2024/25 (restated) £m	Group financing and investment income and expenditure	2025/26 £m
21.607	Interest payable and similar charges	21.537
4.014	Net interest on the net defined benefit liability	4.029
(5.762)	Interest receivable and similar income	(2.803)
(1.404)	Income and expenditure in relation to investment properties and changes in their fair values	(0.630)
(0.308)	Other investment income	(2.398)
18.147	Total financing and investment income and expenditure	19.735

Note G7: Group Usable reserves

2024/25 (restated) £m	Group Usable Reserves	2025/26 £m
(235.195)	Council Usable Reserves - Note 7	(237.414)
	Group Usable Reserves:	
(25.794)	Paisley, Renfrew and Johnstone Common Good Funds: unrestricted funds	(26.250)
(1.637)	OneRen	(2.375)
(1.209)	Paisley Museum Reimagined Limited	(1.287)
(1.927)	Renfrewshire Health and Social Care Integration Joint Board	(1.927)
(265.762)	Total Group Usable Reserves	(269.253)

Note G8: Group Unusable reserves

Unusable reserves are those reserves that the Council is not able to utilise to provide services. Included within the total Group Unusable Reserves are the unusable reserves of the Council's subsidiaries; also included is the Council's share of the reserves of the associates and joint ventures within the group.

2024/25 (restated) £m	Group Unusable Reserves	2025/26 £m
(1,320.056)	Council Unusable Reserves - Note 8	(1,534.426)
	Group Unusable Reserves:	
(5.909)	Paisley, Renfrew and Johnstone Common Good Funds: financial instruments revaluation reserve	(8.317)
(11.730)	Paisley, Renfrew and Johnstone Common Good Funds: revaluation reserve	(13.106)
(1.845)	Coats Observatory Trust: revaluation reserve	(2.369)
0.440	OneRen: pension reserve	0.438
(0.121)	Park Lane Developments (Renfrewshire) LLP	(0.094)
	Council share of the Reserves of associates and joint ventures:	
(44.072)	Strathclyde Partnership for Transport	(48.100)
(0.303)	Strathclyde Concessionary Travel Scheme Joint Committee	(0.374)
(0.903)	Renfrewshire Valuation Joint Board	(1.084)
(10.153)	Renfrewshire Health and Social Care Integration Joint Board	(12.300)
0.023	AMIDS (Renfrewshire) LLP	0.048
(1,394.629)	Total Group Unusable Reserves	(1,619.684)

Note G9: Group investment properties

The following items of income and expense have been accounted for in the 'Financing and investment income and expenditure' line in the group CIES:

2024/25 £m	Group Investment Properties	2025/26 £m
(0.315)	Rental income from investment property	(0.315)
(0.315)	Net (gain) or loss	(0.315)

There are no restrictions on the Council's ability to realise the value inherent in investment property, nor on the right to the remittance of income and the proceeds of disposal. With regards Common Good properties, the Council is obliged to observe the provisions of the Community Empowerment (Scotland) Act 2015 in terms of public consultation on disposal proposals; however, the right to the remittance of income and proceeds of disposal remains with the Common Good Funds. The following table summarises the movement in the fair value of investment properties during the year:

2024/25 £m	Group Investment Properties	2025/26 £m
0.415	Balance at 1 April	0.409
(0.006)	Fair value changes	(0.006)
0.409	Balance at 31 March	0.403

Note G10: Group Property, plant and equipment

Movements in 2025/26	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Balance sheet net carrying amount at 31 March 2025	1,955.001	16.597	1,971.598
Additions	155.105	0.693	155.798
Disposals	(4.294)	0.000	(4.294)
Depreciation	(96.451)	(0.073)	(96.524)
Revaluation adjustments taken to the Revaluation Reserve	221.212	0.802	222.014
Revaluation adjustments recognised in the CIES	(8.459)	0.000	(8.459)
Balance sheet net carrying amount at 31 March 2026	2,222.114	18.019	2,240.133
Gross carrying amount at 31 March 2026	2,057.296	23.085	2,080.381
Accumulated depreciation at 31 March 2026	(182.639)	(5.066)	(187.705)
Infrastructure assets	347.457	0.000	347.457
Balance sheet net carrying amount at 31 March 2026	2,222.114	18.019	2,240.133

