

ITEM No ...7.....

REPORT TO: SCRUTINY COMMITTEE – 28 JUNE 2023

REPORT ON: DUNDEE CITY COUNCIL - UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 190-2023

1 PURPOSE OF REPORT

To provide some background and additional commentary on the Council's unaudited Annual Accounts for the year ended 31 March 2023 which are being submitted to the Scrutiny Committee along with this report.

2 RECOMMENDATIONS

It is recommended that the Committee:

- i notes the contents of this covering report;
- ii notes the unaudited Annual Accounts which have been submitted along with report;
- iii instructs the Executive Director of Corporate Services to arrange for the unaudited Annual Accounts to be signed as required and submitted to the Council's external auditor by 30 June 2023 at the latest; and
- iv notes that the key assumptions underpinning the independent actuary's calculation of the Council's IAS 19 liability have been reviewed and accepted by the Council as administering authority for the Pension Fund.
- v notes that a members' briefing on the Annual Accounts will be arranged

3 FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report.

4 BACKGROUND

4.1 The relevant statutory provisions regarding the preparation of the Council's Accounts are contained in the Local Authority Accounts (Scotland) Regulations 2014. Section 8 of these regulations requires that:

“(9) A local authority or a committee of that authority whose remit includes audit or governance functions must meet to consider the unaudited Annual Accounts as submitted to the auditor.

(10) The meeting referred to in paragraph (9) must be held no later than 31st August immediately following the financial year to which the Annual Accounts relate.”

4.2 As in previous years the Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code). There are no significant changes included within the 2022/2023 Code, that impact upon the Council's Accounts.

- 4.3 The Annual Accounts already include a detailed management commentary on the figures contained therein and it is not intended to repeat this in this covering report.
- 4.4 An overall deficit on General Fund of £4.666m was generated during the 2022/2023 financial year. This was against a £19.315m budgeted reduction in General Fund balances. This represents an overall net underspend of £14.649m against the 2022/2023 Revenue Budget. The main components of the net underspend are included within the tables set out on pages 3 to 5 of the Annual Accounts document.
- 4.5 The Council's 2022/2023 Movement in Reserves Statement shows that there was a decrease on General Fund services of £4.666m during the year. This gives a closing General Fund Balance of £56.647m as at 31 March 2023, of which £47.421m is earmarked for specific purposes. This can be analysed as follows:

	£m
Earmarked Carry-forwards	5.962
Covid cost related pressures	14.647
Covid recovery measures	1.280
Service change initiatives	5.000
Roof remedial works	3.707
Other Cost Pressures (Children Services)	4.300
Council Tax	1.750
Other earmarked funds	6.975
Energy Pressures	3.800
Total Earmarked Funds	47.421
Unallocated Balance	9.226
Total General Fund Balance	56.647

Further details of the break-down of the overall General Fund balance are shown in note 10 on page 75 of the accounts.

- 4.6 The total value of usable cash-backed revenue reserves has decreased over the year by £5.176m to £76.115m at 31 March 2023. Please refer to the table on page 6 of the accounts for a breakdown of usable reserves. Included in this figure is a balance of £0.327m on the Capital Receipts Unapplied Account, held to fund future transformation projects. This represents capital receipts from asset sales allocated for this purpose, but not yet spent. Please refer to Note 47 on page 115 for further details.
- 4.7 The Council's net pension asset (as calculated under IAS 19) has increased over the year by £372.7m, to £305.8m at 31 March 2023. The improvement in actuarial valuation was due mainly to changes in actuarial assumptions. The key assumptions underpinning the independent actuary's calculation of the Council's IAS 19 asset have been reviewed and accepted by the Council as administering authority for the Pension Fund.
- 4.8 Copies of the enclosed Accounts will be sent to the Council's appointed external auditor (Brian Howarth, Assistant Director, Audit Services, Audit Scotland) by no later than 30 June 2023 to commence the audit of the Accounts. The audit completion deadline is 31 October 2023 but we hope and anticipate that the audit will be completed in time for reporting to the Scrutiny Committee on 26 October 2023.

5 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

7 BACKGROUND PAPERS

None.

**ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

22 JUNE 2023

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Annual Accounts

As at 31 March 2023

Unaudited



June 2023

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Dundee City Council

Annual Accounts 2022/2023

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PART 1 - INTRODUCTION & BACKGROUND

We are pleased to present the Unaudited Annual Accounts for Dundee City Council (“the Council”) and its Group for the year ended 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (“the Code”). This management commentary provides context for the annual accounts, an analysis of financial and non-financial performance and an insight into the priorities and plans of the Council and the key developments during the period. The principal financial risks and uncertainties facing the Council are identified, together with the potential impact and actions being taken.

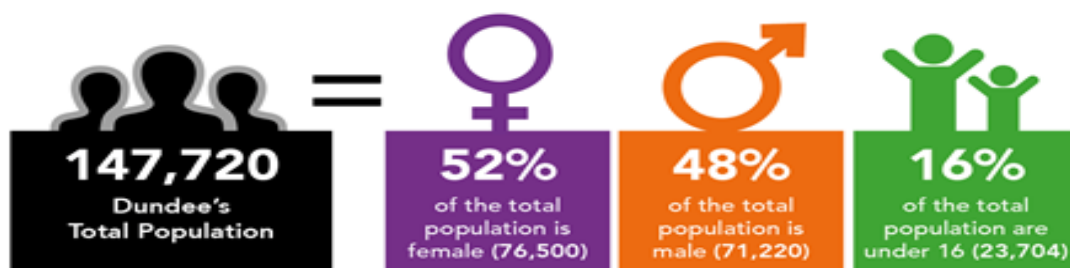
Service and Management Structures

There were no significant changes to service and management structures during 2022/2023. The Council's five strategic service areas and two key partnerships (DHSCP and LACD) are:

	Children and Families	The Children and Families Service is responsible for Nursery, Primary and Secondary Education, Community Justice Services and Integrated Children’s Services
	City Development	City Development Services is responsible for the promotion of jobs, the city’s road network, transportation facilities and Council properties and the control of development and building operations.
	Dundee Health & Social Care Partnership	The Dundee Health and Social Care Partnership brings together adult health and social care services.
	Neighbourhood Services	Neighbourhood Services is responsible for the management and maintenance of housing and the environment, waste management, supporting people to develop their communities and keeping people safe and healthy.
	Leisure & Culture Dundee	Leisure and Culture Dundee is a Scottish Charitable Incorporated Organization responsible for Leisure and Sport, Libraries and Culture.
	Corporate Services	Corporate Services is responsible for Corporate Finance, Customer Services, IT, Democratic and Legal Services, Human Resources and Business Support.
	Chief Executive’s Services	The Chief Executive’s Service is responsible for the efficient and effective management of the Council and its resources and for Community Planning, Transformation and Performance, Communications and National Entitlement Card for Scotland.

Dundee City Council

Dundee is Scotland’s fourth largest city, situated on the north coast of the Tay Estuary. The Dundee City Council area covers 60 square kilometres and is, geographically, the smallest local authority area in Scotland. Dundee is home to 147,720 people and is bordered by Perth and Kinross Council to the west and Angus Council to the north and east. Dundee continues to serve as the regional centre for this area and North-East Fife, with an estimated catchment population of some 490,000 people. Dundee has a sizeable student population, and is home to the University of Dundee, Abertay University and Dundee & Angus College. Dundee was Scotland’s first Fair Trade City, the UK’s first Living Wage City and the UK’s first UNESCO City of Design.



PART 2 - FINANCIAL MATTERS

Review of the 2022/2023 Financial Year - Revenue Budget

The 2022/2023 General Services Revenue Budget was agreed at the meeting of the Policy and Resources Committee on 24 February 2022. Council Tax for Band D were increased by 2.9%, after budget savings totalling £1.604m were approved (in addition to base budget savings of £7.316m). £0.300m of ear-marked General Fund balances were also used in balancing the 2022/2023 budget. The 2022/2023 Housing Revenue Account Budget was agreed at the meeting of the Policy and Resources Committee on 24 January 2022 and it was also agreed that rent levels would increase on average by 1.50%.

The Policy and Resources Committee received regular revenue monitoring reports during 2022/2023 in order to keep elected members fully appraised as to the projected outturn position.

The Consolidated Income & Expenditure Statement (page 52) shows a deficit on the provision of services of £80.483m for 2022/2023, measured on an accounting basis. This deficit is carried forward to the Movement in Reserves Statement (page 54), where adjustments totalling (£75.307m) have been made to restate the accounting position to a funding basis. The overall net decrease in usable reserves is £5.176m on a funding basis. The Expenditure and Funding Analysis (page 49) provides a detailed reconciliation between the funding and accounting bases, with the former also providing a direct linkage back to the regular revenue monitoring reports to Committee.

Within the overall net decrease in usable reserves of £5.176m, the decrease in the General Fund and Housing Revenue Account balances over the year was £4.666m. This was against a budgeted £19.315m reduction in General Fund and Housing Revenue Account balances and this represents an overall net underspend of £14.648m against the 2022/2023 Revenue Budget. The main components of the net underspend are as follows:

	(Under)/ Over Spend £m
Children & Families Services	1.089
Dundee Health & Social Care Partnership	-
City Development	(0.952)
Neighbourhood Services	(4.163)
Chief Executive	(2.179)
Corporate Services	(1.605)
DCS Construction	1.075
Housing Revenue Account	(0.951)
Other Miscellaneous Service Budgets	(3.140)
Net Underspend on Services	(10.826)
Other Operating Expenditure	-
Financing & Investment Income & Expenditure	4.203
Taxation and Non Specific Grant Income	(2.106)
Net Underspend per Comprehensive Income & Expenditure Statement	(8.729)
Items in Movement in Reserves Statement:	
Pension Contributions	(0.717)
Loan Repayments & CFCR	(6.197)
Net Underspend Before Appropriations	(15.643)
Additional Contributions to / (from) Reserves:	
Surplus on Housing Revenue Account (transferred to Renewal & Repair Fund)	1.807
Insurance Fund	(0.813)
Net Underspend After Appropriations	(14.648)

At a more detailed level, the main areas of variance against budget are shown in the table below.

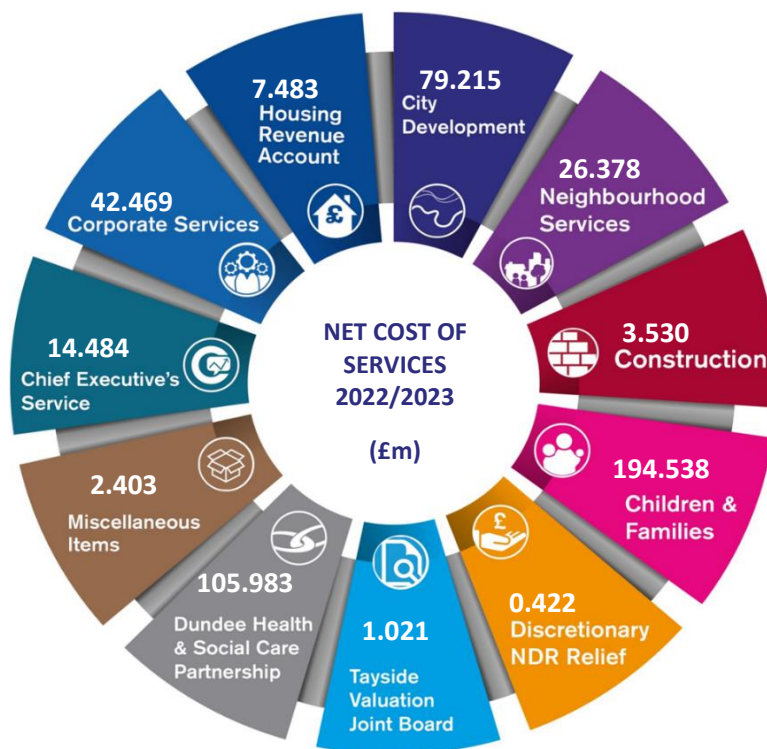
	(Under)/ Over Spend £m
Staff Costs (across all services)	(6.038)
Children & Families:	
Third party payments - overspend in Children Services due to a higher than anticipated number of children who have been placed into secure care	5.688
Increased property costs reflecting rising energy prices	0.417
Supplies and Services mainly due to overspend in school meals, school library and recreational services	0.430
Additional income in relation to Special Education Needs recoveries; monies for Refugees; Children's Services - Home Office Income, Asylum Seekers, Children Experiencing Domestic Abuse (CEDAR) Income and Whole Family Wellbeing Fund	(2.608)
City Development:	
Increased energy, cleaning and maintenance costs. Reflects higher reactive property maintenance costs directly influenced by property assessments/inspections carried out during the year, costs such as Health & Safety, Fire Risk, Asbestos and essential remedial works	1.200
Winter maintenance programme	0.563
Increased payments to Tayside Contract and payments for other emergency works	0.447
Additional fees and charges in relation Planning & Building Standards; Additional income from operational properties; Additional grant income for Air Quality and Development Partnership Fund and various economic development and other project related underspends.	(1.716)
Project-related underspends in third party payments	(0.629)
Neighbourhood Services:	
Greater than anticipated corporate fleet recharges and hire charges	0.784
Various underspends in Supplies & Services	(0.316)
Underspend due to share of Excess Revenue Share from the New Waste Plant	(4.457)
Net additional income in relation to providing temporary accommodation	(0.419)
Corporate Services:	
Underspends in transfer payments and additional funding allocations	(1.070)
Chief Executive:	
Various underspends in supplies & services and third party payments mainly due to project-related underspends.	(1.979)
Construction:	
Shortfall in income generation	2.223
HRA:	
Additional expenditure on relets and void losses greater than budgeted	1.652
Additional income received in relation to legal settlement	(2.054)
Miscellaneous:	
Increase in impairment allowance on trade debtors	0.321
Renewal & Repair Fund Transfer (HRA surplus)	1.807
Contingencies & other items - mainly corporate provisions set aside for pay pressures that are no longer required	(3.959)
Additional Council Tax income	(1.846)
Loan Repayments, Capital financing costs (interest costs) & CFCR	(2.230)
Insurance Fund contribution	(0.813)

The overall General Fund balance has decreased by £4.666m over the year, to £56.647m at 31 March 2023 of which £47.421m is earmarked for specific purposes. This can be analysed as follows:

	£m
Earmarked Carry-forwards	5.962
Covid cost related pressures	14.647
Covid recovery measures	1.280
Service change initiatives	5.000
Roof remedial works	3.707
Other Cost Pressures (Children Services)	4.300
Council Tax	1.750
Other earmarked funds	6.975
Energy Pressures	3.800
Total Earmarked Funds	47.421
Unallocated Balance	9.226
Total General Fund Balance	56.647

Further details of the breakdown of the overall General Fund balance are shown in note 10 on page 75. The value of net assets shown in the Council’s Balance Sheet (page 55) has increased from £827.1m (at 31 March 2022) to £1,294.7m (at 31 March 2023) i.e. an increase of £467.6m. The main reasons for this movement are a higher actuarial valuation of the Pension Asset of £372.7m plus increases to the carrying value of assets of £101.9m following revaluations during 2022/2023.

The Cash Flow Statement (page 56) shows that cash and cash equivalents have decreased by £24.1m over the period, with a closing cash and cash equivalents position of £12.7m.



Management of Reserves

Under the Council’s Standing Orders and Schemes of Administration, the Executive Director of Corporate Services has delegated powers to:

- manage the Council's various reserves and balances in accordance with the agreed protocol and any other relevant guidance, and
- transfer funds between reserves as part of the Council's overall financial management arrangements.

The agreed protocol for the operation of the Council's Reserves states that the Executive Director of Corporate Services shall include a statement showing the movements in the Council's Reserves in the Annual Accounts. The following table shows the movements in the Council's available cash-backed reserves during 2022/2023.

	General Fund £m	HRA Balance £m	Renewal & Repair Fund £m	Insurance Fund £m	Capital Grants & Receipts Unapplied Account £m	Capital Fund £m	Total £m
Opening Balance 1 April 2022	61.313	-	13.170	1.458	1.714	3.636	81.291
Surplus / (Deficit) for the Year	(5.365)	1.533	-	-	(0.339)	(1.005)	(5.176)
Transfer of HRA Surplus	-	(1.533)	1.533	-	-	-	0.000
Transfers Under Delegated Powers	0.699	-	0.056	(0.814)	-	0.059	0.000
Closing Balance 31 March 2023	56.647	0.000	14.759	0.644	1.375	2.690	76.115

£5.606m of capital receipts from asset sales during 2018 to 2022 were set aside to fund costs associated with future transformation projects. As at 31 March 2023, £1.348m had been used to fund severance costs (including £nil used in 2022/2023). During 2021/2022, £3.000m was transferred to the Capital Fund to fund capital projects. This leaves a balance of £1.375m at 31 March 2023. In line with the statutory guidance set out in Local Government Finance Circular 4/2019, this sum is currently held in the Capital Grants & Receipts Unapplied Account pending its use.

Review of the 2022/2023 Financial Year - Capital Budget

On 24 January 2022, the Policy & Resources Committee approved a combined five-year Capital Plan for General Services and Housing totalling £382.2m over the period 2022 to 2027 including £67.6m for later years. The gross capital budget for 2022/2023 totalled £98.681m. The Policy & Resources Committee received capital monitoring reports during 2022/2023 to keep elected members apprised of project cost to date, the projected outturn position and projected completion dates. Actual gross capital expenditure for the year was £53.318m. The following table compares the actual outturn position with budget for capital expenditure and the associated funding. The underspend against the original capital budget was due to slippage across a range of projects.

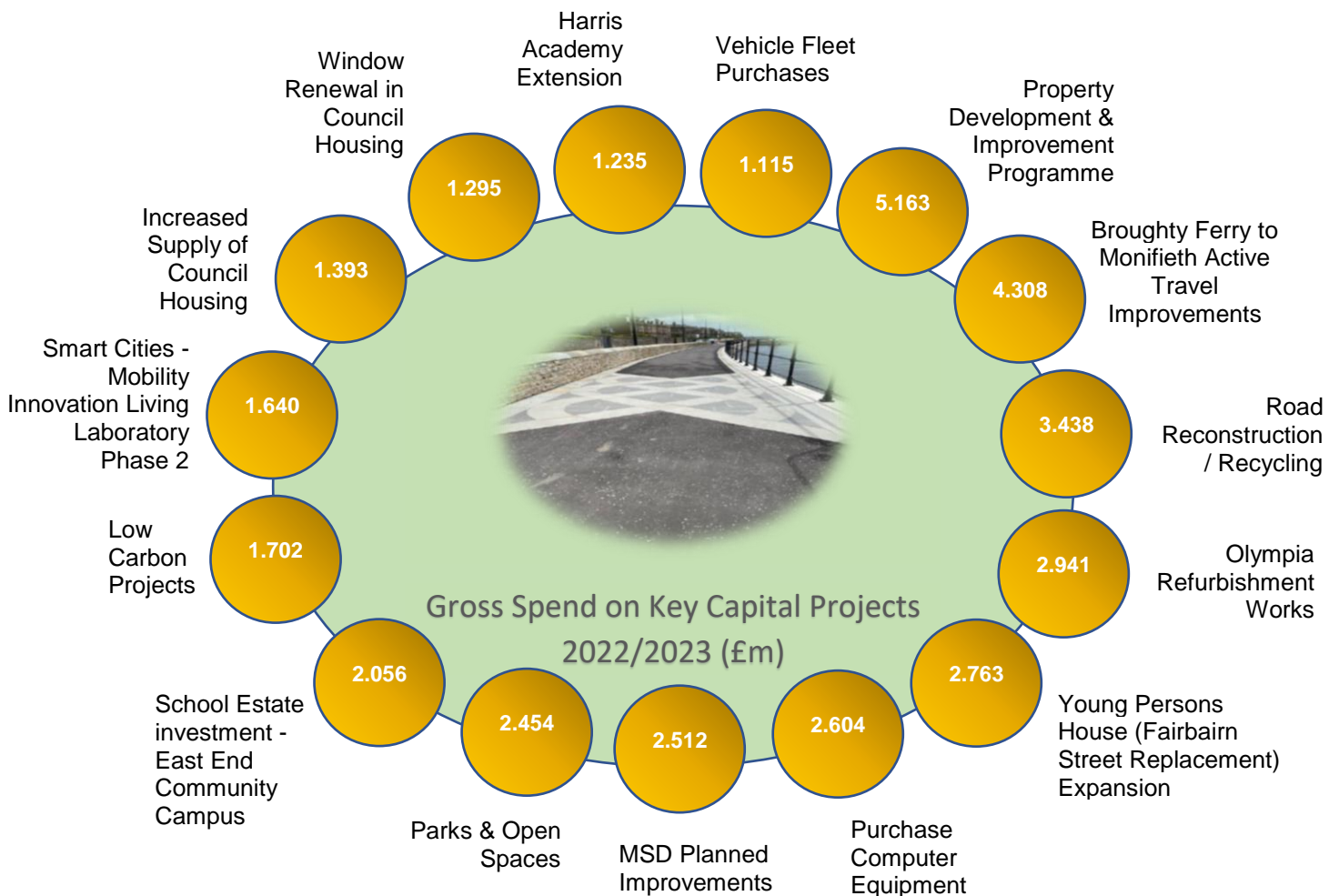
	Budget £m	Actual £m	Variance £m
Gross Capital Expenditure	98.681	53.318	(45.363)
<i>Funded by:</i>			
Borrowing	49.744	23.214	(26.530)
Capital Grants & Receipts	38.487	26.488	(11.999)
Capital Fund	3.000	1.005	(1.995)
CFCR	0.450	2.611	2.161
Slippage Allowance	7.000	0.000	(7.000)
	98.681	53.318	(45.363)

The main elements of slippage in the 2022/2023 capital programme were as follows:

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
Young Persons House (Fairbairn Street Replacement)	1,677	3,489	1,812	The original budget was prior to tendering of the contract. The budget allowance was adjusted to take account of the increased costs as a result of external cost inflation factors outwith the control of the Council.
East End Community Campus	3,489	2,056	(1,433)	Reflects changes in spend profile. Scottish Government grant funding has been approved along with the tender and works onsite have now commenced.
Harris Academy Extension	2,400	1,236	(1,164)	Costs increased reflecting current construction inflation. The project is fully funded by Perth & Kinross Council, the tender has now been approved and works onsite are ongoing.
Site 6 South Development	4,300	980	(3,320)	The planning application is approved, detailed design stage of the project has been finalised with tender costs being finalised. The early cashflow has now been reprofiled to reflect the current timescales for project delivery.
Demolition of Surplus Properties	1,750	93	(1,657)	Whilst some smaller isolated demolitions have progressed, the current position in Property and Depot Rationalisation is such that the wider demolitions programme is being fully determined. As the Property and Depot Rationalisation programme progresses, timescales for other demolition requirements will become clearer.
Sustainable Transport	9,547	0	(9,547)	Following extensive discussion with project partners, funders and national agencies, the project Board have taken the decision to end the original Dundee Hydrogen Bus Deployment programme. Discussions are under way with regards formal closure of the project and return of the original grants to the funders.
Sustainability and Low Carbon Projects	1,024	0	(1,024)	This budget has been earmarked/moved to fund energy saving measures on current projects included within the 2023-28 Capital Plan.
Property Development & Improvement Programme	6,710	5,163	(1,547)	The scoping of the various projects and technical design has been affected by factors outwith the Councils Control. The programme of works will be carried out in 2023/24.
Baldovie (Development)	2,000	164	(1,836)	Initial site investigation/design work commenced, which has resulted in a review of the location of the proposed new development. Work will continue in 2023/24 to find a suitable location.
Depot Rationalisation Programme	3,775	108	(3,667)	The development of operational client requirements has resulted in changes in design development and the revised timeline for full design, tender and construction.
Olympia Remedial Works	4,300	2,941	(1,359)	The original budget was set in Jan 2022. Since then the project has been tendered and approved at committee. Subsequent to this the project cashflow was rephased to reflect the timescales for completing the project, which remains on track to complete by October 2023.

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
Free from Serious Disrepair	3,861	2,212	(1,649)	The window and roofing programmes were reviewed throughout 2022/23 and were updated to reflect the latest estimates for the programme and realigned so that the projects are delivered in 2023/24.
Energy Efficient	6,935	638	(6,297)	Revised installation standards which changed from 01 July 2021 (PAS 2030:19 PAS 2035) affected the programme meaning projects originally designed, costed and approved are having to be redesigned and retendered. Affected projects are currently being redesigned and tendered before installations can progress and may be subject to further committee approval.
Healthy Safe and Secure	5,402	3,980	(1,422)	Multi Storey Development Improvements have been rephased into future years following a review of the proposed programmes across developments. Electrical Upgrades across the Housing stock were also rephased. This programme will continue to be delivered in 2023/24.
Increased Supply of Council Housing	5,486	1,392	(4,094)	There was slippage in the New Build Programme s which were updated throughout 2022/23 to reflect the latest timescales of various projects.

In-year gross spend on key projects in the capital programme was as follows:



Capital Funding / Treasury Management

In terms of the funding of capital expenditure, borrowing has the effect of increasing the Council's overall indebtedness and the level of principal repayments and loan interest charges each year. Capital expenditure met directly from revenue resources (CFCR) increases total net revenue expenditure in that particular year but does not result in an increase in overall indebtedness. The Council uses these methods of funding capital expenditure as part of its long- and short-term capital financing strategy. The Council has several sources available to it in terms of borrowing to fund capital expenditure. The most significant of these is the Debt Management Office (an Executive Agency of HM Treasury), although the Council can also issue bonds and borrow from the money markets and the European Investment Bank. During 2022/2023 the Council's Capital Financing Requirement (CFR) increased by £2.4m, from £776.6m to £779.0m (refer note 28 on page 96). The CFR is a measure of the capital expenditure incurred historically by the Council that has yet to be financed in future years by charges against revenue. The figure includes outstanding financing liabilities under the Schools PPP, DBFM and Waste Project contracts, together with the sale and lease-back arrangement for Dundee House (financing arrangement). The Council manages its CFR level in line with the requirements of the Prudential Code. The Council's external debt was £680.3m at 31 March 2023 (£711.4m at 31 March 2022). The fact that this is below the CFR confirms the Council is not borrowing for revenue purposes and is partly funding its capital expenditure from existing resources.

In terms of treasury management, the Treasury Policy Statement sets out the policies and objectives of the Council's Treasury Management activities and the practices to be used to achieve these. There is a separate Treasury Management Risk Register which identifies the risks associated with Treasury Management Activity as well as the measures taken to minimise or mitigate these risks where possible. Whilst these risks are continuously monitored, the Risk Register is presented to the Policy & Resources Committee on a six-monthly basis (in conjunction with Treasury Activity Reporting), and maintained within the Council's Risk Management system. The Treasury Management Strategy Statement and Annual Investment Strategy for 2022/2023, required by the Council's Treasury Policy Statement and the CIPFA Code of Practice on Treasury Management, stated that the 2022/2023 Revenue Budget had been set to include a provision of £18.855m for Capital Financing Costs, based on an average Loans Fund Interest rate of 3.5%. It identified a new net borrowing requirement in 2022/2023 of £33m which would be funded through phased borrowing during the year. During the financial year, there was no long-term borrowing undertaken and repayments of existing loans totalling £7.0m. This position was funded by use of cash reserves, short term borrowing and slippage within the capital programme.

Pension Asset / (Liability) (International Accounting Standard 19)

Under International Accounting Standard 19 (Employee Benefits) the Council is required to include figures in its Annual Accounts relating to the assets, liabilities, income and expenditure of the pension scheme for its employees. It has been estimated that the Council had a net pension asset of £305.8m as at 31 March 2023 (net pension liability of £66.9m at 31 March 2022). The decrease in the liability was due mainly to actuarial gains, in particular gains arising from changes in financial assumptions.

Material Assets, Liabilities, Charges and Credits

There were no material transactions in relation to assets, liabilities, charges or credits outwith the normal scale of activities of the Council during the 2022/2023 financial year, other than those already separately disclosed in the Accounts.

Accounting Policies (see note 1 to the Core Annual Accounts)

The Accounting Policies set out the basis upon which the Annual Accounts have been prepared, and explain the accounting treatment of both general and specific items. There were no significant changes in the accounting policies shown in note 1 during 2022/2023. CIPFA LASAAC has advised that the implementation of IFRS 16 Leases had again been deferred and will now come into the Accounting Code of Practice for 2024/2025 with a transition date of 1 April 2024, although earlier adoption will be possible.

Pension Fund Accounts

Dundee City Council is the administering authority for the Tayside Pension Fund. Further information can be found in the Tayside Pension Fund's Annual Report and Accounts which is available from the Fund's [website](#).

Financial Indicators

The following financial indicators are intended to support interpretation of the Annual Accounts and the Council's financial position and performance. They present a picture of the financial sustainability and affordability of the Council's financial plans. They also indicate how effective financial management is within the Council.

Category / Financial Indicator	2022/2023	2021/2022
<i>Reserves</i>		
Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure	2.2%	2.3%
Movement in the Uncommitted General Fund Balance	-£0.082m	+£1.246m
<i>Council Tax</i>		
In-year collection rate	96.0%	95.1%
Ratio of Council Tax Income to Overall Level of Funding	14.2%	14.1%
<i>Financial Management</i>		
Actual Outturn Net Service Expenditure compared to Budgeted Net Service Expenditure	97.8%	96.4%
Actual contribution to / (from) Unallocated General Fund Balance compared to Budget	£0.218m	£1.246m
<i>Debt / Long Term Borrowing</i>		
Capital Financing Requirement for the current year	£779.0m	£776.7m
External Debt Levels for the current year	£680.3m	£711.4m
Ratio of financing costs to net revenue stream – General Services	4.4%	5.1%
Ratio of financing costs to net revenue stream – HRA	36.3%	34.8%
Impact of Capital Investment on Weekly Rents	-£0.72	£0.08

PART 3 - KEY DEVELOPMENTS DURING 2022/2023

Achievements

During 2022/23, the Council continued to ensure that the views of citizens were heard in the development of services:

- 572 people completed the annual budget consultation survey, and their responses helped to shape the Council's spending priorities.
- Dundee's Voice was launched - a new digital tool for public engagement that will become one of the main channels for dialogue with citizens and provide another way for communities to influence what happens in the city. One of the first uses of Dundee Voice was to let residents vote on bids to the Dundee Climate Fund, the UK's first Council-led Green Participatory Budgeting initiative, which invited residents to make decisions about projects designed to raise awareness of climate change and reduce carbon emissions.
- new Local Community Plans were launched for each ward, following extensive engagement on community needs and aspirations, and a new locality leadership scheme was agreed to drive the delivery of these plans.
- we also engaged with stakeholders on an ambitious 30-year vision for the regeneration of the city centre.

The Council's Policy and Resources Committee receives a report every year on improvements to services that have been made through listening to the views of service users. Last year's highlights included providing home deliveries for free period products, making the website for the National Entitlement Card more user-friendly, bringing forward the timing of the Fuel Well scheme, and inviting parents and young people to make their voices heard about the East End Campus. Our new policy to support people affected by domestic abuse in Council housing reflected the views of those with lived experience, and we launched a corporate TikTok account in response to feedback about the best ways to interact online with younger audiences.

During 2022/23, we launched both the new City Plan and Council Plan. These strategic plans are built on engagement with local communities and include three key priorities for the coming years:

- to reduce child poverty and inequalities in incomes, education and health
- to deliver inclusive economic growth, and
- to tackle climate change and reach Net Zero emissions by 2045

Good progress was already made on these priorities during 2022/23:

On reducing poverty and inequalities:

- The third phase of Fuel Well continued to assist thousands of people with their energy costs, as well as providing advice on income maximisation, debt and employability. It was just one of a range of support payments administered by the Council during the cost of living crisis.
- We continued to support families through action on the cost of the school day, for example through making breakfast and fruit snacks readily available, subsidised trips including Primary 7 residentials, cheaper uniform suppliers, provision of PE kit, and non-stigmatising approaches to fundraising.

- We continued to use Pupil Equity Funding from the Scottish Government to help reduce the poverty-related attainment gap, for example by providing learning resources and improving digital technology.
- A 'notable improvement' in the literacy and numeracy attainment of care experienced secondary pupils was highlighted, and last year saw the highest ever % of care experienced pupils enter positive destinations after school. We also continued to support young carers at home, in school and in the community, recruiting voluntary Young Carers Ambassadors in every High School, co-producing peer education resources and introducing peer support groups for Young Carers in all secondary schools.
- We also promoted, and saw good take-up of, the scheme which allows free bus travel for thousands of young people under 22.

On delivering inclusive economic growth:

- Dundee celebrated the 100th local employer to sign up to pay the Real Living Wage, and Dundee's Living Wage Action Group was recognised for its leadership in the Living Wage Champions Awards.
- Discover Work, Dundee's local employability partnership, developed its new strategy and action plan, and reported that more than 33 people every month have been helped into a new job, training or education by Dundee's employability pathway programmes since 2019.

On tackling climate change:

- The Council continued to reduce its own carbon footprint, with a range of energy efficiency projects realising significant financial savings as well as savings in carbon emissions.
- Plans are underway to turn Bell Street car park into a low carbon sustainable transport hub.
- Dundee was recognised as one of 122 cities across the globe that are taking bold leadership on environmental action and transparency. The charity Carbon Disclosure Project gave the city an A rating based on actions being taken to tackle climate change. Just 19 UK cities achieved that highest rating, with Dundee and Edinburgh the only Scottish recipients.

In addition to the three policy priorities for the city, the Council Plan also commits us to:

- Build resilient empowered communities, and
- Design a modern Council

Much that we achieve in Dundee is due to effective partnership working. Examples from the past year include:

- Partners across the city delivered a successful third year of the Rapid Rehousing Transition Plan which addresses homelessness.
- The city welcomed people who have fled the conflict in Ukraine, supporting children into school, providing employability support and teaching English. Dundee also played its part in the UK-wide transfer scheme to accommodate unaccompanied asylum-seeking young people.
- The Open Doors programme was launched, inviting people to meet others and enjoy activities in a warm and welcoming environment at dozens of community spaces.
- The Council teamed up with partners across the city, and with the National Literacy Trust, to launch the 10-year Read Dundee literacy campaign.
- We developed a renewed Take Pride In Your City campaign and continued to invest in environmental improvements, play areas and biodiversity initiatives.
- Reducing drug deaths continues to be a priority. Dundee Alcohol and Drug Partnership unveiled its new long-term strategy to tackle drug and alcohol related harm and deaths, informed by input from frontline staff and people with lived experience, and the Council supported the Language Matters campaign to challenge the use of stigmatising language when speaking about people who use drugs.
- The Community Wellbeing Centre, designed to improve the city's response to mental health challenges, was progressed. The centre will be "always open" and will provide an immediate, compassionate response to anyone who needs mental health support. In the past year, over 1,100 children and young people were supported by community mental health and wellbeing services.
- Dundee committed to ending the transmission of HIV by 2030 by signing the Paris Declaration to become a Fast-Track City, joining a partnership of over 400 locations around the world working to eliminate HIV transmission and stigma.

Although the Council had to revise its Capital Plan in November 2022, to take account of inflation in construction costs, the Plan for 2023-2028 will still see significant investment in the city, including:

- Investment in the school estate, including a new primary school at the Western Gateway, the East End Campus and the Harris Academy extension.
- Investment in tackling climate change to deliver the Council's Net Zero ambitions, including active travel projects; modernisation of energy systems; investment in the electric fleet; low carbon projects; and the low emission zone.

The Council's updated Housing Capital Plan is focused on maintaining the quality of the stock; delivering energy efficiency projects; and increasing the supply of new build Council housing to meet need.

Work also continues to drive improvements to the performance of services, using data from the Local Government Benchmarking Framework. Highlighted areas for improvement for Dundee reported in 2022/23 included the tariff score for school leavers from SIMD 1, the time taken to process business and industry planning applications and the work being done to address property conditions. Furthermore, in the latest report priority areas addressing inequalities and inclusive economic growth such as primary schools closing the attainment gap in literacy and numeracy, the gender pay gap, immediately available employment land, business start ups per 10,000 population and reducing the number of people earning more than the living wage were significantly better than the LGBF family group average.

Welfare Reform

The Council continues to respond proactively and positively to the many challenges presented by welfare reform. Throughout 2022/2023 mitigation in the form of assistance to make and manage a Universal Credit (UC) Full Service claim online was provided by way of drop-in, face to face, telephone and appointment-based services (where necessary) to assist UC customers. Personal Budgeting Support was limited due to the extent of demand on services but money advice support was provided by Council Advice Services as well as through the Connect Service which is back in place across multiple Dundee communities again.

Council Advice Services (incorporating Welfare Rights, Dundee Money Action, Connect, Scottish Welfare Fund and Dundee Energy Efficiency Advice Project (DEEAP)) continue to offer advice and assistance to those affected by Welfare Reform and the cost of living crisis. The Council's Single Point of Contact continued to address welfare reform and debt issues from the public via its dedicated email address and single access point number (01382 431188). Fuel support was added through the Fuel Well Dundee 3 scheme in an effort to mitigate against the increasing cost of living experienced by Dundee citizens as a result of the increase in the Fuel Cap and recent inflationary increases. Council Advice Services and Customer Services worked with partners across the Council and beyond to support those struggling with food and fuel costs. Self-isolation support grants were also processed to assist those in low paid work who were self-isolating and unable to work because of a Covid diagnosis. Council joint working has also continued to promote income maximisation support for citizens of Dundee. Referrals from Corporate Debt and Benefit Delivery Team for income maximisation have continued in an effort to promote a continuous improvement model of working. In 2022/2023 Council Advice Services successfully claimed £10,056,680 (provisional figure) in benefits and additional income for customers. £1,060,000 was distributed to 4088 families struggling with energy costs via the Fuel Well Dundee 3 scheme in winter 2022/2023. A holistic approach to advice via Fuel Well Dundee meant that households received access to fuel top-ups, mental health information and advice as well as benefit checks and access to money advice and employability services.

The GP practice co-located Welfare Rights Officer service continues to provide advice in health care settings and is available to 72,989 patients in 10 GP practices across Dundee. In 2022/23 these practices generated £1,243,000 in benefit gains. In addition, the Maternity and Health Visitor referral service has continued to be offered to all new mothers in Dundee generating £805,000 in 2022/23. Representation at appeal tribunals, having tripled in the 2 years up to April 2018, have sharply declined between 2018-2023 due in large part to Welfare Rights Officers having consensual access to medical records within our co-located surgery locations as well as the reduction in hearings due to the pandemic.

Partnership working continues with Social Security Scotland and Dundee Food Network to promote the new and forthcoming devolved benefits such as Best Start Grant, Scottish Child Payment, Child Disability Payment, Adult Disability Payment, Carer's Assistance and Funeral Expense Assistance. Connect have now moved into 12 community venues and are shortly due to start piloting a remote access model in Dundee Communities using in situ Ipads in up to 22 venues across Dundee in 2023/24, starting with Dundee Foodbank. The Macmillan benefit advisers working in partnership with oncology and cancer wards have also started up again following suspension during the pandemic.

Integration of Health and Social Care

Dundee City Integration Joint Board (DCIJB) became responsible for the strategic planning, operational management and oversight of delegated health and social care services with effect from 1st April 2016 under the Public Bodies (Joint Working) (Scotland) Act 2014. The Board consists of six voting members appointed in equal number by NHS Tayside and Dundee City Council with a number of representative members who are drawn from the third sector, staff, carers and service users. The relationship between DCIJB, NHS Tayside and Dundee City Council is set out within the Integration Scheme for Dundee. The Chief Officer of the DCIJB is an integral part of Dundee City Council's Management Team and the Board also receives professional financial advice through its Chief Finance Officer. A revised version of the Integration Scheme was agreed by all parties and signed off by the Scottish Government in late 2022.

Dundee Health and Social Care Partnership (DHSCP) is the integrated operational delivery service responsible for the implementation of the DCIJB's Strategic and Commissioning Plan which was reviewed during the financial year with DCIJB agreeing to extend the current plan by an extra year to 31st March 2023 given the impact of the Covid-19 pandemic. A revised plan is due to be published in June 2023 which will reinforce the IJB's commitment to tackling health inequalities, promote and support self-care, ensure the IJB both plans and works together with the community to deliver health and social care services, improve access to services and valuing the workforce.

Over the course of 2022/2023, DHSCP services started the process of remobilisation following the impact of the Covid-19 pandemic while at the same time continued to respond to the challenges that the pandemic presented. This was evidenced by additional Covid-19 expenditure incurred by DHSCP services totalling approximately £6.1m during 2022/23. The impact the pandemic and the cost of living crisis has led to a significant increase in demand for health and social care services with increases in frailty in the community as well as increases in referrals for mental health and substance use services. The DHSCP will continue to focus on delivering the IJB's strategic priorities through re-shaping community-based health and social care services with the pandemic response seeing change for some services happening quicker than originally planned.

The Dundee Health and Social Care Integration Joint Board is a key part of the Dundee Partnership and continued close working with Children and Families Services and other council services is crucial to delivering better outcomes for the people of Dundee particularly in relation to tackling the impact of the city's substance use and increasing mental health problems.

Our People

The current Our People and Workforce Strategy was agreed by the Policy & Resources Committee in December 2022. Our People Strategy 2022-27 is based on the employee experience and is underpinned by our shared values. The strategy supports the Council's ambitious direction for the transformation of our workforce which was aligned with all other Council plans and strategies.

Some of the key benefits of Our People Strategy realised 2022/23 are:

- Improved employee engagement – pulse well-being surveys
- Greater measurement, availability and transparency of workforce data
- Agility, flexibility and responsiveness of our workforce
- Increased opportunities for our workforce to develop
- Better outcomes for Modern Apprentices and Graduate programmes
- Internal graduate career progression
- New leadership programmes e.g. Collaborative Leadership programmes
- Digital skills
- Further refresh of our Well-being Service and new Well-being framework
- Project related to the Employee Journey and Experience to improve outcomes

The Council's strategic approach to our workforce has brought many advantages in responding to the post pandemic period, most notably the ability to deploy employees more flexibly with the introduction of Hybrid working and investment in digital learning tools and processes. New digital and communication and learning platforms have been embraced, although wider upskilling of our workforce needs to be further enhanced.

New service models lay good foundations for organisational and workforce transformation as we move to the new future of how we carry out our work in a modern workforce and Council.

Workforce plans for each service are largely in place and forms much of the workforce transformation and planning required moving forward. An overarching Council Workforce Plan is now in final draft. We have introduced new policies around workforce change and Quality Conversations to improve engagement and performance.

In terms of next steps, we will be an employer of choice. People will be attracted to work with us, be ambitious to be developed and stay with us because they have the best experience to grow; resulting in improved outcomes by providing professional, efficient and customer focussed services. In essence our vision is to continuously improve service delivery and to support and enable initiatives which make Council Services more accessible, more convenient, more operationally effective and cost effective.

Awards

During 2022/2023, the Council and its partners were recognised nationally for some outstanding achievements and innovations:

- Two projects were finalists in the Scottish Public Service Awards – Dundee Community Food Network and Dundee Safe Zone Bus.

- Dundee was also a finalist in the APSE Service Awards for Best Climate Action or Decarbonisation Initiative

Sickness Absence

The Council's sickness absence figures for LGE and teaching staff, expressed as an average number of days per employee, are as follows:

2019/2020	11.81 days
2020/2021	10.39 days
2021/2022	12.14 days
2022/2023	13.60 days

Dundee City Council's sickness absence has increased over the last year. Dundee City Council continue to work collaboratively with the Trade Unions on the Health and Wellbeing agenda. Supports such as the Council's health and wellbeing service, providing training courses to equip managers with the knowledge, understanding and flexibility to deal with absences, as well as providing family/friendly policy which provide a good work/life balance for employees have unfortunately not resulted in a reduction in absence.

People Services understand the importance of data analytics surrounding absence, and in 2022 introduced an interactive absence dashboard for services to allow managers to analyse various aspects of their absence to identify trends and areas of high levels of absence. People Services will use this data to work collaboratively with services to support managers to reduce absence in their service, and in turn reduce absence overall in the council.

The data shows 40% of all absences with Dundee City Council are due to mental health and wellbeing reasons. Moving forward, People Services in collaboration with services will concentrate efforts in supporting employees with Health and Wellbeing as reflected in the following actions planned:

- Early intervention of Occupational Health Services
- Rebranding of the Employee Wellbeing Support Service
- Produce a new wellbeing framework (to be implemented most likely in early 2023)
- Introduction of Wellbeing Ambassadors
- Reviewing existing and developing policies to help work life balance and mental health and wellbeing including reviewing through a trauma informed lens
- Develop a winter wellbeing programme to be launched at the end of October
- Workshop with trade unions to look at employee attendance and wellbeing
- Continue training for managers on Promoting Health and Attendance, and creating a mentally healthy workforce
- Assist services in using the newly developed absence dashboard to use the information to identify where there are areas needing support.

All these measures will be monitored with an expectation that, together with the ongoing collaborate work between People Services, services and Trade Unions, attendance levels will gradually improve.

Climate Change and Sustainability

The Climate Change (Scotland) Act 2009 places duties on the Council requiring it contribute to carbon emissions reduction targets; contribute to climate change adaptation; and to act sustainably. Tackling Climate Change is one of three strategic priorities detailed in the 2023-2027 delivery of a significant reduction in CO2 emissions and a target to reduce energy consumption within the Council's estate.

In 2019, Dundee City Council declared a climate emergency, recognising the serious and accelerating environmental, social and economic challenges presented by climate change. In response, a city-wide Climate Action Plan was codesigned with public private and community partners, with a first set of ambitious actions under the themes of Energy, Transport, Waste and Resilience to support Dundee City in a just transition to a net zero and climate resilient future by 2045 at the latest.

Dundee City Council is leading the transition across the city and over the past year, has developed its own organisational Net Zero Transition Plan with the seven service areas of the Council, due for publication September 2023. This Plan outlines Dundee City Council's organisational approach and emissions reduction programmes to achieve our goal of net zero by 2038, in line with the Scottish Governments Heat in Buildings targets to make public sector non-domestic buildings net zero direct emissions by 2038. The plan covers Emissions Reduction, Circular Economy, Climate Resilience and Just Transition.

In addition, the Sustainability and Climate Change Team have led the first of two rounds of Green Participatory Budgeting, the Dundee Climate Fund. The Dundee Climate Fund has a total of £750,000; where £250,000 is

revenue and £500,000 is capital funding. The first round saw 12 local projects benefitting from a share of around £385,000 with 30 projects submitted in total and over 4000 votes cast to determine which projects should receive funding. Round two is currently being designed with partners for the 2023/24 period.

The Sustainability and Climate Change team have also been leading the development of the Council's Statutory Local Heat and Energy Efficiency Strategy (LHEES), due in December 2023, setting out long term plans for energy efficiency and decarbonisation of heat in buildings to reduce emissions and tackle fuel poverty. In Dundee, LHEES is being delivered as part of wider Local Area Energy Planning (LAEP) to decarbonise the whole local energy system considering renewables, heat, energy demand and supply, transport electrification and heat networks. This plan is being delivered through Regional Energy Systems Optimisation Planning (RESOP) in partnership with Scottish and Southern Energy Networks (SSEN). The outputs of LAEP and LHEES will be developed into decarbonisation and energy efficiency projects across Dundee.