Movements in 2024/25 (restated)	Council PPE (Note 9) £m	Council share of Group PPE £m	Total Group PPE £m
Balance sheet net carrying amount at 31 March 2024	1,858.221	15.748	1,873.969
Assets reclassified (to) or from the “held for sale” category	(2.492)	0.000	(2.492)
Other asset reclassifications	(1.090)	1.090	0.000
Recognition of Right of Use Assets and Increase in PPP liability	20.795	0.000	20.795
Additions	119.440	0.352	119.792
Disposals	(1.823)	0.000	(1.823)
Depreciation	(96.776)	(0.593)	(97.369)
Impairment adjustments recognised in the CIES	(2.934)	0.000	(2.934)
Revaluation adjustments taken to the Revaluation Reserve	86.293	0.000	86.293
Revaluation adjustments recognised in the CIES	(24.633)	0.000	(24.633)
Balance sheet net carrying amount at 31 March 2025	1,955.001	16.597	1,971.598
Gross carrying amount at 31 March 2025	1,893.3100	21.5900	1,914.900
Accumulated depreciation at 31 March 2025	(173.7850)	(4.9930)	(178.778)
Infrastructure assets	235.476	0.000	235.476
Balance sheet net carrying amount at 31 March 2025	1,955.001	16.597	1,971.598

Note G11: Group heritage assets

A valuation of the fair value of the Council's Heritage Assets was carried out by an external valuer between October 2021 and March 2022, resulting in an increase of £4.883m. The value at 31 March 2026 was £44.404m (£44.404m in 2024/25). Included in this value are the civic regalia and equipment of the Paisley, Renfrew and Johnstone Common Good Funds, which have been externally valued on a present value insurance basis at £0.218m as at 31 March 2026 (£0.218 at 31 March 2025).

Note G12: Group short-term debtors

The balances detailed below are composed mostly of the debtors of the Council, to which the debtors of OneRen, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2025 (restated) £m	Group Short-term Debtors	As at 31 March 2026 £m
7.148	Trade receivables	8.364
6.471	Prepayments	5.229
49.366	Other receivables	63.677
62.985	Total	77.270

Note G13: Group short-term creditors

The balances detailed below are composed mostly of the creditors of the Council, to which the creditors of OneRen, Park Lane Developments (Renfrewshire) LLP and the Paisley, Renfrew and Johnstone Common Good Funds have been added.

As at 31 March 2025 (restated) £m	Group Short-term Creditors	As at 31 March 2026 £m
(14.078)	Trade payables	(31.470)
(55.969)	Other payables	(80.278)
(70.047)	Total	(111.748)

Note G14: Amounts due between Renfrewshire Council and its associates and joint ventures

An analysis of the amounts owing and owed between the Council and its associates and joint ventures, analysed into amounts relating to loans and amounts relating to other balances, is shown in the table below.

As at 31 March 2025 £m		As at 31 March 2026 £m
	Amounts owing to Renfrewshire Council:	
0.309	Other balances	0.551
0.309	Total	0.551
	Amounts owed by Renfrewshire Council:	
(24.186)	Liability for Renfrewshire Integration Joint Board's retained underspend	(28.480)
(1.801)	Other balances	(1.520)
(25.987)	Total	(30.000)

Note G15: Group financial instruments

Balance sheet carrying amounts of group financial instruments

The following categories of financial instrument are carried in the group balance sheet. Additional qualitative information on the various categories of financial instruments can be found in Note 21: Financial Instruments.

As at 31 March 2025 (restated)		Financial Liabilities	As at 31 March 2026	
Long-term £m	Current £m		Long-term £m	Current £m
(232.050)	(5.000)	Principal sum borrowed	(294.432)	(0.002)
0.000	(2.694)	Accrued interest	0.000	(3.110)
(232.050)	(7.694)	Total Public Works Loan Board (PWLB) borrowing	(294.432)	(3.112)
0.000	(46.766)	Principal sum borrowed	(20.000)	(26.766)
0.000	(0.858)	Accrued interest	0.000	(0.857)
0.000	(0.588)	EIR adjustments	(0.324)	(0.251)
0.000	(48.212)	Total non-PWLB borrowing (“market debt”)	(20.324)	(27.874)
0.000	(29.898)	Borrowing from group entities	0.000	(38.089)
(232.050)	(85.804)	Total Borrowing	(314.756)	(69.075)
0.000	(32.506)	At amortised cost: Trade payables	0.000	(72.705)
(76.100)	(4.775)	Service concession and finance lease liabilities	(72.136)	(4.968)
(0.395)	0.000	Financial guarantees	(0.260)	0.000
(76.495)	(37.281)	Financial Liabilities included in Creditors	(72.396)	(77.673)