Climate change reporting is mandatory across the public sector in Scotland. The introduction of this standard reporting regime aims to improve the quality of climate change information being reported and ensure that a consistent approach is adopted across the public sector in Scotland. Required reporting focusses on corporate emissions arising from organisational operations and service delivery, as well as key information on: Organisational Profile; Governance, Management and Strategy; Adaptation; Procurement; and Validation.

The Council's latest Public Bodies Climate Change Duties (PBCCD) Report is available to view [here](#).

The Dundee Climate Leadership Group was established in 2021 to provide active leadership on Dundee's net-zero challenge, leveraging expertise from across the city in order to engage and inspire collective ownership and a shared commitment to tackling climate change.

The Sustainable Dundee Network was also established to collaborate on public engagement of climate change issues across the city and includes over 20 different organisations from the public, private and community sectors.

PART 4 - PLANS, PRIORITIES & RISKS

Strategic Planning

The shared vision for our city set out in the Dundee Partnership's City Plan 2022 – 2032, reflects a consensus in the city which we can all work towards and is set out as follows:





The new **City Plan for Dundee 2022-32** (Dundee’s Local Outcome Improvement Plan) agreed in September 2022, built on the work that was undertaken through the collective efforts of our communities, private, public and third sector partners.

It was created after listening to the people of the city, and focuses on three key priorities:

1. Reduce child poverty and inequalities in incomes, education and health
2. Deliver Inclusive Economic Growth
3. Tackle Climate Change and reach Net Zero emissions by 2045

For the next five years of this ten-year plan, the commitment and focus is on making sure we can report on the social transformation of the city in same positive terms as the economic one. Dundee, like many urban areas, has major social challenges to overcome. It is also clear that the pandemic and the cost-of-living crisis will exacerbate the challenges faced by the city.

The **Council Plan 2022-2027** is the strategic plan for Dundee City Council as a corporate entity. It aims to set out the main corporate approaches, priority targets and actions, and key strategies for the purposes of public accountability on delivering on our priorities.

It adopts three strategic priorities from the City Plan and sets out how the Council will play its part in achieving the vision set out in the City Plan.

This plan also sets out Dundee City Council’s main organisational priorities, key actions and how we will measure progress. The targets across all priorities are bold and ambitious but so are the challenges to be overcome along the way.



The five strategic priorities in the new Council Plan are:



The Council has a vital role in enabling transformational change to meet the needs of the city and at the same time maintain the financial sustainability of local services. Over the next five years, the Council will continue to work with partners, businesses, citizens and communities to tackle challenges and grasp opportunities.

Many uncertainties still remain about the impacts of the UK withdrawing from the EU, the COVID-19 pandemic and now the cost-of-living crisis. We will pay particular attention to the impact on the local economy; on the funding of employability, social inclusion, regeneration and support for key business sectors; and on the work of our universities and colleges, which play such a key role in the city. As a Council, we will continue to provide best value and are committed to continuing to change for the future. Given the ongoing financial uncertainties we will need to look again at how we design and deliver our services. That will also affect how we design our budgets and income, our service structures and workforce planning to ensure that we are working in the most efficient, effective and innovative ways to deliver on the priorities set out in this Plan.

The people who work for the Council, organisations across the city and community groups that work with us, have shown their resilience and creativity in particular through the pandemic and we need to harness that spirit and 'can-do' approach.

All strategic Services Areas of Dundee City Council are developing their new service plans now for submission to their respective Committees.

Transformation

Delivery of this sixth phase of the Council's transformational programme (**Design a Modern Council**) will support future financial plans and long-term sustainability, better services to citizens and improving outcomes for all.

The key themes within scope for this next phase of our transformation programme are set out in the Council Plan 2022-2027 as follows:

- Property Rationalisation,
- Digital Council,
- Service Re-design,
- City & Regional Shared Services and
- Payments and Income Generation

The Council's transformation programme needs to be bold and ambitious and outline how the Council is continuing its journey, responding to a changing world by embracing new technology and ways of working, and meeting the needs of customers and communities.

The new five-year programme will need to radically redesign services to meet changing demographics and demands, environment and technology, community empowerment and embracing new ways of working to address this challenge. Whilst the impacts of the COVID-19 pandemic will have longer term implications, it has also shown what can be done to deliver services in a very different way and at pace, so the Council must harness these opportunities as part of its future service delivery.

We will know we have delivered on our vision of a **Modern Council** for the future, as we will:

- be lean and efficient with a clear set of priorities that deliver for Dundee citizens and communities, focusing resources where they can make the biggest difference.
- have a clear purpose and understanding about what the Council is best placed to deliver.
- have a structured approach to designing services with people and local communities.
- have adaptable and flexible structures which promote working across organisational boundaries with greater employee empowerment, integrated teams and agile workforce.
- help communities become more self-reliant and resilient doing more for themselves.
- work in collaboration more to moving partnership working across the city from good to great.
- have a values-based culture that will unlock and develop the skills and potential of our workforce.

Management of Risk

Active management of Covid-19 is largely behind us and, although the risk of a resurgence does remain, this risk has been migrated to being considered alongside the Council's other strategic and operational risks on a 'business as usual' basis. The Council would be well placed to deal with any resurgence of Covid-19 or other pandemic, having gained considerable experience and put in place alternative working arrangements where feasible.

The Council's risk management arrangements continue to mature. The Corporate Risk Management Working Group (CRMWG) which was established in 2018 to ensure adequate rigour in delivering on the Risk Management Action Plan (RMAP) met quarterly during 2020 and 2021. However, with full delivery of the RMAP having been achieved, the CRMWG was replaced in the first half of 2022 by a new Risk and Assurance Board (RaAB), chaired by the Executive Director of Corporate Services as Senior Responsible Officer for risk. The RaAB has taken on a wider remit as suggested by the name and has met on a quarterly basis throughout the past year.

Risk management continues to be reported to the Council Leadership Team (CLT), Policy and Resources Committee and Scrutiny Committee in line with the Council's Risk Management Policy and Strategy. Risk is taken into account in decision making and development of strategy, and the Council's Corporate Risk Register is reviewed regularly by the CLT, taking account of output from the RaAB. The most recent Risk Management Annual Report was presented to the Council's Policy and Resources Committee on 6 March 2023 and the Scrutiny Committee on 26 April 2023. This included a full review of the Council's Corporate Risk Register. Committee minutes, including the content of the Risk Management Annual Report, are available on the Council's website.

Other notable risk related work during the 2022/23 year included:

- A full review of the Council's Risk Management Policy and Strategy was undertaken and awaits presentation for adoption by the Council
- Leisure and Culture Dundee (LACD) – assistance with risk management, and training provided to the LACD Board
- Tayside IJBs Risk Management Working Group – the Council has been actively represented on this working group which met regularly throughout the past year, developing a common Tayside IJBs risk management policy and strategy, considering common IJB risks and risk response measures, training needs etc.
- Providing general advice, guidance and training as required to Services across the Council on risk related matters

Performance

The Council's Performance Management Framework was updated and approved by the Policy and Resources Committee 8 March 2021. It sets out the framework for our continuous improvement journey. This framework supports continuous improvement and measures delivery of the Council's Vision, Priorities and Outcomes. The Council set challenging targets and measures performance against this for a wide range of services. The new framework establishes a programme of each service developing then reporting on its own service plan to the relevant committee. This is supported by our performance management system which analyses data, tracks progress and summarises actions for improvement.

Regular reporting at City, Corporate and Service level keeps our key stakeholders, including our communities, elected members and partners up to date on our performance. This is key to ensuring informed judgements are made about our services, to support effective decision making and to challenge performance.

The Council Plan 2022- 2027 has 22 Key Performance Indicators (KPIs). The first progress report based on a snapshot in April 2023 was reported to the Committee on 26 June 2023. The report shows 55% of the performance indicators improved over the previous year data is available and 50% reaching or within 5% of the 22/23 target set. Specific highlights include the continued improvement in the tariff score for pupils in SIMD Quintile 1 and significant uptake for new initiatives that help reduce child poverty including a 78% registering of the new NEC card for free bus travel for under 22s, free school meals and free period product.

The report introducing the new City Plan 2022-2032 was presented to Policy and Resources Committee on 26 September 2022. The report reflected on the improvements delivered in the City Plan since 2017. Out of 72 performance indicators 65% showed improvement over the 2017 baseline. With the exception of the Health and Wellbeing theme all other themes showed improvement over 2017 in the vast majority of the performance measures.

Benchmarking is also used to compare the Council's performance with other organisations to support the improvement journey. The Local Government Benchmarking Framework (LGBF) provides performance data for all 32 local authorities in Scotland and as well as comparisons holds trend data back to 2011 for most of the indicators. It therefore provides valuable trend-based insights as well as robust comparisons. The latest reports on the 2021/22 comparisons how Dundee compares reported to the Policy and Resources Committee selected LGBF indicators that aligned with the 5 priorities in the Council Plan 2022-2027.

The table below is from the report to the Policy and Resources 15 May 2023. It is based on the comparison with the family group of similar authorities and shows the percentage where Dundee compares well with the group mid-point. Using this method the Council obtained an overall performance rate of 53% of 36 measures used where Dundee was in the top half of the group. Two strategic priorities relating to Building Resilient and Empowered Communities (3 out of 3) and Designing a Modern Council (5 out of 8) already show Dundee comparing well in general in these areas compared to the other urban areas in Scotland. The Council's Performance Management Framework includes using benchmarking in this way as a method of delivering Best Value.

Local Government Benchmarking Data 2021/22 Comparing Dundee with the Family Group of similar authorities and showing where Dundee compare better than the mid-point of the group

PRIORITY	Top Half	Total Measures	%
Reduce Child poverty and inequalities in incomes health and education	7	13	54%
Create Inclusive Growth and Community Wealth Building	4	9	44%
Tackle Climate Change and achieve net zero by 2045	0	3	0%
Build resilient and empowered communities	3	3	100%
Design a modern Council	5	8	63%
TOTAL	19	36	53%

*Four indicators within this priority are 2020/21 data – 2021/22 Data refresh due May/June 2023

Dundee Performs on the Council's website is kept up to date with the latest performance and progress reports on the Council and includes easy to use graphs on a wide range of the key performance areas and benchmarking data to compare Dundee with the other Councils in Scotland.

Progress implementing the Best Value Assurance Report Improvement Plan

During 2020, a Best Value Review of Dundee City Council was undertaken. The findings and Improvement Action Plan were considered by the Council on 16 November 2020 (report 248-2020). Since then, there were four progress reports to the Policy and Resources Committee, on 26 April 2021 and 22 November 2021, 13 June 2022 and the last one on 05 December 2022.

Despite the challenges of the pandemic, these reports showed good progress. By December 2022, 24 out of the 33 actions (73%) had either been completed or were on target for completion by the original due date. The outstanding actions detailed in the report in December 2022 will continue to be progressed through other regular reporting routes.

Notable achievements from the Best Value Assurance Improvement Plan include:

- Three-year service plans were approved at Service Committees during June 2021, and the first performance reports in relation to these plans were presented at Committees from November 2021. These also incorporated Covid recovery actions.
- A standardised business case template has been developed to ensure the Council undertakes robust processes consistently when embarking on significant capital projects.
- Significant progress has been made in relation to how the Dundee Partnership manages performance and demonstrates impact on key priorities.
- The Dundee Partnership has also completed an action to clearly set out an outcomes framework which was integral to the Fairness and Child Poverty Action Plan.
- Frameworks for engagement and consultation with citizens and communities have been approved by the Dundee Partnership and Council Leadership Team and significant progress has been made in Local Community Planning and Participatory Budgeting.

The Accounts Commission has agreed its new approach to auditing and reporting on councils' performance against their duty of Best Value. The new approach requires reporting on Best Value thematic areas directed by the Accounts Commission within the Annual Audit Reports each year of the 5-year audit appointment.

For Year 1 the thematic work requires auditors to carry out an overview of the effectiveness of council leadership (officers and elected members) in developing new local strategic priorities following the elections in May 2022. In carrying out this review auditors will be considering these questions.

Best Value Audit Questions 2023

1. How clear is the new council vision and its priorities?
2. How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?
3. How effectively do the council priorities reflect the need to reduce inequalities and climate change?
4. How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?
5. Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

A Best Value Controller of Audit report on Dundee City Council will be produced in Year 1 (i.e. 2022/23) of the new audit appointments for consideration by the Accounts Commission. Dundee is one of eight Councils included in Year 1 and our report is due by the end of 2023.

PART 5 - LOOKING TO THE FUTURE

Impact of the Current Economic Climate – Key Financial Risks and Uncertainties

A report was submitted to the Policy and Resources Committee on 26 September 2022, advising elected members of the financial outlook for the Council and recommending a Medium-Term Financial Strategy within which future Council budgets would be set. The following approach to Medium-Term Financial planning was agreed:

- (a) the Council will set a balanced budget each year;
- (b) savings and efficiencies will be driven by transformation and service prioritisation;
- (c) resources will be prioritised to improve outcomes;
- (d) the Council will seek to achieve an overall outturn in-line with or below budget;
- (e) free balances will be retained at the higher of 2% of revenue budget or £8m;
- (f) reserves will only be used for earmarked purposes and to support the revenue budget through spend to save initiatives;
- (g) demand and demographic change will be managed through prioritisation within services;
- (h) the contingency budget will only be used for one off expenditure which is not recurring;
- (i) Joint bodies and boards will bear their share of any General Revenue Grant reduction;
- (j) a planning assumption that fees and charges will increase by at least 3% annually;
- (k) a planning assumption that Council Tax will increase by at least 3% annually;
- (l) budget provision will be made for pay awards (with incremental drift managed by services) and unavoidable inflation; and
- (m) the Council will evaluate the risks and benefits of all financial flexibilities made available to local authorities.

Following the Scottish Government announcements on the 2023/2024 local government finance settlement, a report on the financial implications for the Council was submitted to the Policy and Resources Committee on 23 February 2023. The 2023/2024 Revenue Budget and Council Tax was agreed by the Policy and Resources Committee on 23 February 2023. A three-year Revenue Budget was presented, as part of the Council's continuing commitment to improving medium and longer-term financial planning. The covering budget report identified the following savings requirements over the period 2023/24 to 2026/27, based on assumed flat cash grant settlements and no adjustment for the impact of distributional changes within the grant settlement process:

	Cumulative £m
2023/24	8.4
2024/25	22.4
2025/26	34.4
2026/27	42.4

In setting the 2023/2024 Revenue Budget savings totalling £5.381m were agreed with a review of charges resulting in additional income of £642,000. The Council Tax was increased by 4.75% with Band D at £1,486.43 after agreeing a provision of 3.2% for Council Tax non-collection.

The Scottish Government published “Scotland’s Fiscal Outlook: The Scottish Government’s Medium-Term Financial Strategy” on 25 May 2023. This sets out how spending on public services in Scotland is projected to grow faster than forecast funding over the next 4 years creating a gap of £1bn in 2024/25 rising to £1.9bn in 2027/28.

The following points from the document are highlighted for noting:

- whilst it is not expected that Scotland will enter recession growth remains subdued;
- the labour market is robust with high levels of employment and low unemployment;
- inflationary pressure is continuing, and the outlook is still uncertain;
- funding is expected to grow from £45.3bn in 2023/24 to £51.0bn by 2027/28 but increases vary between years with pressure most severe in 2024/25;
- the medium-term outlook is volatile and the two key components, block grant and net income tax, remain uncertain;
- high inflation will have long term impact on public service spending in Scotland;
- spending could exceed resources by 2% (£1bn) in 2024/25 rising to 4% (£1.9bn) in 2027/28;
- capital is also under pressure and a real terms fall of 7% expected between 2024/5 and 2027/28. Higher costs also exacerbate this with a 16% gap projected in 2025/26;
- Social Security spend is projected to rise from 10% of the resource budget (£4.2bn) to 15% (£7.5bn) by 2027/28;
- the prioritisation of those in greatest need may mean a move away from universal to targeted services and a need to stop spending on non-priority programmes
- the Scottish Government will publish multi-year spending envelopes for revenue and capital alongside 2024/25 budget;
- the capital spending period will be extended by a year to 2026-27 with a reprioritisation to focus on core objectives; and
- work is continuing on a New Deal for Local Government which will include a partnership agreement and fiscal framework.

Officers will be updating projections in the light of the Scottish Government’s financial outlook and the outcome of this will be reported to a future meeting of the Policy and Resources Committee. However, at this stage it should be noted that there remains significant uncertainty in terms of pay awards, energy prices and general inflation.

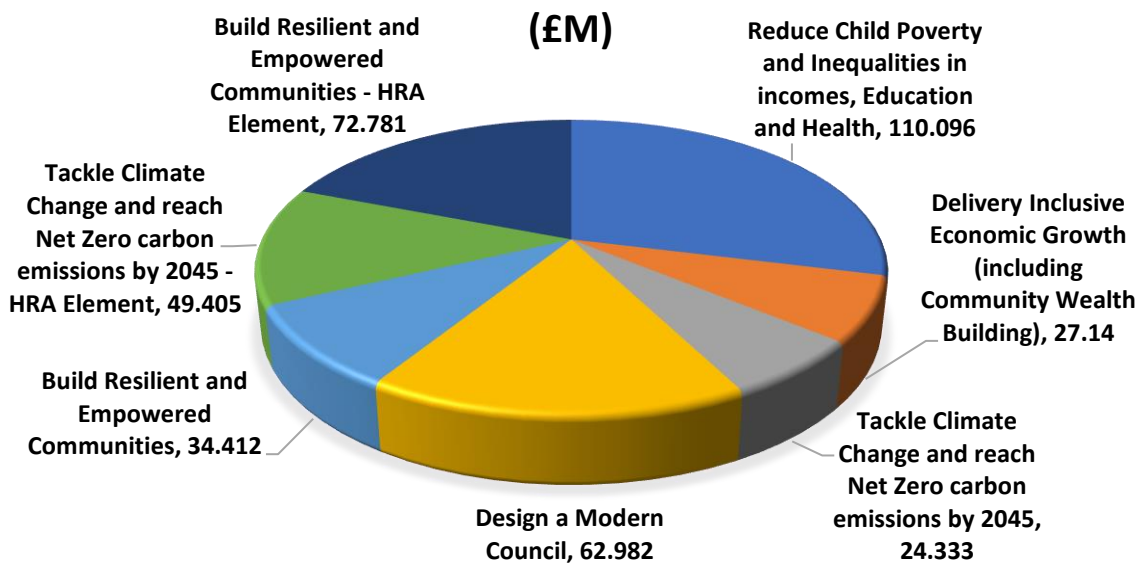
In the context of the Council having delivered savings of the order of £147m since 2008, further budget reductions on the scale anticipated will be challenging. The scope for savings will necessarily be limited to those areas of the budget where the Council has discretion to implement changes.

Officers will be exploring opportunities for savings over the summer period and will consider options including income generation, service redesign, partnership working and service reduction. As part of this process it is recommended that Officers engage with partners that work with Council on delivering services for the City to ensure that all opportunities for collaboration and service change or reduction are examined and any consequences fully understood.

Future Developments – Capital Plan

Despite the problematic macro-economic situation, the Council is confident that it is well placed to tackle the challenges that lie ahead. In November 2022, the Policy & Resources Committee approved a combined five year Capital Plan for General Services and Housing totalling £381m over the period 2023 to 2028. In developing the five year Capital Plan, there has again been a focus on a thematic approach which highlights the Council’s strategic priorities.

PLANNED CAPITAL EXPENDITURE 2023-2028 BY THEME



Our Capital Plan for 2023-2028 sets out a £381 million building programme for the next five years for General Services & Housing HRA. The Capital Plan 2023-28 programme of works have been updated to reflect the response to Covid, Brexit and war in Ukraine which has led to a significant increase in construction inflation driven by shortages in the supply of materials and labour. The Capital Plan 2023-28 has been aligned to the strategic themes contained within the Council Plan 2022-27. Sustainability is a key focus with the investment of £96m in tackling climate change to help deliver the Council's Net Zero Emission targets. The largest project in the programme is the East End Community Campus which is being delivered in partnership with the Scottish Government. The Capital Plan assumes that the Western Gateway Primary School will also be delivered in partnership with the Scottish Government.

The updated HRA element of the Capital Plan 2023-2028 is focused on delivering the following priorities: maintaining the housing stock at Scottish Housing Quality Standard (SHQS); delivering energy efficiency projects not only to meet Energy Efficiency Standard in Social Housing (ESSH) but with a focus and commitment to meet ESSH2 by 2032 and a drive to contribute to the wider national objective in terms of decarbonisation and Scotland overall becoming net zero by 2045. It is also noted that there is significant investment within the Capital Plan to increase the supply of new build Council Housing to meet the housing needs within Dundee. Whilst the impact of rising costs has also had an impact on the HRA capital programme this has been partly mitigated through the reprioritisation of the current programme which is possible given cyclical nature if these investments.

In December 2017, the Policy & Resources Committee approved a ten year Capital Investment Strategy. The strategy is based on the themes identified in the City Plan and identifies the investment required to achieve outcomes over the ten year period. One of the key parts of the overall strategy is the Tay Cities Deal, which underpins many of the projects. The strategy also identifies as key priorities the continuing development of both the school and housing estate across the city.

CIPFA Financial Management Code

The CIPFA Financial Management Code (FM Code) was issued in October 2019. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code therefore for the first time sets the standards of financial management for local authorities. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances of a local authority
- manage financial resilience to meet unforeseen demands on services
- manage unexpected shocks in their financial circumstances.

The first full year of compliance with the FM Code was 2021/2022 and this continued over 2022/2023.

PART 6 - CONCLUSION & ACKNOWLEDGMENTS

Conclusion

Throughout 2022/2023 the Council continued to deliver high quality services to the people of Dundee and demonstrated sound governance and prudent financial management. Where pressures emerge, as with services delivered on behalf of the Health and Social Care Partnership, corrective action is taken. This is achieved through effective collaborative working within the Council and across Partnerships. Significant challenges continue to be faced due to the high levels of deprivation in some of our communities, economic and demographic pressures, legislative and regulatory changes, increasing demands and expectations from our communities.

However, these challenges are compounded by the effects of the cost-of-living crisis and funding pressures.

Whilst the Council continues to be ambitious, innovative and committed to delivering the best possible services with the resources it has, the financial and wider impacts of the pandemic are being felt as the City recovers and plans for the future.

Acknowledgements

We would like to thank Bailie Willie Sawers, the Senior Councillor with responsibility for Finance, all other elected members and officers of the Council for their active support and co-operation in the effective management of the Council's finances during another challenging year. Finally, we would conclude this report by thanking the Corporate Finance Team who contributed to the management and control of the Council's finances and to the finalisation of the Council's 2022/2023 Annual Accounts.



Robert Emmott BSc,CPFA
Executive Director of
Corporate Services
Dundee City Council

25 October 2023



Gregory Colgan BAcc
(Hons), ACMA, CGMA
Chief Executive
Dundee City Council

25 October 2023



Councillor John Alexander
Leader of the Council
Dundee City Council

25 October 2023

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Dundee City Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these duties Elected Members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Council has approved and adopted a Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives) framework Delivering Good Governance in Local Government. The Local Code of Corporate Governance explains how Dundee City Council delivers good governance and this Annual Governance Statement reviews the effectiveness of these arrangements.

In addition, the Council is responsible for confirming effective corporate governance arrangements exist within its other group entities. In line with Accounts Commission guidance, including Safeguarding Public Money: are you getting it right?, Following the Public Pound and Arm's Length External Organisations (ALEOs): are you getting it right?, part of that responsibility is about ensuring that public money is being used appropriately and achieving Best Value.

The Council's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled. It also describes the way it engages with, accounts to and leads the local community. It enables the Council to monitor the achievement of its planned objectives and outcomes and to consider whether those objectives and outcomes have led to the delivery of appropriate, cost-effective services.

The Local Code of Corporate Governance is supported by detailed evidence of compliance which is regularly reviewed by a working group of senior officers.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented altogether or detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision and checking.

The overall control arrangements include:

- Identifying the Council's objectives in the Council Plan, Community Plan and Local Outcomes Improvement Plan (City Plan).
- Monitoring of achievement of those objectives and outcomes by the Council and senior officers.
- A systematic approach to monitoring service performance at Elected Member, senior officer and project level.
- Reporting performance regularly to Council committees.
- Three-year service plans for all service areas. Regular performance reports in relation to the service plans began to be reported to relevant Committees from November 2021.
- Performance Management Framework.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- A Monitoring Officer to ensure compliance with laws and regulations.
- A Scrutiny Committee and individual Service Committees.
- Approved Corporate Fraud and Corruption Policy including "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998.
- Ethical Values Framework.
- A Corporate Integrity Group.
- Corporate Compliance Group.
- A Serious Organised Crime Group.
- Senior Officer Resilience Group.
- Council Leadership Team and each Service's Senior Management Teams.

- Participating in National Fraud Initiative strategy for sharing and cross-matching data with regular reports to Committee.
- Formal project appraisal techniques and project management disciplines.
- Setting targets to measure financial and service performance.
- Long-term Financial Outlook and Financial Strategy 2020 - 2030.
- Medium-term Financial Strategy.
- Formal revenue and capital budgetary control systems and procedures.
- Clearly defined capital expenditure guidelines.
- A Capital Governance Group consisting of senior officers from across Council services and chaired by the Executive Director of Corporate Services.
- The Council, together with NHS Tayside have established an Integrated Health and Social Care Partnership (HSCP). The HSCP has established a governance structure and an integrated senior management structure to support delivery of its key objectives and outcomes.
- An Our People Strategy is in place to support delivery of the Council Plan and its strategic priorities.
- A Risk Management Policy and Strategy, Corporate and Service Risk Registers.
- Corporate Risk and Assurance Board, chaired by the Executive Director of Corporate Services as Senior Responsible Officer for risk.
- Corporate Governance Assurance Statement Group.
- Strategic Information Governance Group.
- Data Protection Policy and Data Breach Management Procedure.
- The assurances provided by internal audit through their independent review work of the Council's governance, risk management and control framework.
- Chief Social Work Officer governance arrangements.

Review of Effectiveness

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services and take into account comments made by external and internal auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

The effectiveness of the governance framework is reviewed annually by a working group of senior officers. The 2022/2023 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 99% (2021/2022: 98%) compliant with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government.

In addition, Executive Directors from each service have made a self-assessment, in conjunction with their senior management teams, of their own governance, risk management and internal control arrangements. This involved the completion of a 75-point checklist covering eight key governance areas of Service Planning and Performance Management, Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; Partnerships; and Information Governance. This again indicated a high level of compliance, with an overall score above 91% for 2022/2023 (2021/2022: 91%).

The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and reports functionally to the Scrutiny Committee. Conformance with the PSIAS has been confirmed independently, through the completion of a formal External Quality Assurance process. Internal Audit undertakes an annual programme of work, which is reported to the Scrutiny Committee. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. The overall audit opinion, is that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2023.

The Executive Director of Corporate Services complied fully with the five principles of the role of the Chief Financial Officer, as set out in CIPFA guidance. The Council's financial management arrangements conform with the requirements of the CIPFA Financial Management (FM) Code (2019).

Impact of Coronavirus Pandemic on Corporate Governance

The Covid-19 emergency has impacted on all areas of society and on all aspects of normal daily life, particularly since the implementation of the first national lock-down in March 2020. These impacts were initially severe but have reduced in subsequent financial years. The majority of 2022/2023 was not affected by the pandemic to the same degree as previous years. All levels of government have acted to support and protect the most vulnerable citizens, local businesses, key suppliers and the third sector during this challenging and

unprecedented time. This action seeks to maintain resilience during this crisis and ensure that people and organisations emerge from the crisis in the best possible shape.

Conducting the Annual Governance Review during the Coronavirus Pandemic

With significant organisational disruption, including new emergency responsibilities, increased staff absence and also staff working remotely, conducting a review in the normal way has been challenging. The following measures have been used to ensure a meaningful but focused review:

- The annual self-assessment review conducted by each Council Service has been completed and progress was updated for inclusion in the final review of the Annual Governance Statement in the Audited Accounts; and
- Using existing reports, reviews and assessments where possible to provide assurance.

Reflecting the challenges from Coronavirus in the Annual Governance Statement

The Annual Governance Statement assesses the governance arrangements in place for 2022/2023. The majority of the financial year was not affected by coronavirus and the conclusion on whether or not governance is fit for purpose should reflect normal operations, the Annual Governance Statement is required to reflect the circumstances at the time of publication and therefore, it should be recognised that coronavirus has impacted on governance arrangements since March 2020. However, as the pandemic progressed into 2022/2023 the impact has reduced to the point that any specific or remaining issues, for example, monitoring of financial impacts are now being dealt with as part of business as usual arrangements.

Local Response and Risk Management Arrangements

- The Scrutiny Committee in June 2022 considered the annual Audit Scotland report, Local Government in Scotland Overview for 2022 ([Report 176-2022](#)) which provides an overview of the wider challenges which have been facing councils ongoing response to the Covid-19 pandemic and the challenges in recovering services.
- The Scrutiny Committee in September 2022 considered the Audit Scotland report on Scotland's Financial Response to Covid ([Report 260-2022](#)). The council's report considered the key messages and recommendations of Audit Scotland. The Council's existing and planned key actions to address these recommendations include:
 - All additional Covid-19 related expenditure and funding is included within Corporate revenue budget monitoring process which is regularly reported to the Policy and Resources Committee.
 - Information on the purpose and level of reserve balances is included in the annual accounts which are reported to the Scrutiny Committee.
 - To review its medium- and longer-term financial plans to reflect the ongoing impact and financial consequences of the pandemic. These were reported to elected members in this financial year.
 - Internal Audit conducted a review of the Council's Covid-19 funding which was reported to Scrutiny Committee on 29 June 2022 ([Report 157-2022](#)). This included the arrangements in place within the Council to track and monitor the portfolio of different COVID-19 funding streams.
 - Many of the additional Covid-19 funds included a requirement to report directly to the Scottish Government to demonstrate use of the funds for the intended purpose. The council has complied with this requirement.
 - The Council has regularly reported on the local response and risk management arrangements associated with the response to the pandemic. Last year's Local Code of Corporate Governance report which was reported to the Policy and Resources Committee on 27 June 2022 ([Report 140-2022](#)) summarised the various reports that the Council has presented to committee in response to the pandemic including the funding and logistical consequences of delivering the local government response, the various actions implemented by the Council and the Scottish and UK Governments in response to the on-going Covid-19 emergency, and the associated financial implications.
 - As part of the updated service planning processes Services were requested to review those items included within the Covid-19 Recovery Plan that were considered to have an ongoing impact and ensure that actions to address these priorities were reflected in these plans. These plans, together with any subsequent progress updates, have been considered by various committees throughout the past two years.

Continuous Improvement Agenda

The Council's progress against the Continuous Improvement Agenda items for 2022/2023 is detailed in table 1. Several items are still in progress and have been carried forward to be actioned in 2023/2024. Additional areas for improvement have also been identified by the Council's Corporate Governance Assurance Statement Group and these are included, along with the areas for improvement carried forward, on table 2 and form the Continuous Improvement Action Plan for 2023/2024. These were identified by Executive Directors and Heads

of Services in the self-assessment checklists that were completed as part of the Council's assurance gathering process. The Council's Governance structure is also detailed.

Group Entities

In respect of the Joint Boards, Joint Committee, Charities and Companies that fall within the Council's group boundary, the review of their governance, risk management and control framework is informed by:

- Annual Governance Statements included in the respective financial statements of the Joint Boards and Tayside Contracts Joint Committee.
- Assurances from company directors and/or the other senior company officials.
- The work of the relevant bodies' respective external auditors (and where relevant internal audit function) and other interim reports.
- Completion of self-assessment checklists.

The Dundee City Integration Joint Board (DCIJB) and Dundee Health and Social Care Partnership (DHSCP) were formed in April 2016, at which time an approved Strategic and Commissioning Plan was in place and proper due diligence had been carried out in respect of the financial contributions transferred to the DCIJB at the outset. The Scottish Government, Integrated Resources Advisory Group, Finance Guidance includes a section on Following the Public Pound which details the requirement to put in place arrangements to maintain control and clear public accountability over public funds. More specifically, these arrangements should cover the resources delegated to the DCIJB by the Council and NHS Tayside as well as the resources allocated to the Council and NHS Tayside by the DCIJB to be used as directed and set out in the Strategic and Commissioning Plan. In terms of Council resources, projected outturns against budgets have been and will continue to be monitored and reviewed on a continuous basis with corresponding reports being presented to the DCIJB at regular intervals. In addition, the Council's Policy and Resources Committee is responsible for scrutiny of integrated health and social care. The Section 95 Officers from the Council and the DCIJB have worked, and will continue to work, together closely. Over time, the format and focus of monitoring will change as budgets and services become more integrated and aligned with the priorities set out in the Strategic and Commissioning Plan.

DCIJB comprises six voting members, three nominated by Dundee City Council and three nominated by Tayside NHS Board, as well as non-voting members including a Chief Officer and Chief Finance Officer appointed by the DCIJB. As a legacy from the response to the Covid-19 pandemic, all formal DCIJB meetings continued to be held online throughout the 2022/2023 financial year.

The main features of the DCIJB's governance framework in existence during 2022/2023 were:

- The Integration Scheme as the overarching agreement between the Integration Joint Board, NHS Tayside and the Council as to how the planning for and delivery of delegated health and social care services is to be achieved reflecting a range of governance arrangements required to support this arrangement. This was reviewed by the statutory partners during 2021/2022 and early 2022/2023 with a revised scheme submitted to Scottish Ministers for approval at the end of June 2022 and final approval received in November 2022.
- The senior leadership team of the DHSCP consisting of the Chief Officer, Head of Finance and Strategic Planning (Chief Finance Officer) and two Head of Service of Health and Social Care Services. The Chief Finance Officer has overall responsibility for the DCIJB's financial arrangements and is professionally qualified and suitably experienced to lead the DCIJB's finance function and to direct staff accordingly.
- Formal regular meetings of the senior leadership team including professional advisers.
- Standing Orders, Financial Regulations and a Code of Conduct including the publication of Register of Member's Interests and the nomination of the Clerk to the DCIJB as Standards Officer were all in place during 2022/2023.
- The DCIJB met remotely on seven occasions throughout the year to consider its business. Three development sessions were also held remotely as part of the 2023/2024 budget development process. A further eight development sessions were held covering DCIJB Members Induction, Primary care Improvement Plan, the National Care Service, Alcohol and Drug Prevention, the Strategic Commissioning Plan, Protecting People Annual Reports, IJB Equalities Development and Trauma Informed Practice.
- The DCIJB's Performance and Audit Committee met remotely on four occasions throughout the year to enhance scrutiny of the performance of the DCIJB and audit arrangements in line with regulations and good governance standards in the public sector.
- Internal Audit arrangements for 2022/2023 were approved at the Performance and Audit Committee meeting held on the 20 July 2022 including the appointment of the Chief Internal Auditor of FTF Internal Audit and Management Services to the role of Chief Internal Auditor of the DCIJB supported by the Council's Internal Audit Service. An Internal Audit Plan for 2022/2023 was approved drawing on resources from both organisations.

- The assurances provided from internal audit through their independent review work of the DCIJB's internal control systems.
- Assurances were provided to the Performance and Audit Committee in relation to Clinical, Care and Professional Governance through the presentation of a Chairs Assurance Report from the Clinical, Care and Professional Governance Group.
- The Chief Finance Officer complied fully with the five principles of the role of the Chief Finance Officer, as set out in CIPFA guidance.
- Compliance with CIPFA's Financial Management Code.

During 2022/2023 the effects of the pandemic were reduced but still clearly visible. Partnership services have therefore continued to provide a pandemic response, whilst also consolidating adaptations to services and practice to become mainstream, long-term models of service provision. The enduring nature of the pandemic has meant that recovery activity in many aspects of the DCIJB's work have been focused on establishing a 'new normal' across integrated health and social care services and supports rather than returning to pre-pandemic ways of working. The risk now for the DCIJB is the availability of resources for Covid-19 recovery. The pandemic has resulted in increased demand for services while there is no additional funding available from 2023/2024 onwards to support any Covid-19 legacy expenditure.

The DHSCP has been impacted by the same recruitment challenges in a range of disciplines and professions as other health and social care services across Scotland. This issue is highlighted in the DCIJB's Strategic Risk Register and is monitored for impact. Work is ongoing through the DCIJB's Workforce Plan and national initiatives to address this risk.

Despite the pressures seen throughout 2022/2023 all services continue to be underpinned by the principles of the DCIJB's Strategic and Commissioning Plan 2019-2022. The plan sets out the context within which integrated services in Dundee operate and is shaped around the DHSCP's vision that "Each Citizen of Dundee will have access to the information and support that they need to live a fulfilled life." An extension to the plan to cover 2022/2023 was approved in February 2022 by the DCIJB following the recommendation of the DCIJB's Strategic Planning and Advisory Group that the vision and strategic priorities of tackling health inequalities, early intervention and prevention, localities and engaging with communities and developing models of support/pathways of care remained fit for purpose. However, work was required to update action lists associated with each priority considering feedback gathered from stakeholders, including members of the public, and other evidence gathered during the review of the existing plan. An addendum was developed to be read alongside the Strategic and Commissioning Plan 2019-2022 and the Equality Outcomes and Mainstreaming Framework 2019-2022. It is supported by the care group strategic planning / commissioning statements and transformation plans previously agreed by the DCIJB for areas such as mental health and wellbeing, carers, drug and alcohol and primary care. The addendum also reflected the priorities arising from Covid-19 remobilisation activity.

In June 2023 the DCIJB approved a revised Strategic and Commissioning Framework of the DCIJB 2023-2033 "The plan for excellence in health and social care in Dundee". This builds on the previous framework and reflects the outcome of considerable engagement with communities and stakeholders. There are six strategic priorities in the framework as follows:

- Inequalities (support where and when it is needed the most),
- self-care (supporting people to look after their wellbeing),
- open door (improving ways to access services and supports),
- planning together (planning services to meet local need),
- workforce (valuing the workforce), and
- working together (working together to support families).

The Scottish Government's Bill regarding the establishment of a National Care Service sets out plans to introduce Local Care Boards with the abolition of Integration Joint Boards. The DHSCP responded to the call for views on the draft legislation. Similar to other bodies, significant concerns have been raised around the content of the bill in terms of scope and financial implications of the legislation. While progress of the proposed legislation through the Scottish Parliament has been deferred while the Scottish Government considers the feedback from the call for views and engages in further consultation with stakeholders, the impact of the review on the DCIJB and its partners will be significant and will change the service delivery and governance landscape for adult social care. The National Care Service risk continues to pose a risk to the DCIJB's future existence and its ability to implement its Strategic Commissioning Plan. Given the uncertainty that currently exists there is a risk that partner bodies may be reluctant to provide investment for DHSCP developments.

Conclusion

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Council complies with the Local Code of Corporate Governance in all significant respects for 2022/2023. It is proposed over 2023/2024 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Council's governance arrangements.



Gregory Colgan BAcc (Hons), ACMA, CGMA
Chief Executive
Dundee City Council

25 October 2023



Councillor John Alexander
Leader of the Council
Dundee City Council

25 October 2023

CONTINUOUS IMPROVEMENT AGENDA FOR 2021/2022 - WITH PROGRESS UPDATES

The Council's Corporate Governance Assurance Statement group identified the following areas for improvement to be taken forward during 2022/2023. Full details are included in the Local Code of Corporate Governance ([Report 140-2022](#)) and the 2021/2022 Annual Governance Statement ([Report 141-2022](#)) updated for final version in 2021/2022 Audited Accounts to Scrutiny Committee on 26 October 2022 ([Report 282-2022](#)).

TABLE 1:

ORIGINAL IMPROVEMENT AGENDA ON 2022/2023 LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT REPORTS						PROGRESS UPDATES	
	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Update Corporate Asset Management Strategy.	Local Code of Corporate Governance 2017/2018. (Principle E: Developing the Entity). Report 223-2017	Carried forward from 2021/2022. In progress.	Executive Director of Corporate Services.	31/12/2022	26/06/2023	Corporate Asset Management Plan has been discussed by Capital Governance group and will be reported to Policy and Resources Committee in June 2023. Action completed.
2	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Carried forward from 2021/2022. In progress.	Service Manager - Community Safety and Resilience.	31/12/2022		The Community Safety and Resilience Manager has provided a Business Continuity Plan (BCP) template to Council Heads of Service to assist each service to update their BCP plans. *

	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
3	Develop programme for consideration of the suitability of key Operational IT systems	Annual Governance Statement 2018/2019. (Self-Assessment Checklist (SAC): Internal Control Environment section). Report 214-2018	Carried forward from 2021/2022. In progress.	Head of Customer Services and IT.	31/10/2022	16/03/2023	Systems identified as key Council applications as defined on the IT Disaster Recovery Plan have been reviewed in conjunction with lead users of those systems and with reference on some to recent reports to Committee approving their renewal. Action completed.
4	Replace Construction Services' Costing System.		Carried forward from 2021/2022. In progress.	Head of Construction and Head of Customer Services and IT.	30/04/2023		Devices and Licenses approved at Committee 24 th April 2023 and have been ordered and will then require set up. Programme for device roll out and training scheduled for July 2023. Build ongoing with phased go-live now scheduled for October 2023.
5	Revise Corporate Fraud Policy.	Internal Audit Report (Ref 2018/21).	Carried forward from 2021/2022. In progress.	Senior Manager – Internal Audit	31/08/2022	21/12/2022	Document now reviewed and issued to all staff as a confirmed policy. Action completed. SharePoint link: Counter Fraud and Corruption Policy.
6	Develop a future needs analysis and workforce plan within each service area for the short, medium and long term in line with the Our People and Workforce Strategy.	Best Value Self-Assessment Report 68-2020	Carried forward from 2021/2022. In progress.	Joint Head of People.	31/03/2023		Final draft of Future Needs Analysis now awaiting approval by Executive Director. * All Service level Workforce Plans completed on 4 th April 2023.
7	Review the Council's response to Covid 19 crisis.		Carried forward from 2021/2022. In progress. Including lessons learned, good practice, and areas for improvement.	Chief Executive / Executive Director of Corporate Services.	31/12/2023	31/12/2022	Complete no further action, any specific or remaining issues e.g. monitoring of financial impacts are now been dealt with as part of business as usual arrangements. Action completed.

	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
8	Identify the most appropriate apps in O365 to improve Council Services	Annual Governance Statement 2020/2021. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Carried forward from 2021/2022. In progress.	Joint Head of People.	31/12/2022	09/03/2023	I.T. and Learning and Organisational Development are working together to continuously identify and improve O365 tools and Apps. Action completed.
9	Review the Long-term Financial Strategy to reflect the impact of Covid-19.	Audit Scotland's 2021/2022 Annual Audit Report, recommendation 4.	New for 2022/2023.	Executive Director of Corporate Services.	31/12/2022	26/09/2022	This item was considered as part of the Financial Outlook and Strategy agreed by Policy and Resources Committee on 26 September 2022 (Report 257-2022 refers). Action completed.
10	Develop Risk Board to oversee legislative changes.	Annual Governance Statement 2021/2022. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2022/2023.	Executive Director of Corporate Services.	31/03/2023	16/08/2022	Board now established with quarterly meetings of all Heads of Service and representation from Internal Audit and Risk Management. Action completed.

*Carried forward items have been included in Table 2 with new target completion dates.

CONTINUOUS IMPROVEMENT AGENDA FOR 2023/2024

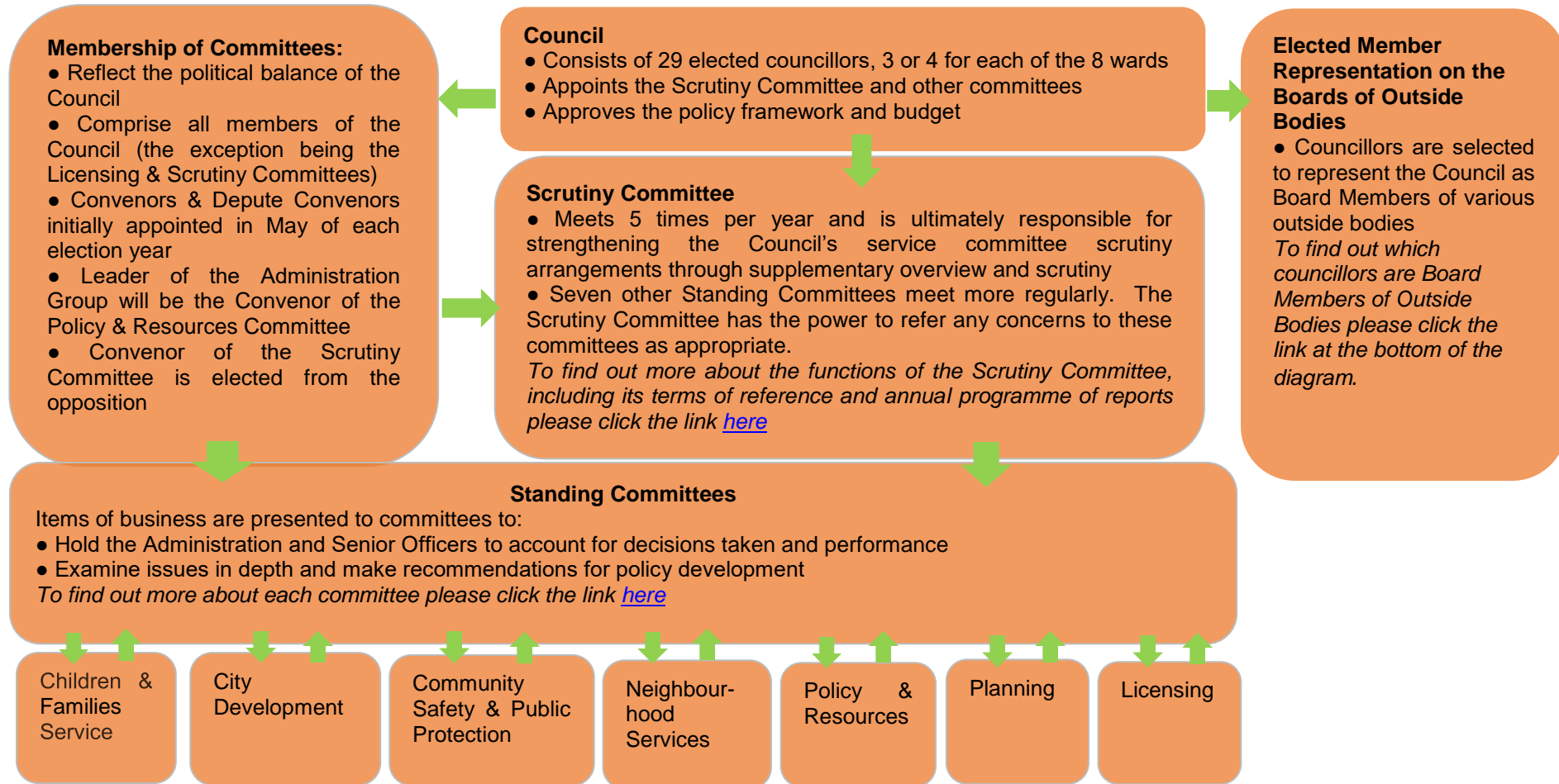
The Council's Corporate Governance Assurance Statement group has identified the following areas for improvement, full details are included in the Council's Local Code of Corporate Governance, to be taken forward during 2023/2024:

TABLE 2

	Improvement	Source	Details	Responsible Officer	Target Completion Date
1	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). <u>Report 223-2017</u>	Carried forward from 2022/2023. In progress.	Service Manager - Community Safety and Resilience.	31/12/2023
2	Replace Construction Services' Costing System.		Carried forward from 2022/2023. In progress.	Head of Construction and Head of Customer Services and IT.	01/10/2023
3	Develop a future needs analysis and workforce plan within each service area for the short, medium and long term in line with the Our People and Workforce Strategy.	Best Value Self-Assessment <u>Report 68-2020</u>	Carried forward from 2022/2023. In progress. To ensure staff skills match service delivery requirements and align workforce and strategic planning to ensure citizen's needs are being met in accordance with agreed priorities and statutory duties.	Joint Head of People.	31/12/2023
4	Implementation of Corporate Property Management system.	Annual Governance Statement 2022/2022. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2023/2024.	Head of Design and Property Services.	31/03/2027
5	Roll-out Procurement Strategy, including implementation of Sourcing Strategies.	Annual Governance Statement 2022/2022. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	New for 2023/2024.	Head of Corporate Finance.	31/03/2024
6	Full implementation of No Purchase Order No Pay.	Annual Governance Statement 2022/2022. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	New for 2023/2024.	Head of Corporate Finance.	31/03/2024

	Improvement	Source	Details	Responsible Officer	Target Completion Date
7	Mandatory Data Protection Impact Assessment (DPIA) training for appropriate officers.	Annual Governance Statement 2022/2022. (Self-Assessment Checklist (SAC): Information Governance section).	New for 2023/2024.	Head of Democratic and Legal Services.	31/03/2024
8	Review the Council's Standing Orders.	Annual Governance Statement 2022/2022. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2023/2024.	Head of Democratic and Legal Services.	30/09/2023

Dundee City Council's Governance Structure:



<https://www.dundee.gov.uk/sites/default/files/publications/electedmembersrepres22aug.doc>

ANNUAL REMUNERATION REPORT

INTRODUCTION

The Council is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration and accrued pension benefits of the Senior Councillors and Senior Employees of the Council. The report also provides information on the number of Council Employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations. The Remuneration Report also provides details of Termination Benefits and Exit Packages for staff. The Council's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in their report on the Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations and other relevant guidance. All information disclosed in the tables in this Remuneration Report are subject to audit by the Council's external auditors. The other sections of the Remuneration Report have been reviewed by the external auditors to ensure that they are consistent with the financial statement.