As at 31 March 2025		Financial Assets	As at 31 March 2026	
Long-term £m	Current £m		Long-term £m	Current £m
0.000	17.521	At amortised cost: Principal	0.000	24.589
0.000	0.017	At amortised cost: Accrued interest	0.000	0.039
0.000	(0.004)	At amortised cost: Loss allowance	0.000	(0.005)
28.604	0.000	At fair value through other comprehensive income - designated equity instruments	31.927	0.000
28.604	17.534	Total Investments	31.927	24.623
0.000	(6.155)	At amortised cost: Principal	0.000	7.094
0.000	0.029	At amortised cost: Accrued interest	0.000	0.025
0.000	(0.003)	At amortised cost: Loss allowance	0.000	(0.003)
0.000	13.644	At fair value through profit or loss	0.000	35.876
0.000	7.515	Total Cash and cash equivalents	0.000	42.992
5.959	70.939	At amortised cost: Trade receivables	5.873	80.064
1.014	0.044	At amortised cost: Loans made for service purposes	0.916	0.041
(4.972)	(23.847)	At amortised cost: Loss allowance	(4.969)	(18.369)
2.001	47.136	Financial Assets included in Debtors	1.820	61.736

Note: the figures in this table include accrued interest where this is applicable

Fair value of group financial instruments

The fair value through other comprehensive income financial assets carried on the group balance sheet comprise the Council's insurance fund investments and the investments of the Paisley and Renfrew Common Good Funds. The fair value of these investments equates to the market value of the investments as provided by the Council's investment manager, LGT Wealth Management. In terms of the fair value measurement hierarchy the financial instruments measured at fair value are considered to be Level 1 being quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date, Level 2 being inputs other than quoted prices that can be accessed at the measurement date, or Level 3 being unobservable inputs e.g. cashflow forecasts or estimated creditworthiness (see table below).

As at 31 March 2025		Financial Liabilities	Fair value level	As at 31 March 2026	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
		Financial liabilities measured at amortised cost:			
(239.743)	(189.683)	Public Works Loan Board borrowing	2	(297.547)	(238.477)
(48.211)	(53.523)	Non-PWLB borrowing ("market debt")	2	(48.198)	(53.858)
		Other liabilities:			
(80.875)	(80.875)	Service concession and finance lease liabilities	3	(77.103)	(77.103)
(0.395)	(0.395)	Financial guarantees	3	(0.260)	(0.260)
(369.224)	(324.476)	Total financial liabilities for which fair value is disclosed		(423.108)	(369.698)
		Financial liabilities measured at amortised cost:			
(29.898)	n/a	Borrowing from group entities		(38.089)	n/a
(32.506)	n/a	Trade payables: short-term		(72.705)	n/a
(62.404)		Total financial liabilities for which fair value is not disclosed		(110.794)	

As at 31 March 2025 (restated)		Financial Assets	Fair value level	As at 31 March 2026	
Carrying Amount £m	Fair value £m			Carrying Amount £m	Fair value £m
13.128	13.128	Callable deposits in money market funds	1	35.326	35.326
0.516	0.516	Euro account balances with the Council's banker	2	0.550	0.550
28.604	28.604	Investments in pooled funds	1	31.927	31.927
42.248	42.248	Total Financial assets measured at fair value		67.803	67.803
17.534	17.534	Fixed term deposits with UK building societies	2	24.623	24.623
(6.168)	(6.168)	Callable deposits with UK banks and building societies*	2	7.077	7.077
0.040	0.040	Imprest accounts held at council establishments	2	0.040	0.040
1.023	1.037	Loans made for service purposes	3	0.925	0.945
12.429	12.443	Total Financial assets measured at amortised cost		32.665	32.685
54.677	54.691	Total financial assets for which fair value is disclosed		100.468	100.488
		Financial assets measured at amortised cost:			
1.020	n/a	Trade receivables and prepayments: long-term		0.934	n/a
47.093	n/a	Receivables and prepayments: short-term		61.697	n/a
48.113		Total financial assets for which fair value is not disclosed		62.631	

**includes current sterling account balances with the Council's banker.*

The short-term nature of cash and cash equivalents means that their fair value equates to their balance sheet carrying amount. Further qualitative information on the fair value of financial instruments can be found in Note 22.