REMUNERATION ARRANGEMENTS

Senior Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2022 (Scottish Statutory Instrument No. 2022/18) and subsequent amendment regulations with further guidance being provided in Scottish Government circulars 8-2011 and 7-2014. The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (Lord Provost for Dundee City Council), Senior Councillors or Councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2022/2023 the salary for the Leader of Dundee City Council was £39,148. The Regulations permit the Council to remunerate one Civic Head. The Regulations set out the maximum salary that may be paid to that Civic Head. The agreed policy of Dundee City Council is to pay the Civic Head (Lord Provost) the maximum salary set out in the Regulations (£29,361). The Regulations allow the Civic Head to incur expenditure of up to £3,000 on expenses associated with the position. During 2022/2023, the Council's Lord Provost incurred expenditure of £285 under this heading.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors that the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all of its Senior Councillors (including the Leader and Civic Head) shall not exceed £386,567 and the number of Senior Councillors shall not exceed 15. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. Following the Local Government elections on 5 May 2022 the Council's arrangements in this area were agreed, at the meeting of the City Council on 23 May 2022 and were to be effective from that date.

With effect from 23 May 2022, Dundee City Council has had 15 Senior Councillors including the Leader and Civic Head. The remuneration payable to these Councillors in a full financial year totals £386,567, incorporating the effect of 0.4%, 2.8%, 2.2%, 4.2% and 5.2% pay increases from 1 April 2018, 1 April 2019, 1 April 2020, 1 April 2021 and 1 April 2022 respectively. The actual remuneration paid to Senior Councillors in 2022/2023 was £367,113. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme.

The remuneration details for the Leader of the Council, the Civic Head (Lord Provost for Dundee City Council) and Senior Councillors are set out in Table 1a. The salaries, allowances and expenses for all Councillors (including Senior Councillors) are set out below.

	2022/2023 £	2021/2022 £
Salaries	661,527	631,672
Mileage, Travel & Subsistence etc	4,767	266
Training & Conferences	85	-
Telephone Expenses	3,277	2,929
Other Allowances	285	-
	669,941	634,867
Provision of Council Cars	43,334	39,589
Total	713,275	674,456

The full Annual Return of Councillors Salaries & Expenses for 2022/2023 is available on the Council's [website](#).

Senior Employees of the Council

The salary of Senior Employees is set by reference to national agreements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular CO/152 sets the amount of salary for the Chief Executive of Dundee City Council for the year 2022/2023. The salaries of the Executive Directors and Heads of Service are determined with reference to the Chief Executive's salary taking into account the duties and responsibilities of their posts. The Council's Policy and Resources Committee is responsible for agreeing the salaries of Executive Directors and Heads of Service. As part of the revised service and management structures agreed in June 2015, the Council adopted a single pay and grading structure for all employees, other than those on SNCT conditions of service.

Senior Employees are entitled to participate in the Council's Contract Car Hire Scheme, subject to meeting certain criteria. The Council's Policy and Resources Committee is also responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Council:

- i. has responsibility for management of the local authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- ii. 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; or
- iii. annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Council has determined that 7 employees (7 posts) meet the criteria for designation as a Senior Employee in 2022/2023, with all 7 employees falling into either category (i) and / or (ii) above. The remuneration details for the Senior Employees of the Council are set out in Table 2.

The Regulations also require information to be published on the total number of Council employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table:

Remuneration Bands	No of Employees 2022/2023	No of Employees 2021/2022
£50,000 - £54,999	139	224
£55,000 - £59,999	190	60
£60,000 - £64,999	57	45
£65,000 - £69,999	37	47

£70,000 - £74,999	63	15
£75,000 - £79,999	13	6
£80,000 - £84,999	9	3
£85,000 - £89,999	4	7
£90,000 - £94,999	7	2
£95,000 - £99,999	4	10
£100,000 - £104,999	9	1
£105,000 - £109,999	0	1
£110,000 - £114,999	1	0
£115,000 - £119,999	0	1
£120,000 - £124,999	1	2
£125,000 - £129,999	3	0
£155,000 - £159,999	1	0
£160,000 - £164,999	0	1
Total	538	425

ACCRUED PENSION BENEFITS

Pension benefits for Councillors and Local Government Employees are provided through the Local Government Pension Scheme (LGPS). A new Local Government Pension Scheme (Scotland) came into effect on 1 April 2015, based on career average related earnings (CARE Scheme).

Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

For Local Government Employees the scheme currently provides benefits based on career average revalued salary and length of service on retirement. The scheme's normal retirement age for both Councillors and Local Government Employees is linked to the state pension age.

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, contribution rates were set at 6% for all non-manual employees. The members contribution rates for 2022/2023 remain at the 2009/2010 rates, however the pay bandings have been updated. The tiers and contribution rates are as follows:

Whole Time Pay	Contribution Rate 2022/2023
On earnings up to and including £23,000	5.5%
On earnings above £23,001 and up to £28,100	7.25%
On earnings above £28,101 and up to £38,600	8.5%
On earnings above £38,601 and up to £51,400	9.5%
On earnings of £51,401 and above	12%

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

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 under the new CARE Scheme guarantees a pension based on 1/49th of pensionable salary, calculated separately for each year of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service.

Senior Councillors

The accrued pension benefits for Senior Councillors are set out in Table 3, together with the pension contributions made by the Council.

Senior Employees of the Council

The accrued pension benefits for Senior Employees are set out in Table 4, together with the pension contributions made by the Council.

Assumptions and Contextual Information

The value of the accrued pension 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 figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- i. the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- ii. the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2022/2023, the scheme member contribution rate for Senior Councillors was in the range of 3.25% to 5.7% (2021/2022 3.25% to 5.6%) of pensionable pay and for Senior Employees was in the range of 9.5% to 10.4% (2021/2022 5.2% to 10.4%) of pensionable pay. In 2022/2023, the employer contribution rate was 17.0% (2021/2022 17.0%) of pensionable pay for both Senior Councillors and Senior Employees.

TERMINATION BENEFITS & EXIT PACKAGES

As part of ongoing cost saving measures aimed to implement a reduction in staffing levels the Council have approved a series of Voluntary Early Retirement and Voluntary Redundancy Schemes. Table 5 details the total number and cost of staff departures agreed under these schemes, split over various cost bandings. The total cost of these exit packages includes the strain on fund payable by the Council to the relevant pension scheme, employer's contribution to any enhancement of service awarded (i.e. added years benefits) or redundancy payments made. These costs were previously disclosed on an actuarial basis but in order to make it more meaningful, prior year figures have been restated to reflect actual costs incurred.

Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require a range of information in relation to the time and costs of employee involvement in trade union activity to be disclosed in the annual report. Our first disclosures under these Regulations related to the 2020/2021 financial year which were made in the 2021/2022 accounts. During 2022/2023, the scope of the data gathering exercise was widened, which explains the increased numbers for the 2021/2022 financial year disclosed below:

Trade Union (Facility Time Publication Requirements) Regulations 2017 disclosure requirement	2020/21	2021/22
Number of employees who were relevant union officials during the relevant period	19	55
How many employees who were relevant union officials during the relevant period spent		
a) 0 -1% of their working hours on facility time:	0	30
b) 1 – 50% of their working hours on facility time:	18	23
c) 51-99% of their working hours on facility time:	1	1
d) 100% of their working hours on facility time:	0	1

Percentage of the total pay bill spent on facility time	0.040%	0.061%
Time spent on paid trade union activities as a percentage of total paid facility time hours	none	none

The 2022/2023 data is currently being collated and will be published on the Council's website when available.



Gregory Colgan BAcc (Hons), ACMA, CGMA
Chief Executive
Dundee City Council

25 October 2023



Councillor John Alexander
Leader of the Council
Dundee City Council

25 October 2023

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TABLE 1a - REMUNERATION OF SENIOR COUNCILLORS

Councillor Name	Responsibility	Salary, Fees & Allowances £	Taxable Expenses £	Non-cash Expenses & Benefits -in-Kind £	Total Remuneration 2022/2023 £	Total Remuneration 2021/2022 £
Anne Rendall	Convener of Neighbourhood Services Committee (to 6 May 2022)	2,586	-	-	2,586	24,712
Bill Campbell	Lord Provost (from 24 May 2022), Depute Lord Provost (to 6 May 2022)	27,289	-	-	27,289	20,930
Christina Roberts	Convener of Community Safety & Public Protection Committee (from 24 May 2022), Depute Convener of Neighbourhood Services Committee (to 6 May 2022)	24,534	-	-	24,534	22,095
Heather Anderson	Convener of Neighbourhood Services Committee (from 24 May 2022)	22,222	-	-	22,222	-
Ian Borthwick	Lord Provost (to 6 May 2022)	2,920	-	-	2,920	27,910
John Alexander	Leader	37,359	-	-	37,359	35,213
Ken Lynn	Lead Member for Health & Social Care, Depute Convener of Licencing Committee (to 6 May 2022)	24,808	-	-	24,808	24,712
Kevin Cordell	Depute Lord Provost (from 24 May 2022), Convener, Community Safety and Public Protection (to 6 May 2022) (note 1)	21,687	-	-	21,687	24,712
Kevin Keenan	Convener of Scrutiny Committee, Leader of the Major Opposition Group	24,808	-	-	24,808	24,712
Mark Flynn	Convener of City Development Committee	24,808	-	-	24,808	24,712
Nadia El-Nakla	Depute Convener of Neighbourhood Services Committee (from 24 May 2022)	18,822	-	-	18,822	-
Roisin Smith	Depute Convener of Children & Families Services Committee	21,012	-	-	21,012	20,930
Siobhan Tolland	Depute Convener of Planning Committee (from 24 May 2022)	18,822	-	-	18,822	-
Steven Rome	Depute Convener of City Development Committee	21,012	-	-	21,012	20,930
Stewart Hunter	Convener of Children & Families Services Committee, Convener of Licencing Committee	24,808	-	-	24,808	24,712
Will Dawson	Convener of Planning Committee	24,808	-	-	24,808	24,712
Willie Sawers	Depute Convener of Policy & Resources Committee	24,808	-	-	24,808	24,712
Total		367,113	-	-	367,113	373,268

1. The figures for Salary, Fees and Allowances represents total remuneration for the year including payment for being a Councillor, together with the additional payment for being the Convener of the Tayside Valuation Joint Board.

Note

The following recharges were made by the Council to the following bodies in respect of the above responsibilities:

	2022/2023 £	2021/2022 £
Tay Road Bridge Joint Board	3,997	4,654
Tayside Valuation Joint Board	5,274	1,165
Total	9,271	5,819

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES OF THE COUNCIL

Employee Name	Post Title	Salary, Fees & Allowances £	Bonuses, Taxable Expenses £	Other payments £	Compensation for Loss of Employment £	Benefits Other Than in Cash £	Total Remuneration 2022/2023 £	Total Remuneration 2021/2022 £
Gregory Colgan	Chief Executive	158,800	-	-	-	-	158,800	160,087
Robert Emmott	Executive Director of Corporate Services	128,027	-	-	-	-	128,027	122,433
Audrey May	Executive Director of Children and Families	123,722	-	-	-	-	123,722	37,091
Robin Presswood	Executive Director of City Development	128,027	-	-	-	-	128,027	122,129
Elaine Zwirlein	Executive Director of Neighbourhood Services	128,027	-	-	-	-	128,027	122,129
Judy Dobbie	Director of Leisure and Culture Dundee	113,969	-	-	-	-	113,969	108,739

Diane McCulloch	Head of Health & Community Care, Dundee Health and Social Care Partnership (Chief Social Work Officer)	101,450	-	-	-	-	101,450	97,316
Total		882,022	-	0	-	-	882,022	865,441

TABLE 3 – SENIOR COUNCILLORS ACCRUED PENSION BENEFITS

Councillor Name	Responsibility	Pension as at 31 March 2023	Pension Difference from 31 March 2022	Lump Sum as at 31 March 2023	Lump Sum Difference from 31 March 2022	Pension Contribution 2022/2023	Pension Contribution 2021/2022
		£000	£000	£000	£000	£	£
Anne Rendall	Convener of Neighbourhood Services Committee (to 6 May 2022) (note 2)	2.4	0.1	-	-	440	4,201
Bill Campbell	Lord Provost (from 24 May 2022), Depute Lord Provost (to 6 May 2022)	4.8	0.8	-	-	4,639	3,558
Christina Roberts	Convener of Community Safety & Public Protection Committee (from 24 May 2022), Depute Convener of Neighbourhood Services Committee (to 6 May 2022)	6.9	0.9	1.9	0.2	4,171	3,756
Heather Anderson	Convener of Neighbourhood Services Committee (from 24 May 2022)	0.5	0.5	-	-	3,778	-
John Alexander	Leader	5.9	0.9	-	-	6,351	6,326
Ken Lynn	Lead Member for Health & Social Care, Depute Convener of Licencing Committee (to 6 May 2022)	1.8	0.5	-	-	4,218	4,201
Kevin Cordell	Depute Lord Provost (from 24 May 2022), Convener, Community Safety and Public Protection (to 6 May 2022) (note 1)	5.1	0.6	-	-	3,640	4,201
Kevin Keenan	Convener of Scrutiny Committee, Leader of the Major Opposition Group	8.2	1.1	2.4	0.3	4,218	4,201
Mark Flynn	Convener of City Development Committee	2.7	0.5	-	-	4,218	4,201

Councillor Name	Responsibility	Pension as at 31 March 2023	Pension Difference from 31 March 2022	Lump Sum as at 31 March 2023	Lump Sum Difference from 31 March 2022	Pension Contribution 2022/2023	Pension Contribution 2021/2022
		£000	£000	£000	£000	£	£
Nadia El-Nakla	Depute Convener of Neighbourhood Services Committee (from 24 May 2022)	0.4	0.4	-	-	3,200	-
Roisin Smith	Depute Convener of Children & Families Services Committee	2.5	0.5	-	-	3,572	3,558
Siobhan Tolland	Depute Convener of Planning Committee (from 24 May 2022)	0.4	0.4	-	-	3,200	-
Steven Rome	Depute Convener of City Development Committee	1.7	0.5	-	-	3,572	3,558
Stewart Hunter	Convener of Children & Families Services Committee, Convener of Licencing Committee	7.6	1.0	2.1	1.3	4,218	4,201
Will Dawson	Convener of Planning Committee	7.8	1.1	2.1	0.2	4,218	4,201
Willie Sawers	Depute Convener of Policy & Resources Committee	7.8	1.1	2.1	1.4	4,218	4,201
Total		66.1	10.5	10.6	3.4	58,671	54,364

TABLE 3 NOTES

1. The Pension Contribution figures relate to the remuneration shown for the relevant persons in Table 1a.
2. Pension commenced during 2022/2023.

TABLE 4 – SENIOR EMPLOYEES OF THE COUNCIL ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2023	Pension Difference from 31 March 2022	Lump Sum as at 31 March 2023	Lump Sum Difference from 31 March 2022	Pension Contribution 2022/2023	Pension Contribution 2021/2022
		£000	£000	£000	£000	£	£
Gregory Colgan	Chief Executive (see note 1)	35	5	-	-	26,996	27,215
Robert Emmott	Executive Director of Corporate Services	54	6	74	6	21,765	19,916
Robin Presswood	Executive Director of City Development	52	5	61	3	21,765	20,762
Elaine Zwirlein	Executive Director of Neighbourhood Services	69	5	108	5	21,765	20,762
Judy Dobbie	Director of Leisure and Culture Dundee	54	5	86	4	19,375	18,486
Diane McCulloch	Head of Health and Community Care, Dundee Health and Social Care Partnership (Chief Social Work Officer)	54	5	85	4	17,246	16,459
Total		318	31	414	22	128,912	140,907

TABLE 4 NOTES

1. The Pension Contribution 2021/2022 figure for Gregory Colgan, Chief Executive, includes £1,470 contributions payable on fees for election duties.
2. Audrey May, Executive Director of Children and Families, has opted out of the Local Government Pension Scheme.

TABLE 5 – TERMINATION BENEFITS & EXIT PACKAGES

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£000)	
	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
£0 - £20,000	-	-	21	7	21	7	71	21
£20,001 - £40,000	-	-	6	-	6	-	166	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	2	-	2	-	137	-
£80,001 - £100,000	-	-	1	-	1	-	89	-
Total	-	-	30	7	30	7	463	21

TABLE 5 NOTES

1. The above table represents the actual costs incurred (as opposed to actuarial costs) of termination benefits associated with voluntary redundancy payments to employees who left during 2022/2023 and 2021/2022. Under the terms of the Council's severance schemes for non-teaching staff, employees can elect to receive a voluntary redundancy payment. During 2022/2023, 7 employees received voluntary redundancy payments (2021/2022: 23 employees) for which the Council incurred one-off redundancy costs of £0.021m (2021/2022 £0.288m). The average pay-back period for exit packages in 2022/2023 was 0.06 years (2021/2022: 0.40 years). The pay-back period represents the time taken for the costs of the exit package to be recovered by the subsequent saving in salary costs, including on-cost.
2. The 2021/2022 figures have been restated to be on the basis of actual costs incurred, rather than actuarial amounts as previously disclosed. This is to improve the understandability of the data.

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Executive Director of Corporate Services.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Scrutiny Committee at its meeting on 25 October 2023.

Signed on behalf of Dundee City Council



Councillor John Alexander
Leader of the Council
 25 October 2023

The Responsibilities of the Executive Director of Corporate Services

The Executive Director of Corporate Services is responsible for the preparation of the Council's annual accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing the annual accounts, the Executive Director of Corporate Services has:

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

The Executive Director of Corporate Services has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the local authority (and its group) at the reporting date and the transactions of the local authority (and its group) for the year ended 31 March 2023.



Robert Emmott BSc, CPFA
Executive Director of Corporate Services
 Dundee City Council
 28 June 2023

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The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the Council (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/2022				2022/2023		
Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between the Funding and Accounting Basis (see below/MIRS) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between the Funding and Accounting Basis (see below/MIRS) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
168,790	11,501	180,291	Children & Families Services	184,099	10,439	194,538
88,991	6,954	95,945	Dundee Health & Social Care Partnership	100,041	5,942	105,983
18,775	51,036	69,811	City Development	22,202	57,013	79,215
20,965	7,340	28,305	Neighbourhood Services	20,339	6,039	26,378
14,660	481	15,141	Chief Executive	14,050	434	14,484
31,210	7,569	38,779	Corporate Services	35,087	7,382	42,469
(564)	2,597	2,033	Construction	1,157	2,373	3,530
(1,473)	13,137	11,664	Housing Revenue Account	(1,533)	9,016	7,483
380	-	380	Discretionary NDR Relief	422	-	422
932	-	932	Tayside Valuation Joint Board	1,021	-	1,021
460	2,401	2,861	Miscellaneous Items	(21)	2,424	2,403
343,126	103,016	446,142	Cost Of Services	376,864	101,062	477,926
(354,802)	(22,754)	(377,556)	Other Income and Expenditure	(373,032)	(24,411)	(397,443)
(11,676)	80,262	68,586	(Surplus) or Deficit on Provision of Services	3,832	76,651	80,483
50,574			Opening General Fund and HRA Balance	61,313		
11,676			Add Surplus / (Deficit) on General Fund and HRA Balance in Year	(3,832)		
(937)			Transfers (to) / from Other Reserves	(834)		
61,313			Closing General Fund and HRA Balance at 31 March *	56,647		

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

Expenditure and Funding Analysis (cont)

This analysis provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Reserve to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments between Funding and Accounting Basis

2021/2022				2022/2023				
Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note 2) £000	Other Differences (Note 3) £000	Total Adjustments £000	Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note 2) £000	Other Differences (Note 3) £000	Total Adjustments £000
4	11,365	132	11,501	Children & Families Services	3	10,167	269	10,439
-	7,506	(552)	6,954	Dundee Health & Social Care Partnership	-	6,565	(623)	5,942
49,326	3,126	(1,416)	51,036	City Development	55,494	2,770	(1,251)	57,013
2,455	5,133	(248)	7,340	Neighbourhood Services	2,019	4,441	(421)	6,039
-	492	(11)	481	Chief Executive	-	432	2	434
1,811	5,844	(86)	7,569	Corporate Services	2,077	5,371	(66)	7,382
-	3,011	(414)	2,597	Construction	-	2,809	(436)	2,373
19,029	1,207	(7,099)	13,137	Housing Revenue Account	14,977	944	(6,905)	9,016
-	-	2,401	2,401	Miscellaneous Items	-	-	2,424	2,424
72,625	37,684	(7,293)	103,016	Cost Of Services	74,570	33,499	(7,007)	101,062
(33,147)	3,105	7,288	(22,754)	Other income and expenditure from the Expenditure and Funding Analysis	(33,039)	1,794	6,834	(24,411)
39,478	40,789	(5)	80,262	Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	41,531	35,293	(173)	76,651

Notes

1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

Other operating expenditure - adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and investment income and expenditure - the statutory charges for capital financing ie loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices. **Taxation and non-specific grant income and expenditure** - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For **services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

For **Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES.

3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:

For services this represents the inclusion of a charge for short-term accumulating compensating absences, mainly relating to accrued annual leave entitlement. Allocations of insurance costs and impairment allowances on trade debtors have been included.

For Financing and investment income and expenditure - the other differences column recognises adjustments to the General Fund for the re-measurement of the revenue costs / income associated with financial instruments.

For Financing and investment income and expenditure - the other differences column recognises interest payable / receivable on the Housing Revenue Account being reclassified as a corporate cost.

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Subjective Analysis of Surplus or Deficit on the Provision of Services

2021/2022		2022/2023
£000		£000
301,318	Employee benefit expenses	317,319
390,322	Other service expenses	426,299
3,058	Support service recharges	3,203
84,838	Depreciation, amortisation and impairment	88,637
32,107	Interest payments	32,434
932	Precepts and levies	1,021
812,575	Total Expenditure	868,913
(191,635)	Fees, charges and other service income	(196,408)
(1,995)	Interest and investment income	(2,944)
(57,925)	Income from Council Tax	(60,970)
(492,135)	Government grants and contributions	(527,557)
(299)	Gain on disposal of non-current assets	(551)
(743,989)	Total Income	(788,430)
68,586	(Surplus) or Deficit on the Provision of Services	80,483

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ALL CORE FINANCIAL STATEMENTS & THEIR NOTES | Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Councils raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2021/2022				2022/2023			Unaudited 2022/2023 Budgeted Net Expenditure/ (Income) £000
Gross Expend £000	Gross Income £000	Net Expend / (Income) £000		Gross Expend £000	Gross Income £000	Net Expend / (Income) £000	
217,829	(37,538)	180,291	Children & Families Services	237,509	(42,971)	194,538	193,449
236,136	(140,191)	95,945	Dundee Health & Social Care Partnership	259,968	(153,985)	105,983	105,983
90,426	(20,615)	69,811	City Development	102,762	(23,547)	79,215	80,167
39,819	(11,514)	28,305	Neighbourhood Services	37,290	(10,912)	26,378	30,541
16,653	(1,512)	15,141	Chief Executive	16,725	(2,241)	14,484	16,662
93,542	(54,763)	38,779	Corporate Services	94,422	(51,953)	42,469	44,074
9,653	(7,620)	2,033	Construction	12,117	(8,587)	3,530	2,455
66,659	(54,995)	11,664	Housing Revenue Account	65,614	(58,131)	7,483	8,434
380	-	380	Discretionary NDR Relief	422	-	422	392
932	-	932	Tayside Valuation Joint Board	1,021	-	1,021	1,045
3,643	(782)	2,861	Miscellaneous Items	3,099	(696)	2,403	5,549
775,672	(329,530)	446,142	Cost Of Services	830,949	(353,023)	477,926	488,751
		(3)	Other Operating Expenditure (note 5)			671	671
		32,245	Financing and Investment Income and Expenditure (note 6)			31,576	27,374
		(409,798)	Taxation and Non-Specific Grant Income (note 7)			(429,690)	(427,584)
		68,586	Deficit on Provision of Services			80,483	89,212
		(14,439)	(Surplus) or Deficit on revaluation of non-current assets			(142,682)	(142,682)
		1,717	Impairment losses on non-current assets charged to the Revaluation Reserve			2,102	2,102
		308	(Surplus) or Deficit on financial assets measured at fair value through other comprehensive income			460	460
		(108,951)	Remeasurements of the net defined benefit liability (asset)			(407,989)	(407,989)
		(121,365)	Other Comprehensive (Income) / Expenditure			(548,109)	(548,109)
		(52,779)	Total Comprehensive (Income) / Expenditure			(467,626)	(458,897)

Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax [or rents] for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

2021/2022	<u>Revenue Reserves</u>				<u>Capital Reserves</u>		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 2021 brought forward	(50,574)	-	(11,467)	(2,224)	(4,993)	(636)	(69,894)	(704,427)	(774,321)
Movement in Reserves during 2021/2022									
Total Comprehensive Income & Expenditure	50,137	18,449	-	-	-	-	68,586	(121,365)	(52,779)
Adjustments to Usable Reserves Permitted by Accounting Standards	(11,408)	(13,865)	-	-	-	-	(25,273)	25,273	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9)	(48,706)	(6,283)	-	-	279	-	(54,710)	54,710	-
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	(9,977)	(1,699)	-	-	279	-	(11,397)	(41,382)	(52,779)
Transfers to/(from) Other Statutory Reserves	(762)	1,699	(1,703)	766	3,000	(3,000)	-	-	-
(Increase)/ Decrease in 2021/2022	(10,739)	-	(1,703)	766	3,279	(3,000)	(11,397)	(41,382)	(52,779)
Balance at 31 March 2022 carried forward	(61,313)	-	(13,170)	(1,458)	(1,714)	(3,636)	(81,291)	(745,809)	(827,100)

ALL CORE FINANCIAL STATEMENTS & THEIR NOTES | Movement In Reserves Statement

2022/2023	Revenue Reserves				Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 2022 brought forward	(61,313)	-	(13,170)	(1,458)	(1,714)	(3,636)	(81,291)	(745,809)	(827,100)
Movement in Reserves during 2022/2023									
Total Comprehensive Income & Expenditure	66,595	13,888	-	-	-	-	80,483	(548,109)	(467,626)
Adjustments to Usable Reserves Permitted by Accounting Standards	(12,538)	(13,865)	-	-	-	-	(26,403)	26,403	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9)	(48,692)	(1,556)	-	-	339	1,005	(48,904)	48,904	-
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	5,365	(1,533)	-	-	339	1,005	5,176	(472,802)	(467,626)
Transfers to/(from) Other Statutory Reserves	(699)	1,533	(1,589)	814	-	(59)	-	-	-
(Increase)/ Decrease in 2022/2023	4,666	-	(1,589)	814	339	946	5,176	(472,802)	(467,626)
Balance at 31 March 2023 carried forward	(56,647)	-	(14,759)	(644)	(1,375)	(2,690)	(76,115)	(1,218,611)	(1,294,726)

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

31 March 2022 £000			31 March 2023 £000
1,583,545	Property, Plant & Equipment	27	1,672,866
8,382	Heritage Assets	41	20,942
13,573	Investment Property	24	13,073
2,487	Intangible Assets	25	2,540
29	Long Term Investments	37	29
-	Pension Asset	12/20	305,781
11,624	Long Term Debtors	37/44	10,321
1,619,640	Long Term Assets		2,025,552
3,592	Short Term Investments	37	3,132
906	Inventories	-	1,075
62,197	Short Term Debtors	31	63,271
36,841	Cash and Cash Equivalents	16	12,689
4,593	Assets held for sale	30	5,893
108,129	Current Assets		86,060
(35,010)	Short Term Borrowing	37	(16,010)
(107,836)	Short Term Creditors	32/37	(120,116)
(142,846)	Current Liabilities		(136,126)
(4,927)	Provisions	33	(5,681)
(515,325)	Long Term Borrowing	37	(507,782)
(66,915)	Pension Liability	12/20	-
(164,188)	Other Long Term Liabilities	43	(159,196)
(6,468)	Grants Receipts in Advance	36	(8,101)
(757,823)	Long Term Liabilities		(680,760)
827,100	Net Assets		1,294,726
81,291	Usable Reserves	11	76,115
745,809	Unusable Reserves	12	1,218,611
827,100	Total Reserves		1,294,726



Robert Emmott BSc, CPFA
 Executive Director of Corporate Services
 Dundee City Council
 28 June 2023

The notes on pages 58 to 118 form part of the financial statements.

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2021/2022 £000		2022/2023 £000
68,586	Net deficit on the provision of services	80,483
(165,361)	Adjust net (surplus) on the provision of services for non cash movements	(135,502)
1,335	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	3,077
(95,440)	Net cash flows from Operating Activities	(51,942)
58,397	Investing Activities (note 14)	44,947
(2,267)	Financing Activities (note 15)	31,147
(39,310)	Net (increase)/decrease in cash and cash equivalents	24,152
(2,469)	Cash and cash equivalents at the beginning of the reporting period	36,841
36,841	Cash and cash equivalents at the end of the reporting period (note 16)	12,689

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1 Accounting Policies

A. General Principles

The Annual Accounts summarise the Council's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Council is required to prepare Annual Accounts by The Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and the Service Reporting Code of Practice 2022/23, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounts have been prepared on a going concern basis. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

B. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Council's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the Council is acting as an agent for another party (e.g. in the collection of Non-Domestic Rates, Scottish Water Charges etc), income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

C. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

D. Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made and it is material to the financial statements, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E. Charges to Revenue for Non-Current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

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

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement, equal to the Statutory Repayment of Loans Fund Advances. Depreciation (historic cost element), revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (the Statutory Repayment of Loans Fund Advances), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. The charge to services for the current value element of depreciation is offset by a transfer from the Revaluation Reserve in the Movement in Reserves Statement.

F. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then the element relating to accrued holiday entitlements is reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. 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 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

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

- the Local Government Pension Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by the Council.
- the Teachers' Scheme, an unfunded scheme administered nationally by the Scottish Public Pensions Agency.

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

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children & Families Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

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

- The liabilities of the Tayside Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.

The assets of the Tayside Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value
- The change in the net pensions liability is analysed into the following components:
 - Service Cost* comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Miscellaneous Items.
 - net interest on the net defined benefit liability/asset, ie net interest expense for the Council – the change during the period in the net defined benefit liability/asset that arises from the passage of time, charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset at the beginning of the period, taking into account any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments.
 - Remeasurements* comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability/asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - contributions paid to the Tayside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

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

G. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

H. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement 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 or debited accordingly to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. 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 Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement, 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 Comprehensive Income and Expenditure Statement 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.

I. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss
- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

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 Comprehensive Income and Expenditure Statement 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 financial assets held 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 Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of an asset are credited or debited accordingly to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are

assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value Through Profit or Loss (FVPL)

Financial assets that are measured at FVPL 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. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

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

J. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Grant Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants & Receipts Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants & Receipts Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

K. Heritage Assets

The Council's Heritage Assets, which are primarily held in the McManus Art Gallery and Museum and the Central Library, are held in support of the primary objective of increasing the knowledge, understanding and appreciation of the history of Dundee and the surrounding area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets are also presented below.

The Council's collections of heritage assets are accounted for as follows:

Museum and Art Gallery Collections

The collections of the McManus Art Gallery and Museum form the major part of the heritage assets held by the Council. These collections have been built up over a period of 150 years and are used for reference, research and education. Items recognised in the Balance Sheet, mainly relating to the Fine Art Collection, are reported at insurance valuation which is based on market values. The assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Other Heritage Assets

The McKenzie Photographic Collection and the Desperate Dan statue, previously recognised in the Council's balance sheet as Community assets, have been reclassified as Heritage assets. These assets are held in the Balance Sheet at cost as the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Council's financial statements. These assets are deemed to have indeterminate lives, hence the Council does not consider it appropriate to charge depreciation.

Heritage Assets Not Recognised in the Balance Sheet

In addition to the above, the Council holds heritage assets which, in light of the relaxation of measurement rules, are not recognised in the Balance Sheet. These include some collections in the Council's museums, galleries and libraries as well as civic regalia, statues, monuments, memorials, fountains and outdoor artworks at various locations throughout Dundee. The Council considers that, due to the diverse nature of the assets held and the lack of comparable values, the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Council's financial statements. As a result, fair value information is unavailable and cost information is also unknown. These assets are therefore not recognised in the Balance Sheet, however, detailed information regarding them is held on relevant databases.

Heritage Assets – Impairment

Whilst heritage assets are not revalued regularly, the carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

L. Interests in Companies and Other Entities

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

M. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is generally assigned using the weighted average costing formula. Where inventories are acquired through a non-exchange transaction, they are included in the Balance Sheet at their fair value at the date of acquisition. Where inventories are held for distribution at no charge or for a nominal charge, or for consumption in the production process of such goods, then their value is measured at the lower of cost or current replacement cost. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

N. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. 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 Comprehensive Income and Expenditure Statement. 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.

O. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Council currently has no assets

acquired under finance leases or leased to third parties on finance lease. Accounting policies for operating leases are set out below.

The Council as Lessee

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease).

Sale and Leaseback Transaction - where an analysis under SIC 27 (Standards Interpretation Committee 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease) indicates that the arrangement is not, in substance, a sale and leaseback but instead is a financing arrangement, the leasing requirements of the Code are not applied. Instead, the sale proceeds transferred are treated as the advance of a loan and the subsequent lease payments are treated as repayments of that loan. The loan is recognised and measured in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The underlying asset is not derecognised by the seller/lessee.

The Council as Lessor

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 as a non-current asset and continues to be subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Rental income is credited to the appropriate service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a premium paid at the commencement of the lease). Any initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

P. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

Q. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of costs for dismantling and removing the item and restoring the site on which it is located

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

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

- community assets and assets under construction – historical cost
- infrastructure and vehicles, plant & equipment – depreciated historical cost
- council dwellings – current value, determined using the basis of existing use value for social housing (EUV - SH)
- surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective

- other land & buildings – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains would be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is accounted for by:

- 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 or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

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.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- 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 or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

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

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

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

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 Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement 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 disposals are categorised as capital receipts. Receipts are required to be credited to the Capital Fund, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Fund from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets

is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (ie, assets under construction).

Depreciation is calculated on the following bases:

- council dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 10 years.
- infrastructure – straight-line allocation over between 10 and 30 years.

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

Disposal and Derecognition of Infrastructure Assets

When a component of an infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, 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).

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

Where any part of infrastructure assets are replaced, an adaptation provided in a separate update to the Code assumes that from the introduction of the IFRS based Code when parts of an asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

R. Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – posted to the Balance Sheet as additions to Property, Plant and Equipment but determined as non-value adding.

S. Provisions, Contingent Liabilities and Contingent AssetsProvisions – General

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 Comprehensive Income and Expenditure Statement when the Council has an obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

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

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

T. Reserves

Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and these reserves do not represent usable resources for the Council. Further information on the Council's reserves is contained in notes 11 and 12.

U. VAT

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

V. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible assets held by the Council meet this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. As asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for sale proceeds, to the Capital Receipts Reserve.

W. Fair Value Measurement

The Council measures some of its non-financial assets and some of its financial instruments at fair value at each reporting date. Fair value is 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 takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's 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 Council can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability.

2 Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

We are not anticipating any accounting changes to be introduced in the 2023/2024 Code of Practice. The implementation of IFRS 16 Leases is anticipated to be deferred to the 2024/2025 Code of Practice.

3 Critical Judgements in Applying Accounting Policies

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

- The Council is deemed to control the services provided under the PPP contract with Discovery Education PLC to construct, maintain and facilities-manage six new primary schools and two new secondary schools in the city. The Council is also deemed to control the residual value of the schools at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the schools (valued at £138m as at 31 March 2023) are recognised as Property, Plant and Equipment on the Council's Balance Sheet.
- The Council is deemed to control the services provided under the DBFM contract with Hub East Central (Baldragon) Limited to construct, maintain and facilities-manage a new secondary school in the city. The Council is also deemed to control the residual value of the school at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the school (valued at £33m as at 31 March 2023) is recognised as Property, Plant and Equipment on the Council's Balance Sheet.
- The Council is deemed to control the services provided under the long term waste disposal contract with MVV Environment Baldovie Limited (MEB). The existing DERL plant is being utilised by MEB to deliver the contractual requirements alongside the new plant constructed on an adjacent site. The new plant was constructed by MEB and will be maintained by them. The Council is also deemed to control the residual value of the new plant at the end of the contract. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the Council's share of the plant (valued at £65m as at 31 March 2023) is recognised as Property, Plant and Equipment on the Council's Balance Sheet.
- During 2019/2020, Dundee House (an administrative building) was sold to Canada Life with the Council then entering into a 40 year lease with Canada Life for the continued occupation of Dundee House. The sale price was £23.8m. In accounting terms, the transaction has been treated as a financing arrangement, with the asset continuing to be recognised in the Council's balance sheet and a long-term liability equivalent to the sale price less financing repayments also being recognised.

4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Annual Accounts contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from 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 Council 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 assets falls. It is estimated that the annual depreciation charge for buildings would increase by £1.9m for every year that useful lives had to be reduced.
Provisions	The Council has made provisions for certain liabilities where there is a degree of uncertainty as to the amount and / or timing of settlement. Detailed information on provisions is provided in note 34.	The total value of provisions in the Council's balance sheet at 31 March 2023 is £5.681m. If eventual settlement of the related liabilities is higher than the amounts currently provided for, then an additional charge would require to be made.
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 effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £17.0m. However, the assumptions interact in complex ways. During 2022/2023, the Council's actuaries advised that the net pensions liability had decreased by £372.7m to a net asset position. The decrease was due to a number of factors: changes in actuarial financial assumptions, experience losses on the defined benefit obligation, return on plan assets and the difference between Current Service Cost and the employer's pension contributions to the scheme for the year.
Debtors /Non-collection Provisions	At 31 March 2023, the Council has a gross balance for short-term sundry debtors of £105.865m, including local taxation and housing rent debtors. A review of the different categories of debt has concluded that an overall allowance for impairment of £42.594m is appropriate. However, while representing our best estimate, in the current economic climate it is not certain that these allowances would be sufficient. Detailed information on debtor impairment allowances is provided in note 33.	If collection rates were to deteriorate, an increase in the amount provided for doubtful debts would require to be charged.

5 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

2021/2022 £000		2022/2023 £000
(299)	(Gains) / losses on the disposal of non current assets	(551)
296	Impairment of Assets Held for Sale	1,222
(3)	Total	671

6 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

2021/2022 £000		2022/2023 £000
32,107	Interest payable and similar charges	32,434
3,105	Net interest on the net defined benefit liability (asset)	1,794
(613)	Interest receivable and similar income	(1,562)
158	Changes in the fair value of investment properties	500
(1,382)	Net income from investment properties	(1,382)
(432)	Share of Tayside Contracts surplus	(297)
(1,938)	Scottish Government contribution to DBFM interest costs	(1,925)
-	Studio Dundee write off costs	1,133
1,240	Trade Debtors Impairment Allowance	881
32,245	Total	31,576

7 Comprehensive Income and Expenditure Statement – Taxation and Non Specific Grant Income

2021/2022 £000		2022/2023 £000
(57,925)	Council Tax Income	(60,970)
(26,821)	Contribution from national non domestic rates pool	(35,581)
(304,250)	Non-ring-fenced government grants	(310,066)
(20,802)	Capital grants and contributions	(23,073)
(409,798)	Total	(429,690)

Non-domestic rate income as reported under taxation and non-specific grant income and expenditure comprises income assigned by the Scottish Government from the national non-domestic rates pool, as well as non-domestic rate income which is not submitted to the national pool but is retained by the Council.

	31 March 2022 £000	31 March 2023 £000
Distribution from non-domestic rate pool	26,821	35,496
Non-domestic rate income retained by authority (BRIS)	-	85
Non-domestic rate income credited to the comprehensive income and expenditure statement	26,821	35,581

8 Comprehensive Income and Expenditure Statement – Material Items of Income and Expense

There were no material items of income or expense in 2022/2023 that are not already disclosed on the face of the Consolidated Income and Expenditure Statement or elsewhere in the notes to the accounts.

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9 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

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

2021/2022	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2021/2022 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments involving the Capital Adjustment Account:						
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Charges for depreciation and impairment of non current assets	(42,011)	(16,924)	-	-	58,935	-
Movements in the market value of Investments Properties and Assets Held for Sale	(720)	266	-	-	454	-
Capital grants and contributions that have been applied to capital financing	19,871	-	-	-	(19,871)	-
Revenue expenditure funded from capital under statute	(172)	-	-	-	172	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	(755)	(281)	-	-	1,036	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Statutory provision for the financing of capital investment	10,937	11,480	-	-	(22,417)	-
Capital expenditure charged against the General Fund and HRA balances	2,046	-	-	-	(2,046)	-
Adjustments involving the Capital Fund:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and use of capital receipts to fund qualifying expenditure on service transformation or service redesign projects in 2021/2022	1,040	295	-	-	(1,335)	-

9 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations – continued

2021/2022 (continued)	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2021/2022 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to CIES	931	-	-	(931)	-	-
Use of capital receipts to fund qualifying expenditure on service transformation or service redesign projects	(202)	-	-	202	-	-
Capital grants and contributions applied to finance new capital expenditure	-	-	-	1,008	(1,008)	-
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	230	90	-	-	(320)	-
Adjustments involving the Pensions Reserve:						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 20)	(63,535)	(2,004)	-	-	65,539	-
Employer's pensions contributions & direct payments to pensioners payable in the year	23,952	797	-	-	(24,749)	-
Adjustments 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	(318)	(2)	-	-	320	-
Total Adjustments 2021/2022	(48,706)	(6,283)	-	279	54,710	-

9 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

2022/2023	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2022/2023 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments involving the Capital Adjustment Account:						
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Charges for depreciation and impairment of non current assets	(46,652)	(13,457)	-	-	60,109	-
Movements in the market value of Investments Properties and Assets Held for Sale	(2,136)	414	-	-	1,722	-
Capital grants and contributions that have been applied to capital financing	22,617	-	-	-	(22,617)	-
Revenue expenditure funded from capital under statute	(404)	-	-	-	404	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	535	16	-	-	(551)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Statutory provision for the financing of capital investment	8,526	12,345	-	-	(20,871)	-
Capital expenditure charged against the General Fund and HRA balances	2,611	-	-	-	(2,611)	-
Adjustments involving the Capital Fund:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement and use of capital receipts to fund qualifying expenditure on service transformation or service redesign projects in 2022/2023	-	-	1,005	-	(1,005)	-

9 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations – continued

2022/2023 (continued)	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2022/2023 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to CIES	456	-	-	(456)	-	-
Use of capital receipts to fund qualifying expenditure on service transformation or service redesign projects	-	-	-	-	-	-
Capital grants and contributions applied to finance new capital expenditure	-	-	-	795	(795)	-
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	224	97	-	-	(321)	-
Adjustments involving the Pensions Reserve:						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 20)	(59,731)	(1,795)	-	-	61,526	-
Employer's pensions contributions & direct payments to pensioners payable in the year	25,442	791	-	-	(26,233)	-
Adjustments 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	(180)	33	-	-	147	-
Total Adjustments 2022/2023	(48,692)	(1,556)	1,005	339	48,904	-