Items of income, expense, gain and loss relating to group financial instruments

The following items of income, expense, gain and loss relating to group financial instruments are included within the lines 'Financing and Investment income and expenditure' and '(Surplus) or deficit from investments in equity instruments designated as 'Fair Value through Other Comprehensive Income (OCI*)' in the group CIES.

2024/25 £m		Financial Assets			Financial liabilities at amortised cost £m	2025/26 £m
		Amortised cost £m	Elected to Fair Value through OCI* £m	Fair Value through Profit or Loss £m		
16.932	Interest expense	0.000	0.000	0.000	16.344	16.344
2.197	Impairment losses	1.602	0.000	0.000	0.000	1.602
0.000	Fee expense	0.000	0.000	0.000	0.022	0.022
0.423	Other expense	0.000	(0.600)	0.000	0.000	(0.600)
19.552	Total expense in the Surplus / Deficit on the Provision of	1.602	(0.600)	0.000	16.366	17.368
(5.756)	Interest income	(1.687)	0.000	(1.105)	0.000	(2.792)
(0.828)	Dividend income	0.000	(0.873)	0.000	0.000	(0.873)
(6.584)	Total income in the Surplus/Deficit on the Provision	(1.687)	(0.873)	(1.105)	0.000	(3.665)
0.040	Net (gain) or loss on revaluation	0.000	(2.588)	(0.023)	0.000	(2.611)
0.040	(Surplus)/Deficit on the revaluation of financial assets	0.000	(2.588)	(0.023)	0.000	(2.611)
13.008	Net (Gain)/Loss for the year	(0.085)	(4.061)	(1.128)	16.366	11.092

Group Accounting Policies

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("the Code") requires local authorities to consider their interests in all types of entity.

This includes other local authorities or similar bodies defined in section 106 of the Local Government (Scotland) Act 1973, for example statutory bodies such as valuation boards.

Authorities are required to prepare a full set of group accounts in addition to their own Council's accounts where they have a material interest in such entities.

Combining entities

Renfrewshire Council's group accounts consolidate the results of the Council with the results of the Paisley, Renfrew and Johnstone Common Good Funds; the Coats Observatory Trust administered by Renfrewshire Council; and eight other entities:

1. Renfrewshire Leisure Limited, trading as OneRen;
2. Paisley Museum Reimagined Limited;
3. Park Lane Developments (Renfrewshire) LLP;
4. Strathclyde Partnership for Transport;
5. Strathclyde Concessionary Travel Scheme Joint Committee;
6. Renfrewshire Valuation Joint Board;

7. Renfrewshire Health and Social Care Integration Joint Board;
8. AMIDS (Renfrewshire) LLP.

The Council has effective control over OneRen, Paisley Museum Reimagined Limited, the Paisley, Renfrew and Johnstone Common Good Funds and the Coats Observatory Trust administered by Renfrewshire Council (as sole trustee) and, as such, these are treated as subsidiaries in the Council's group accounts, with assets, liabilities, reserves, income and expenses being consolidated line-by-line.

The Council also holds 50% (£50) of the share capital of Park Lane Developments (Renfrewshire) LLP. Under the terms of the Partnership Agreement, the Council has enhanced voting rights and Park Lane Developments (Renfrewshire) LLP has no claim on the remaining assets should the partnership be wound up; therefore, the entity is treated as a subsidiary.

Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee are included within the group accounts under the definition of associate, even though the Council holds less than 20% or more of the voting (or potential voting) power (which is the criterion normally used to confer significant influence). However, the view has been taken that the nature of the funding arrangements between the constituent Councils and these entities is sufficient to confer significant influence.

Renfrewshire Valuation Joint Board is included within the group accounts as an associate because the Council does not have a controlling interest in the body in terms of the voting rights.

Renfrewshire Council's share of each associate's net assets or liabilities is calculated based on the Council's proportionate contribution to each associate's annual revenue costs. The Council has no shares in, or ownership of, any of these three organisations, which are entirely independent of the Council under law and for taxation.

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and adult social care in Scotland.

Scottish Ministers legally established the Renfrewshire Health and Social Care Integration Joint Board on 27 June 2015 as a formal legal partnership between Renfrewshire Council and NHS Greater Glasgow and Clyde. This entity is included as a joint venture in the Council's group accounts. Renfrewshire Council's share of the joint venture's net liabilities is calculated based on the Council's proportionate ordinary shareholding in the joint venture.