10 Movement in Reserves Statement – Transfers to/from Earmarked Reserves

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

2022/2023	Balance at 1 April 2022 £000	Transfers Out 2022/2023 £000	Transfers In 2022/2023 £000	Balance at 31 March 2023 £000	Purpose of the Earmarked Reserve
General Fund					
Car Parking Balances	(144)	-	(216)	(360)	To fund future car parking projects
Second Homes etc Discount Reduction*	(2,112)	-	(433)	(2,545)	To fund new social housing
Organisational Change Fund	(2,659)	127	-	(2,532)	To fund service transformation initiatives
Budget Carry Forwards - Covid Funding	(4,390)	4,390	-	-	To fund underspends carried forward from previous year
Budget Carry Forwards - Other	(6,029)	6,029	(5,962)	(5,962)	To fund underspends carried forward from previous year
Covid Costs 2021-2024	(18,000)	3,353	-	(14,647)	To fund Covid-related costs and income shortfalls
Covid Recovery Fund	(3,000)	1,720	-	(1,280)	To fund Covid recovery initiatives
Service Change Fund	(5,000)	-	-	(5,000)	To fund service change initiatives
Dundee Partnership Festivals & Events Fund	(78)	-	-	(78)	To fund future events
Regional Performance Centre	(192)	-	(64)	(256)	To fund asset replacements
Inflationary pressures	(5,472)	3,800	(2,128)	(3,800)	To fund known inflationary pressures
Roof maintenance cost pressures	(4,400)	693	-	(3,707)	To fund additional roof maintenance cost pressures
Scientific Services	(288)	-	-	(288)	To fund decrease in external financial contributions
Local elections 2022	(237)	237	-	-	To fund local government elections 2022/23
Contribution to 2023/24 budget	-	-	(1,750)	(1,750)	To fund a contribution to 2023/24 revenue budget
Children Services pressures	-	-	(4,300)	(4,300)	To fund cost pressures in third party payments
Ash dieback	-	-	(411)	(411)	To fund removal of infected and dangerous ash trees
City events	-	-	(505)	(505)	To fund 2023/24 commitments
Total - Earmarked Balances	(52,001)	20,349	(15,769)	(47,421)	
Uncommitted General Fund Balances	(9,312)	86	-	(9,226)	To fund unforeseen / emergency expenditure
Total - General Fund Balances	(61,313)	20,435	(15,769)	(56,647)	

10 Movement in Reserves Statement – Transfers to/from Earmarked Reserves (continued)

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

2021/2022	Balance at 1 April 2021 £000	Transfers Out 2021/2022 £000	Transfers In 2021/2022 £000	Balance at 31 March 2022 £000	Purpose of the Earmarked Reserve
General Fund					
Car Parking Balances	-	-	(144)	(144)	To fund future car parking projects
Second Homes etc Discount Reduction*	(1,650)	-	(462)	(2,112)	To fund new social housing
Organisational Change Fund	(2,733)	74	-	(2,659)	To fund service transformation initiatives
Budget Carry Forwards - Covid Funding	(9,800)	9,800	(4,390)	(4,390)	To fund underspends carried forward from previous year
Budget Carry Forwards - Other	(1,096)	1,096	(6,029)	(6,029)	To fund underspends carried forward from previous year
Covid Costs 2021-2024	(19,023)	1,023	-	(18,000)	To fund Covid-related costs and income shortfalls
Covid Recovery Fund	(3,000)	-	-	(3,000)	To fund Covid recovery initiatives
Service Change Fund	(5,000)	-	-	(5,000)	To fund service change initiatives
Dundee Partnership Festivals & Events Fund	(78)	-	-	(78)	To fund future events
Regional Performance Centre	(128)	-	(64)	(192)	To fund asset replacements
Inflationary pressures	-	-	(5,472)	(5,472)	To fund known inflationary pressures
Roof maintenance cost pressures	-	-	(4,400)	(4,400)	To fund additional roof maintenance cost pressures
Scientific Services	-	-	(288)	(288)	To fund decrease in external financial contributions
Local elections 2022	-	-	(237)	(237)	To fund local government elections 2022/23
Total - Earmarked Balances	(42,508)	11,993	(21,486)	(52,001)	
Uncommitted General Fund Balances	(8,066)	-	(1,246)	(9,312)	To fund unforeseen / emergency expenditure
Total - General Fund Balances	(50,574)	11,993	(22,732)	(61,313)	

11 Balance Sheet – Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and notes 9 and 10 above.

12 Balance Sheet – Unusable Reserves

31 March 2022 £000		31 March 2023 £000
(567,151)	Revaluation Reserve	(680,931)
(43)	Financial Instruments Revaluation Reserve	416
(270,717)	Capital Adjustment Account	(257,329)
12,563	Financial Instruments Adjustment Account	12,243
66,915	Pensions Reserve	(305,781)
12,624	Employee Statutory Adjustment Account	12,771
(745,809)	Total Unusable Reserves	(1,218,611)

Revaluation Reserve

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

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

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

2021/2022 £000		2022/2023 £000
(580,153)	Balance at 1 April	(567,151)
(16,575)	Upward revaluation of assets	(151,985)
3,853	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	11,405
(12,722)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(140,580)
25,273	Difference between fair value depreciation and historical cost depreciation	26,403
451	Accumulated gains on assets sold or scrapped	397
(567,151)	Balance at 31 March	(680,931)

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 have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- disposed of and the gains are realised

2021/2022 £000		2022/2023 £000
(352)	Balance at 1 April	(43)
-	Upward revaluation of investments	-
309	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	459
309		459
(43)	Balance at 31 March	416

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2021/2022 £000		2022/2023 £000
(284,184)	Balance at 1 April	(270,717)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
58,935	Charges for depreciation and impairment of non current assets	60,109
177	Revenue expenditure funded from capital under statute	404
1,036	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(551)
60,148		59,962
(456)	Adjusting amounts written out of the Revaluation Reserve	(397)
59,692	Net written out amount of the cost of non current assets consumed in the year	59,565
	Capital financing applied in the year:	
(1,335)	Use of the Capital Fund to finance new capital expenditure	(1,005)
(19,873)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(22,617)
(1,008)	Application of grants to capital financing from the Capital Grants Unapplied Account	(794)
(22,417)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(20,871)
(2,046)	Capital expenditure charged against the General Fund and HRA balances	(2,611)
(46,679)		(47,898)
454	Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	1,721
(270,717)	Balance at 31 March	(257,329)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

2021/2022 £000		2022/2023 £000
12,884	Balance at 1 April	12,563
(306)	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(305)
(15)	Difference in interest on stepped rate loans (existing 31 March 2007)	(15)
(321)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(320)
12,563	Balance at 31 March	12,243

The balance on the Financial Instruments Adjustment Account relates to:

31 March 2022 £000		31 March 2023 £000
11,080	Premiums and discounts associated with the refinancing of loans	10,775
1,477	Borrowing where the loan is a stepped interest rate loan	1,462
6	Loans to third parties granted at less than market interest rates	6
12,563		12,243

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/2022 £000		2022/2023 £000
135,076	Balance at 1 April	66,915
(108,599)	Actuarial (gains) or losses on pensions assets and liabilities	(407,917)
(352)	Difference between actuarial pensions contribution figure and actual pensions contribution figure	(72)
65,539	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	61,526
(24,749)	Employer's pensions contributions and direct payments to pensioners payable in the year	(26,233)
66,915	Balance at 31 March	(305,781)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2021/2022 £000		2022/2023 £000
12,302	Balance at 1 April	12,624
(12,302)	Settlement or cancellation of accrual made at the end of the preceding year	(12,624)
12,624	Amounts accrued at the end of the current year	12,771
322	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	147
12,624	Balance at 31 March	12,771

The above balance relates entirely to untaken holidays.

13 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2021/2022 £000		2022/2023 £000
(613)	Interest received	(1,562)
32,107	Interest paid	32,434
(136)	Dividends received	(136)

14 Cash Flow Statement – Investing Activities

2021/2022 £000		2022/2023 £000
58,583	Purchase of property, plant and equipment, investment property and intangible assets	48,170
1,525	Other payments for investing activities	1,691
(1,335)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(3,077)
(376)	Other receipts from investing activities	(1,837)
58,397	Net cash flows from investing activities	44,947

15 Cash Flow Statement – Financing Activities

2021/2022 £000		2022/2023 £000
(30,000)	Cash receipts of short and long-term borrowing	-
-	Other Receipts from Financing Activities - Financing Arrangement	-
4,549	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	4,651
23,184	Repayments of short- and long-term borrowing	26,496
(2,267)	Net cash flows from financing activities	31,147

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2022 £000	Financing Cash Flows £000	Non-cash Acquisition £000	Changes Other £000	31 March 2023 £000
Long-term Borrowings	(515,325)	7,496	-	47	(507,782)
Short-term Borrowings	(35,010)	19,000	-	-	(16,010)
Financing Arrangement Liabilities	(22,870)	352	-	-	(22,518)
On Balance Sheet PFI Liabilities	(145,876)	4,299	-	-	(141,577)
Total Liabilities from Financing	(719,081)	31,147	0	47	(687,887)

16 Cash Flow Statement – Cash and Cash Equivalents

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

31 March 2022 £000		31 March 2023 £000
249	Cash held by the Council	255
(3,416)	Bank current accounts	(197)
40,008	Short-term deposits with banks and building societies	12,631
36,841	Total cash and cash equivalents	12,689

17 Agency Services

Within certain of the Council's services work is undertaken on behalf of other local authorities and other government bodies.:

	2021/2022 (Income) £000	2021/2022 Expenditure £000	2022/2023 (Income) £000	2022/2023 Expenditure £000
--	-------------------------------	----------------------------------	-------------------------------	----------------------------------

The main items of income and related expenditure which are included in the Comprehensive Income and Expenditure Accounts are:

Non-Covid:

Special Education services to Various Local Authorities	(1,023)	1,023	(1,253)	1,253
Scottish Water Income	(563)	-	(563)	-
Improvement Service - Implementation of National Entitlement Card	(1,452)	1,452	(1,944)	1,944

Covid:

£400 - Payments to teachers	(322)	322	-	-
Omicron Impact Payments	(165)	165	-	-

The main items of income and related expenditure which are not included in the Comprehensive Income and Expenditure Accounts are:

Non-Covid:

Tay Cities Region Deal	(38,841)	38,841	(36,633)	36,633
SG - Cost of Living	-	-	(8,793)	8,793

Covid:

SG - £500 Payments to staff	(2,485)	2,485	-	-
SG - Business Support Grants	(13,069)	12,890	(195)	-
SG - Taxi Drivers/Taxi Operators Grants	(1,152)	2,982	-	-
SG - Spring / Winter Hardship Grants	(20)	20	-	-
SG - Self Isolation Funding	(2,794)	2,794	(621)	621

SG - Brewer/ Nightclub Grants	(284)	280	-	-
SG - Family and low income pandemic payments	(2,549)	2,549	-	-
SG - Provision of CO2 Monitors to 3rd Parties	(4)	4	-	-
	(64,723)	65,807	(50,002)	49,244

18 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Annual Accounts, certification of grant claims and statutory inspections and to other non-audit services provided by the Council's external auditors:

	2021/2022 £000	2022/2023 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	373	419
Total	373	419

19 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by The Scottish Government. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and The Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by Councils. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2022/23, the Council paid £22.5m to Teachers' Pensions in respect of teachers' retirement benefits, representing 31.5% of pensionable pay. The figures for 2021/22 were £20.3m and 31.4%. There were no contributions remaining payable at the year-end. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and included in note 20.

The total contributions expected to be made to the Scottish Public Pensions Agency by the Council in the year to 31 March 2024 are £24.2m.

20 Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme (Tayside Pension Fund) - this is a funded defined benefit statutory scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The scheme currently provides benefits based on career average revalued salary and length of service on retirement.

The Council also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit arrangement and liabilities are recognised when awards are made. There is no investment assets built up to meet the pensions liabilities for discretionary awards, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The principal risks to the authority of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes (i.e. large-scale withdrawals of members from the scheme), changes to

inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies section (please refer to Note 1 item F for further details).

Transactions relating to post employment benefits

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

Comprehensive Income and Expenditure Statement	Local Government Pension Scheme and Discretionary Benefits Arrangements	
	2021/2022 £000	2022/2023 £000
<i>Cost of Services:</i>		
<i>Service cost comprising:</i>		
• current service cost	61,707	59,732
• past service costs	33	-
• (Gains)/Losses on settlements and curtailments	694	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability	2,461	1,400
• administration expenses	644	394
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	65,539	61,526
<i>Other Post Employment Benefit Charged to the CIES</i>		
<i>Remeasurement gains or (losses) against net defined benefit liability comprising:</i>		
• Return on plan assets (excluding the amount included in the net interest expense)	(55,810)	124,236
• Other actuarial gains / (losses) on assets	-	54,341
• Changes in demographic assumptions	-	-
• Changes in financial assumptions	(55,712)	(699,199)
• Experience loss / (gain) on defined benefit obligation	2,923	112,705
• Difference between actuarial pensions contribution figure and actual pensions contribution figure	(352)	(72)
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(43,412)	(346,463)
<i>Movement in Reserves Statement</i>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	65,539	61,526
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	24,749	26,233

Reconciliation of opening and closing balances of the present value of the defined benefit obligation (scheme liabilities):

	Year to 31 March 2022 £000	Year to 31 March 2023 £000
Opening defined benefit obligation	1,735,432	1,737,121
Current service cost	61,707	59,732
Interest cost	34,294	44,629

Contributions by scheme participants	8,025	8,778
Remeasurement (gains) and losses:		
• Changes in financial assumptions	(55,712)	(699,199)
• Changes in demographic assumptions	-	-
• Experience loss / (gain) on defined benefit obligation	2,923	112,705
• Impact of asset ceiling	-	54,341
Curtailments	694	-
Benefits paid	(44,746)	(47,751)
Past service costs	33	-
Unfunded pension payments	(2,532)	(2,537)
Closing defined benefit obligation	1,737,121	1,267,819

Reconciliation of the opening and closing balances of the fair value of the scheme (plan) assets

	Year to 31 March 2022 £000	Year to 31 March 2023 £000
Opening fair value of fund assets	1,600,356	1,670,206
Interest	31,836	43,229
Remeasurement gains and (losses):		
• Return on plan assets, excluding the amount included in the net interest expense	55,810	(124,236)
• Other actuarial gains / (losses)	0	-
Employer contributions	25,101	26,305
Administration Expenses	(644)	(394)
Contributions by scheme participants	8,025	8,778
Benefits paid	(50,278)	(50,288)
Closing fair value of fund assets	1,670,206	1,573,600

Local Government Pension Scheme Assets

The scheme assets disclosed above consist of the following categories, by proportion of the total assets held:

	31 March 2022 £000	%	31 March 2023 £000	%
Equities				
Consumer	131,788	8	197,099	12
Manufacturing	43,929	3	64,835	4
Energy and Utilities	30,413	2	72,616	5
Financial Institutions	128,409	8	233,407	15
Health and Care	97,996	6	173,759	11
Information Technology	135,167	8	150,418	9
Investment Funds Unit Trusts	435,914	26	-	-
Others	179,097	10	233,407	15
	1,182,713	71	1,125,541	71
Gilts				
Government Bonds	78,644	5	31,338	2
	78,644	5	31,338	2
Other Bonds				
Corporate Bonds (Investment Grade)	160,718	10	51,959	3
Investment Funds Unit Trusts	33,836	2	156,397	10
Others	4,834	-	9,872	1
	199,388	12	218,228	14
Property				
UK Property	182,132	11	155,491	10

Overseas Property	-	-	-	-
	182,132	11	155,491	10
Cash				
Cash and Cash Equivalents	27,329	1	43,002	3
Foreign Exchange	-	-	-	-
	27,329	1	43,002	3
Total	1,670,206	100	1,573,600	100

The following table provides analysis of each category of the above assets that have a quoted market price in an active market and those that do not.

	31 March 2022			31 March 2023		
	Quoted %	Unquoted %	Total %	Quoted %	Unquoted %	Total %
Equities	43	27	70	43	28	71
Gilts	5	-	5	2	-	2
Other Bonds	10	2	12	12	2	14
Property	11	-	11	10	-	10
Cash etc	2	-	2	3	-	3
Total	71	29	100	70	30	100

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about life expectancy rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Tayside Pension Fund being based on the latest full valuation of the scheme as at 31 March 2020, rolled forward for various financial assumptions that comply with IAS 19. The significant assumptions used by the actuary for the purposes of IAS 19 calculations are as follows:

	31 March 2022	31 March 2023
Life expectancy (years) from age 65 for current pensioners i.e. those retiring today:		
Men	18.9	19.0
Women	22.3	22.4
Life expectancy (years) from age 65 for future pensioners i.e. those retiring in 20 years time:		
Men	20.3	20.4
Women	23.9	23.9
Rate of inflation (CPI)	3.3%	2.9%
Rate of increase in salaries	4.3%	3.9%
Rate of increase in pensions	3.3%	2.9%
Rate for discounting scheme liabilities	2.6%	4.8%
Take-up of option to convert annual pension into retirement lump sum	50%	50%

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The following sensitivity analyses 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 other assumptions remain constant. The following changes to these assumptions would result in movements in the defined benefit obligation as follows:

	Increase in Assumption £000	Decrease in Assumption £000
Life expectancy (increase or decrease by 1 year)	50,338	(48,069)
Rate of increase in salaries (increase or decrease by 0.1%)	2,667	(2,647)
Rate of increase in pensions (increase or decrease by 0.1%)	15,086	(14,724)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(17,044)	17,444

Impact on Future Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Contributions are set every 3 years as a result of the actuarial valuation of the Fund required by the regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2023 and will set contributions for the period from 1 April 2024 and 31 March 2027. There are no minimum funding requirements in the Local Government Pension Scheme but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2024 are £23.587m. The actuarial assumption for the duration of past service liabilities is 15 years (2021/2022: 18 years).

Expected contributions for the Discretionary Benefit Scheme in the year to 31 March 2024 are £2.908m.

Liability to Tayside Pension Fund for Other Entities Obligations

Dundee City Council acts as guarantor for the pension fund liabilities of Leisure and Culture Dundee, Dundee Contemporary Arts Limited and Dundee Science Centre, in the event of any of these entities going into liquidation.

21 Events After the Reporting Period

It is considered that there have been no events occurring between 1 April 2023 and 28 June 2023 that would require adjustments to the 2022/2023 Annual Accounts (i.e. no adjusting events). The latter date is the date on which the unaudited accounts were authorised for issue by the Executive Director of Corporate Services.

22 Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in the Expenditure and Funding Analysis on amounts reported to decision makers. Details of central government grants transactions are shown in note 36.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid and further details of senior members' remuneration are included in the Remuneration Report (page 37). Under the Councillors' Code of Conduct, members are required to declare an interest in matters that directly or indirectly may influence, or be thought to influence, their actions as a Councillor. Membership of statutory Joint Boards or Committees, which are composed exclusively of elected members, does not raise any issue of declaration of interest in regard to Council business. In terms of any other relevant parties, those members with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties. A copy of the Register of Members Interest can be obtained from the [Council's website](#).

Officers

Senior Officers have control over the Council's financial and operating policies. The total remuneration paid to senior officers is shown in the Remuneration Report (page 42). Officers have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, officers with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties.

Pension Fund

The Council is the administering authority for the Tayside Pension Fund. As administrator for the fund the Council is considered to have direct control over the fund, and the fund is therefore deemed to be a related party. The relevant transactions and balances with the fund to be disclosed are as follows:

During 2021/2022		As at 31 March 2022			During 2022/2023		As at 31 March 2023	
Charges To £000	Charges From £000	Amounts Due From £000	Amounts Due To £000		Charges To £000	Charges From £000	Amounts Due From £000	Amounts Due To £000
1,193	-	-	2,810	Tayside Pension Fund	1,310	-	-	941

Other Entities Controlled or Significantly Influenced by the Council

The following entities are deemed to be related parties of the Council, mainly through the Council's ability to exert influence over these entities through its representation on their respective boards, the relevant transactions and balances with these bodies are as follows:

ALL CORE FINANCIAL STATEMENTS & THEIR NOTES | Notes to the Core Financial Statements

During 2021/2022		As at 31 March 2022			During 2022/2023		As at 31 March 2023	
Charges To £000	Charges From £000	Amounts Due From £000	Amounts Due To £000		Charges To £000	Charges From £000	Amounts Due From £000	Amounts Due To £000
-	-	-	-	Ardler Village Trust Comp	-	2	-	-
-	12,674	-	-	Discovery Education PLC	-	13,313	-	-
12	741	112	-	Dovetail Enterprises (1993) Ltd	14	620	121	4
18	216	18	78	Dundee Contemporary Arts Ltd	11	78	72	19
96,486	96,486	-	11,249	Dundee Health & Social Care Integration Joint Board	106,521	106,521	-	15,706
-	-	-	-	Dundee Science Centre Enterprises Ltd	-	231	-	-
-	-	-	-	Dundee Science Ce	-	7	-	-
14	2,670	280	-	Hub East Central (Baldragon) Ltd	17	2,696	277	-
545	11,894	746	-	Leisure and Culture Dundee	877	11,669	557	634
-	-	1,133	-	Studio Dundee Joint Venture Company Limited	-	-	-	-
78	3	-	238	Tay Cities Deal Joint Committee	83	-	-	312
168	1	9	46	Tay Road Bridge Joint Board	174	12	4	128
3,823	29,351	12,614	11	Tayside Contracts Joint Committee	2,626	26,855	12,287	1,818
88	919	180	1	Tayside Valuation Joint Board	75	956	151	7
-	350	178	-	V&A Dundee	-	351	166	-

23 Leases

Council as Lessee

Finance Leases and Financing Arrangements

During 2019/2020 the Council entered into a sale and leaseback arrangement which resulted in one asset, an administration building, being acquired under a 40 year financing arrangement. The asset acquired under this financing arrangement continues to be carried as property, plant and equipment in the balance sheet at the following net amounts:

	31 March 2022 £000	31 March 2023 £000
Operational Building	23,650	22,576
Land	670	670
Total	24,320	23,246

The Council is committed to making minimum payments under this financing arrangement comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum financing arrangement payments are made up of the following amounts.

	31 March 2022 £000	31 March 2023 £000
Financing Arrangement Liabilities (net present value of minimum financing arrangement payments):		
Current	353	364
Non-Current	1,527	1,575
Finance Costs payable in future years	20,991	20,579
Total Minimum Financing Arrangement Payments	22,871	22,518

The minimum financing arrangement payments will be payable over the following periods:

	Minimum Financing Arrangement Payments		Financing Arrangement Liabilities	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Not later than one year	736	742	384	378
Later than one year and not later than five years	3,001	3,023	1,474	1,448
Later than five years	27,667	26,903	6,677	6,324
	31,404	30,668	8,535	8,150

The minimum financing arrangement payments include annual rent increases of 2.75%.

The Council has sub-let some of the administration building held under this financing arrangement. At 31 March 2023 the minimum payments expected to be received under non-cancellable sub-leases was £0.247m (£0.247m at 31 March 2022).

Operating Leases

The Council has entered into agreements to lease various property, plant and equipment that are accounted for as operating leases. In addition, the Council operates a contract car hire scheme for its employees. The Council makes payments to the lessor for the contract car hire scheme, under an operating lease agreement, that are partly offset by contributions from employees participating in the scheme. The future minimum lease payments due under these leases in future years are:

	31 March 2022 £000	31 March 2023 £000
Not later than one year	162	312
Later than one year and not later than five years	381	827
	543	1,139

The total expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to operating leases for various property, plant and equipment (including the Council's contract car hire scheme) was as follows:

	2021/2022	2022/2023
	£000	£000
Minimum lease payments	682	781
Less Employers Contributions	(87)	(71)
	595	710

Council as Lessor

Finance Leases

In 2017/2018 the Council entered into a twenty-eight year agreement for equipment assets with the company operating the existing waste-to-energy plant. This is in the form of a finance lease. There will be no consideration received by the Council over the period of the agreement and there is a nil balance in the Council's Balance Sheet. There were no further finance leases entered into during 2022/2023.