Basis of preparation of group statements and going concern

For the associates and joint ventures detailed above, the combination has been accounted for under the accounting conventions of the acquisition basis using the equity method, with the Council's share of the net assets or liabilities of each entity incorporated and adjusted each year by the Council's share of that entity's results and the Council's share of other gains and losses (recognised in the group CIES).

For four of the combining entities the Council has a share in a net liability. The net liability position of both the Renfrewshire Valuation Joint Board and OneRen arises from the inclusion of liabilities related to the defined benefit pension schemes as required by IAS19 (which requires that pension liabilities reflect the long-term cost of paying post-employment benefits). For Park Lane Developments (Renfrewshire) LLP the net liability arises from long-term borrowing to fund regeneration work within and around the site of the former Arnott's store in Paisley.

All of the organisations noted above prepare their annual accounts on a going concern basis. Arrangements with the Council and other funders for

the longer-term funding of Park Lane Developments (Renfrewshire) LLP are considered sufficient to meet future funding requirements. The Council will continue to support Paisley Museum Reimagined Limited until their anticipated revenue generation materialises.

Consideration for acquisition of associates' net assets or liabilities

The Council has acquired its share of the net assets of its associates for a nil consideration. There is no deferred or contingent purchase consideration. A fair value for its share of the net assets or liabilities of the three joint boards and committees at the point of acquisition and the post-acquisition results are unable to be accurately determined in view of the length of time since the transfer of these responsibilities at local government re-organisation in 1996 and the change in accounting for pensions under FRS17 in 2003/04.

It is not possible to provide the fair value of the investment in the other combining entities of the Council as there are no published price quotations for these entities. No goodwill has been included in the group balance sheet in view of the length of time since acquisition, that no consideration was involved and that a fair value at the date of acquisition cannot now be properly assessed.

Group boundary: non-material interests in other entities

The Council has a significant interest in three joint committees that have not been included in the group accounts. The Council's share of their net assets or liabilities is not material to the fair understanding of the financial position and transactions of the Council. In the interest of transparency, details of the business nature of each organisation are shown in notes G1 and G2.

Inventories

Inventories (generally consumable stock) are included in the group balance sheet at weighted average cost and the lower of cost or net realisable value: weighted average cost – Council's stock; lower of cost or net realisable value – OneRen's stock. The difference in valuation methods does not have a material effect on the results of the group given the levels of stockholdings in these entities.

Post-employment benefits

In common with Renfrewshire Council, all combining entities, except Park Lane Developments (Renfrewshire) LLP, participate in the Local Government Pension Scheme, which is administered locally by Glasgow City Council through the Strathclyde Pension Fund. The associates have accounting policies for pensions accounting that are consistent with those of the Council.

Property, plant and equipment

The basis of valuation across the combining entities is in accordance with the Code. Operational property, plant and equipment assets are shown at the lower of net replacement cost or net realisable value in existing use with the following exceptions:

i) The Concessionary Travel Scheme Joint Committee has no fixed assets.

ii) Strathclyde Partnership for Transport holds exceptional types of fixed assets in its balance sheet. Within intangible assets, there are subsidised bus contracts that are recorded at amortised cost. There are also "third-party" assets that are rolling stock and other public assets used by other transport operators but which the partnership has the power to direct to the benefit of the travelling public within the partnership's operating area – these are held at historic cost.

iii) OneRen uses the historic cost convention for its recent leasehold improvements, but this is

considered a suitable proxy for market value in existing use on a replacement cost basis. OneRen also uses depreciated historic cost for its computers, plant, furniture and fittings rather than the Council's depreciated replacement cost basis, however this is not considered to be material given the small values involved.

Restrictions on the transfer of funds

The Council's share of the reserves of its associates is unusable in that it cannot be used to fund the Council's services nor to reduce taxation. All associates are entirely independent of the Council under law and for taxation. The Council is unable to access their reserves, whether classified as usable or otherwise in the associate's own financial statements.

Value Added Tax

Value Added Tax in respect of the Council's subsidiaries that are independent of the Council under law and for taxation, viz. OneRen, Park Lane Development (Renfrewshire) LLP and Paisley Museum Reimagined Limited, is accounted for within income and expenditure to the extent that it is irrecoverable from HM Revenue and Customs.

Renfrewshire Council

Finance and Resources, Renfrewshire House, Cotton Street, Paisley PA1 1JB
Telephone: 0300 300 0285 www.renfrewshire.gov.uk