Operating Leases

The Council has entered into a number of agreements that are managed corporately by the City Development service. These agreements relate to leases of property, plant & equipment under operating leases for the following purposes:

- commercial and industrial properties that are leased out for the policy objectives e.g. economic development purposes to provide suitable affordable accommodation for local businesses
- ground leases for various sites including shopping centres, other commercial developments, telecommunications and advertising sites

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

	2021/2022	2022/2023
	£000	£000
Not later than one year	6,509	6,756
Later than one year and not later than five years	18,030	20,232
Later than five years	97,697	98,151
	122,236	125,139

24 Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2021/2022	2022/2023
	£000	£000
Rental income from investment property	1,414	1,409
Direct operating expenses arising from investment property	(32)	(32)
Net gain/(loss)	1,382	1,377

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2021/2022	2022/2023
	£000	£000
Balance at start of the year	13,731	13,573
Disposals	-	-
Net gains/(losses) from fair value adjustments	(158)	(500)
Transfers:		
- (to)/from Property, Plant and Equipment	-	-
Balance at end of the year	13,573	13,073

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure line.

Fair Value Hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2023 are as follows:

	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2023 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	7,589	-	7,589
Office Units	-	135	-	135
Commercial Units	-	5,350	-	5,350
Total	-	13,074	-	13,074

2022 Comparative Figures:

	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2022 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	7,589	-	7,589
Office Units	-	135	-	135
Commercial Units	-	5,850	-	5,850
Total	-	13,574	-	13,574

Fair Value Hierarchy

Level 1 - Quoted prices in active markets for identical assets

There are no active markets with quoted prices applicable to the Council's Investment Property portfolio.

Level 2 - Significant Observable Inputs

The fair value for the assets held for capital appreciation has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the Council area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at level 2 in the fair value hierarchy.

Capitalisation of rental values, using comparable market evidence and yields is the method applied to determine if fair value of Commercial / Office properties. Where possible, income streams are capitalised. Where evidence of comparable sales transactions is available the evidence is analysed and applied.

Level 3 - Significant Unobservable Inputs

Fair value can be measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. This approach uses assumptions such as the duration and timing rent growth, occupancy levels, bad debts, maintenance costs etc.

None of the Council's Investment Properties are categorised as Level 3.

Transfers between levels of the Fair Value Hierarchy

There were no transfers between hierarchy levels in the year.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques and Process

There has been no change in the valuation techniques used during the year for investment properties. The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

25 Intangible Assets

The Council accounts for purchased software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The useful life assigned to software is 5 years and the carrying amount of intangible assets is amortised on a straight-line basis.

	2021/2022	2022/2023
	£000	£000
Opening Gross Book Value	3,450	4,239
Additions	789	685
Closing Gross Book Value	4,239	4,924
Opening Accumulated Amortisation	1,278	1,752
Amortisation Charge for the Year	474	632
Closing Accumulated Amortisation	1,752	2,384
Closing Net Book Value	2,487	2,540

26 Impairment Losses

Impairment losses charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement during 2022/2023 totalled £21.469m (2021/2022 £22.901m).

Of this total, £21.114m (2021/2022 £20.690m) relates to expenditure in the year which did not add value to assets. £7.839m (2021/2022 £11.297m) relates to expenditure on Council Houses, £4.271m (2021/2022 £2.621m) relates to expenditure on schools and the remaining £9.004m (2021/2022 £6.772m) relates to expenditure on other Council land & buildings.

The remaining £0.335m (2021/2022 £2.211m) relates to impairment charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as a result of revaluation losses relating to land and buildings.

27 Property, Plant and Equipment

Movements in 2022/2023:

	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra- structure Assets £000	Comm- unity Assets £000	Surplus Assets £000	Assets Under Con- struction £000	Total Property, Plant & Equipment £000	PPP Assets Included in Property, Plant & Equipment £000	DBFM Assets Included in Property, Plant & Equipment £000	SCA Assets Included in Property, Plant & Equipment £000
Cost or Valuation											
At 1 April 2022	539,394	920,794	114,297	-	6,493	7,472	21,580	1,610,030	113,111	26,080	65,308
Additions	7,839	14,436	4,331	16,407	-	-	9,620	52,633	-	46	164
Revaluation inc/(dec) recognised in the Revaluation Reserve	(275)	60,474	-	-	-	565	-	60,764	25,076	4,168	-
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(7,839)	(21,862)	-	(942)	-	-	-	(30,643)	4	2,863	(164)
Disposals	(1,965)	(100)	(2,072)	-	-	-	-	(4,137)	-	-	-
Reclassification within PPE	3,733	4,326	-	-	-	(2,438)	(8,450)	(2,829)	-	-	-
At 31 March 2023	540,887	978,068	116,556	-	6,493	5,599	22,750	1,685,818	138,191	33,157	65,308
Accumulated Depreciation and Impairment											
At 1 April 2022	(56,474)	(78,898)	(95,426)	-	-	-	-	(230,798)	(14,350)	(2,837)	-
Depreciation charge	(18,848)	(30,854)	(3,841)	(11,260)	-	-	-	(64,803)	(3,588)	(709)	(1,633)
Depreciation written out to the Revaluation Reserve	-	67,255	-	-	-	-	-	67,255	17,936	2,289	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	9,174	-	-	-	-	-	9,174	2	1,257	-
Disposals	-	-	1,907	-	-	-	-	1,907	-	-	-
At 31 March 2023	(75,322)	(33,323)	(97,360)	-	-	-	-	(217,265)	-	-	(1,633)
Net Book Value:											
At 31 March 2023	465,565	944,745	19,196	208,518	6,493	5,599	22,750	1,672,866	138,191	33,157	63,675
At 31 March 2022	482,921	841,894	18,871	204,314	6,493	7,472	21,580	1,583,545	98,750	23,243	65,308

Comparative Movements in 2021/2022:

	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra- structure Assets £000	Comm- unity Assets £000	Surplus Assets £000	Assets Under Con- struction £000	Total Property, Plant & Equipment £000	PPP Assets Included in Property, Plant & Equipment £000	DBFM Assets Included in Property, Plant & Equipment £000	SCA Assets Included in Property, Plant & Equipment £000
Cost or Valuation											
At 1 April 2021	539,494	847,546	110,320	-	6,493	7,319	74,645	1,585,817	113,100	26,080	52,969
Additions	11,297	27,129	4,686	23,793	-	1	6,922	73,828	-	-	17,241
Revaluation inc/(dec) recognised in the Revaluation Reserve	-	8,636	-	-	-	229	-	8,865	-	-	1,436
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(11,297)	(15,118)	-	(1,346)	-	110	-	(27,651)	-	-	(6,338)
Disposals	(100)	(368)	(709)	-	-	(187)	-	(1,364)	-	-	-
Reclassification within PPE	-	52,969	-	7,018	-	-	(59,987)	-	-	-	-
At 31 March 2022	539,394	920,794	114,297	-	6,493	7,472	21,580	1,639,495	113,100	26,080	65,308
Accumulated Depreciation and Impairment											
At 1 April 2021	(37,638)	(59,398)	(92,436)	-	-	-	-	(189,472)	(10,762)	(2,128)	-
Depreciation charge	(18,841)	(28,116)	(3,635)	(10,417)	-	-	-	(61,009)	(3,588)	(709)	-
Depreciation written out to the Revaluation Reserve	-	3,857	-	-	-	-	-	3,857	-	-	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	4,749	-	-	-	-	-	4,750	-	-	-
Disposals	6	8	645	-	-	-	-	659	-	-	-
At 31 March 2022	(56,473)	(78,900)	(95,426)	-	-	-	-	(241,215)	(14,350)	(2,837)	-
Net Book Value:											
At 31 March 2022	482,921	841,894	18,871	204,314	6,493	7,472	21,580	1,583,545	98,750	23,243	65,308

Depreciation

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

- Council Houses - 20 - 50 years
- Other Land and Buildings - 10 - 60 years
- Vehicles, Plant, Furniture & Equipment - 3 - 10 years
- Infrastructure - 10 - 30 years

Capital Commitments

At 31 March 2023, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/2024 and future years budgeted to cost £128m. Similar commitments at 31 March 2022 were £21m. The major commitments are:

- East End Community Campus - £97.8m
- Broughty Ferry to Monifieth Active Travel Improvements - £9.9m
- Harris Academy Extension- £3.9m
- Olympia Refurbishment Works- £2.9m
- Purchase of zero emission vehicles - £1.4m

This gross expenditure of £128m will be funded from a combination of Council Borrowing, Grants and Contributions.

Effects of Changes in Estimates

In 2022/2023, the Council did not make any material changes to its accounting estimates for Property, Plant and Equipment.

Infrastructure Assets

Infrastructure asset values have been disclosed in accordance with the Scottish Government’s Finance Circular 9/2022 Statutory Override – Accounting for Infrastructure Assets. The council has applied both statutory overrides set out in the circular which are as follows:

- For accounting periods commencing from 1 April 2021 until 31 March 2024, a local authority is not required to report the gross carrying amount and accumulated depreciation for infrastructure assets.
- For the accounting periods from 1 April 2010 to 31 March 2024, the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be accounted for as a nil amount, and no subsequent adjustment can be made to the carrying amount of the asset with respect to that part.

Revaluations

The Council carries out a rolling programme to ensure that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Financial year 2017/2018 was the first year of the current revaluation programme. The effective date for the 2022/2023 revaluations is 31 March 2023.

All valuations were carried out internally by valuers in City Development Service. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The table below shows the changes in asset values for each category revalued over the last financial year:

	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Surplus Assets £000	Total £000
Carried at historical cost	-	-	2,259	-	2,259
Valued at fair value as at:					
31 March 2023	-	130,492	-	565	131,057
31 March 2022	-	11,888	-	340	12,228

31 March 2021	-	(5,146)	-	205	(4,941)
31 March 2020	-	(2,720)	-	300	(2,420)
31 March 2019	83,964	61,018	-	1,257	146,239
Total Cost or Valuation	83,964	195,532	2,259	2,667	284,422

28 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases, PFI/PPP contracts, DBFM contracts and Service Concession Arrangements), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2021/2022	2022/2023
	£000	£000
<i>Opening Capital Financing Requirement</i>	748,758	776,698
<i>Capital investment</i>		
Property, Plant and Equipment	56,409	52,230
Intangible Assets	789	685
Revenue Expenditure Funded from Capital under Statute	177	404
Service Concession Arrangement (Waste Project)	17,242	-
<i>Sources of finance:</i>		
Capital receipts	(1,335)	(3,076)
Government grants and other contributions	(19,871)	(22,617)
Transfer from Capital Grants & Receipts Unapplied Account	(1,008)	(1,799)
<i>Sums set aside from revenue:</i>		
• Direct revenue contributions	(2,046)	(2,611)
• Loans fund principal	(22,417)	(20,871)
Closing Capital Financing Requirement	776,698	779,043
<i>Explanation of movements in year</i>		
Increase / (Decrease) in underlying need to borrowing (unsupported by government financial assistance)	15,248	6,995
Assets acquired under PFI/PPP contracts	(2,383)	(2,339)
Assets acquired under DBFM contract	(938)	(943)
Assets acquired under Service Concession Arrangement	16,354	(1,016)
Assets acquired under Financing Arrangement	(341)	(352)
Increase/(decrease) in Capital Financing Requirement	27,940	2,345

29 Private Finance Initiatives and Similar Contracts

i) Education Services PFI Scheme

2022/23 was the 15th year of a 30 year PFI contract with Discovery Education PLC to construct, maintain and facilities-manage six new primary schools and two new secondary schools in the city. The Authority has rights under the contract to specify the services provided with the priority being the provision of an Education Service during the school day, followed by Community use. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and provide a facilities management service. At the end of the contract the schools will be transferred back to the Local Authority for nil consideration.

Property Plant and Equipment

The schools have been recognised on the Authority's Balance Sheet as tangible fixed assets. Movements in their value over the year are detailed in the analysis of the movement on the property, plant and equipment balance in note 27.

Payments

The Authority makes an agreed payment each year which is increased each year by inflation and will be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2023 (excluding any estimation of inflation and availability/performance deductions are as follows:

	Payment for Services £000	Repayment of Liability £000	Interest £000	Lifecycle Maintenance £000	Total £000
Payable in 2023-24	4,178	2,582	6,753	1,932	15,445
Payable within 2-5 years	17,783	13,306	29,343	5,307	65,739
Payable within 6 - 10 years	24,847	18,012	36,964	12,030	91,853
Payable within 11 - 15 years	28,112	25,107	42,671	8,033	103,923
Payable within 16 - 20 years	221	231	372	0	824
TOTAL	75,141	59,238	116,103	27,302	277,784

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2021/2022 £000	2022/2023 £000
Balance at the start of the year	63,963	61,580
Payments during the year	(2,383)	(2,340)
Balance at year-end	61,580	59,240

ii) Baldragon DBFM Project

2022/23 was the 6th year of a 25 year DBFM contract with Hub East Central (Baldragon) Ltd to design, construct, maintain and facilities-manage a new secondary schools in the city. Dundee City Council took occupation of the new school on 11th December 2018. The Authority has rights under the contract to specify the services provided with the priority being the provision of an Education Service during the school day, followed by Community use. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and provide a facilities management service. At the end of the contract the schools will be transferred back to the Local Authority for nil consideration.

Property, Plant and Equipment

The school has been recognised on the Authority's Balance Sheet as tangible fixed assets. Movements in their value over the year are detailed in the analysis of the movement on the property, plant and equipment balance in note 27.

Payments

The Authority makes an agreed payment each year which is increased each year by inflation and will be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the DBFM contract at 31 March 2023 (excluding any estimation of inflation and availability/performance deductions are as follows:

	Payment for Services £000	Repayment of Liability £000	Interest £000	Lifecycle Maintenance £000	Total £000
Payable in 2023-24	306	947	1,165	298	2,716
Payable within 2-5 years	1,299	4,042	4,268	1,424	11,033
Payable within 6 - 10 years	1,816	5,866	4,358	2,161	14,201
Payable within 11 - 15 years	2,056	6,764	3,102	2,790	14,712
Payable within 16 - 20 years	2,177	6,451	1,424	4,460	14,512
TOTAL	7,654	24,070	14,317	11,133	57,174

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2021/2022 £000	2022/2023 £000
Balance at the start of the year	25,951	25,013
Payments during the year	(938)	(943)
Balance at year-end	25,013	24,070

iii) Waste Disposal Project

In November 2017, the Council entered into a 28 year contract with MVV Environment Baldovie Limited (MEB) for the disposal of residual waste. As part of the new contract arrangements, the Council sold its shareholding in DERL to MVV Environment Limited (MVV). The DERL plant ("Lines 1&2") is being utilised by MEB to deliver contractual requirements alongside the new plant ("Line 3") that was constructed on an adjacent site. Following investment by MVV, Lines 1&2 has been operating reliably and the decision was therefore taken to extend its operational life by 7 years, formalised in a Life Extension Agreement between MEB and the Council. Full services from Line 3 commenced on 20 January 2022, which is the starting point of the 25 year Line 3 contract. At the end of the contract the plant will be transferred to the Council for nil consideration. The contract sets out the services that the Council require the contractor to deliver and specifies minimum standards for these services, with deductions from the fee payable being made if services are unavailable or performance is below minimum standards.

Property Plant and Equipment

The new plant is deemed to be a service concession asset and the Council's 60% share has been recognised on the Balance Sheet as an operational asset. The Council's assets at the DERL site (Lines 1&2) and land for the new plant (Line 3) are being made available to MEB via leases.

Payments

The Contractor is paid a unitary charge comprising a contractually agreed gate fee for each tonne of waste treated (subject to a guaranteed minimum tonnage) and some ancillary pass through costs. The gate fee is subsidised by a guaranteed level of commercial income. This net gate fee is fixed for the contract life, subject to annual inflationary increases at 50% of RPIX and any service availability / performance deductions. There is also an excess revenue sharing mechanism in place, with the Council benefitting if the Contractor outperforms the assumptions in its business case for third party revenues. Payments remaining to be made under the contract at 31 March 2023 (excluding any estimation of service availability deductions, performance deductions and excess revenue sharing) are as follows:

	Payment for Services £000	Repayment of Liability £000	Interest £000	Lifecycle Maintenance £000	Total £000
Payable in 2023/24	3,953	1,099	4,859	-	9,911

Payable within 2-5 years	16,976	5,127	18,682	323	41,108
Payable within 6 - 10 years	24,789	8,189	20,606	1,577	55,161
Payable within 11 - 15 years	27,726	13,029	17,840	391	58,986
Payable within 16 - 20 years	32,293	17,451	11,683	2,432	63,859
Payable within 21 - 25 Years	18,921	13,374	3,457	-	35,752
TOTAL	124,658	58,269	77,127	4,723	264,777

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2021/2022 £000	2022/2023 £000
Balance at the start of the year	42,930	59,284
Capital expenditure incurred in the year	17,241	-
Repayments during the year	(887)	(1,016)
Balance at year-end	59,284	58,268

30 Assets Held for Sale

	2021/2022 £000	2022/2023 £000
Balance at start of year	5,218	4,593
Assets newly classified as held for sale:		
• Property, Plant and Equipment	-	2,829
Revaluation gains/(losses)	(296)	(1,222)
Assets sold	(329)	(307)
Balance at year-end	4,593	5,893

31 Short Term Debtors

	31 March 2022 £000	31 March 2023 £000
Central government bodies	22,921	20,110
Other local authorities	6,591	6,088
NHS bodies	6,709	1,520
Public corporations and trading funds	-	11
Other entities and individuals	25,976	35,542
Total	62,197	63,271

32 Short Term Creditors

	31 March 2022 £000	31 March 2023 £000
Central government bodies	39,199	33,720
Other local authorities	11,990	16,232
NHS bodies	450	748
Public corporations and trading funds	557	836
Other entities and individuals	55,640	68,580
Total	107,836	120,116

33 Provisions

	Self-Insured / Uninsured Losses			Total £000
	Dundee City Council £000	ex-TRC/DDC Funds £000	Construction Services £000	
Balance at 1 April 2022	4,078	610	239	4,927
Additional provisions made in year	2,616	-	57	2,673
Amounts used in year	(1,700)	(119)	(100)	(1,919)
Unused amounts reversed in year	-	-	-	-
Balance at 31 March 2023	4,994	491	196	5,681

Self-Insured/Uninsured Losses

As part of the Council's Risk Management Policy, the Council has a largely self-insurance arrangement which makes provision against potential losses. Insurance policies are still in place to protect the Council's Liability for any major loss or claim, such as the fire at Braeview Academy. The provision takes into account all known liabilities likely to be incurred by the Council. Whilst there is a pre-determined timeline for claims to be submitted, there is no set pattern for the time claims take to settle, as the factors will vary from claim to claim, which the Council has no control over. As well as operating its own Insurance Fund, the Council is also responsible for running off the ex- Tayside Regional Council and ex- Dundee District Council Fund.

Analysis of claims figures highlights the following features:

Employers Liability: shows a general reduction in claims for the last three financial years. This is through improvements in health and safety and successful defence of older claims which in turn has reduced the level of provision required.

Public Liability / Third Party Claims: value comparisons appear similar, but it is difficult for this class of cover due to large reserves being held pending resolution of claims (normally through court actions) to give a true reflection on losses. It is an area the Council's insurers are taking a robust line on due to the current claims culture, which has resulted in successful defence of individual claims therefore reducing the Council liability.

Property Damage: continuing investment in risk management initiatives has seen the Council's self-insured property costs remain fairly stable.

Motor Insurance: the accident claim figures remain similar from year to year, however over the last three years a number of injuries claims have been submitted which are resulting in reserve and cost figures increasing substantially.

Construction Services

A provision has been made for possible future losses on existing long-term contracts where a sub-contractor has gone into administration during the maintenance defects period due to the Covid-19 shutdown and the Council will therefore be liable for the costs of any required remedial works. The provision also includes various amounts relating to other remedial works anticipated.

Debtor Impairment Allowances

The above items are shown as Provisions in the Council's Long Term Liabilities section of the Council's Balance Sheet. In addition, there are a number of impairment allowances that are netted-off against Short Term Debtors in the Current Assets section of the Council's Balance Sheet. As at 31 March 2023, these are as follows:

- Council Tax - the allowance of £24.643m (31 March 2022: £24.548m) has been calculated using the non-collection rate anticipated when each financial year's Council Tax was set, or a lower figure where the anticipated collection rate has been exceeded.
- Statutory Additions - the impairment allowance of £5.342m (31 March 2022: £5.184m) has been calculated by applying the overall percentage relating to the charge elements (i.e. Non Domestic Rates and Council Tax) to which the Statutory Addition was applied.
- Miscellaneous Invoiced and Other Debt - the impairment allowance of £6.028m (31 March 2022: £5.474m) has been calculated by applying non-collection rates to an aged debt analysis. The percentage increases according to the age of the debt. Higher percentages are also applied to types of debt which have proven difficult to collect.

- Housing Rents - the impairment allowance of £5.390m (31 March 2022: £5.127m) has been calculated by applying various percentages to a value-banded debt analysis. The percentage increases according to the value of the debt.
- Housing Benefit Overpayments - the impairment allowance of £1.191m (31 March 2022: £1.351m) has been calculated by applying an anticipated non-collection rate to the total debt.

Movements in the level of impairment allowance arise from write-offs of debt against the allowance during the course of the financial year, together with a re-assessment of the required level of allowance at the balance sheet date.

34 Contingent Liabilities

Guaranteed Minimum Pension

As a result of the High Court's previous Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes made adjustments to accounting disclosures to reflect the effect of this ruling on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries that HM Treasury have confirmed that the judgement does not impact on the current method used to achieve equalisation and indexation in public service pension schemes. On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016. Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. This assumption is consistent with the consultation outcome and the actuaries do not believe that it is necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

The above Contingent Liability was also disclosed at 31 March 2022.

Goodwin Case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS. Tayside Pension Fund's actuaries do not yet have an accurate indication of the potential impact this may have on the value of employers' liabilities or the cost of the scheme. Any indication of cost at this stage would only be a rough estimate as in a lot of cases, funds will not have this information or data to hand. It is the actuaries understanding that the Government Actuary's Department (GAD) is undertaking a review to assess the potential impact on public sector pension schemes, which the actuaries expect will be minimal for LGPS funds.

The above Contingent Liability was also disclosed at 31 March 2022.

Equal Pay Claim

In February 2021, the trade unions submitted a collective equal pay claim on behalf of their members under the Equality Act 2010. The Claimants claim is for the full 5 year back-pay period and/or from their date of employment, if such a date is less than 5 years ago. The Claimants are employed in predominantly female jobs groups (and/or groups of which the proportion of female workers is far greater than that in the comparator groups). The claim is currently being evaluated by the Council. At this stage, it is not possible to quantify the Council's financial liability, if any.

The above Contingent Liability was also disclosed at 31 March 2022.

Scottish Child Abuse Enquiry

Redress Scotland was set up following an act passed by the Scottish Parliament in 2021. Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021. Although Redress Scotland works with guidance and funding from the Scottish Government, it is not part of any Government department. Survivors, as an alternative to civil litigation, may choose to apply for redress. Local Authorities, as a Local Government sector, pay financial contributions towards the redress scheme and this has now been agreed as part of the Local Government Settlement and will be applied for the next 10 years.

Civil Litigation claims are still being received by the Council, both as lead authority for the former Tayside Regional Council and Dundee District Council as well as claims solely against Dundee City Council. Any uninsured claims or associated costs in respect of Dundee District Council or Dundee City Council will require

to be met by Dundee City Council. The costs of these are unquantifiable at this time but will give rise to a future financial liability.

Leisure and Culture Dundee

Leisure and Culture Dundee (LACD) has suffered considerable income shortfalls since the start of the Covid-19 pandemic, due to the effects of lockdowns and operating restrictions once facilities have re-opened. It is anticipated that, even once facilities are fully operational, income levels will take some time to be restored to pre-pandemic levels. Dundee City Council has confirmed its continuing financial support to cover the deficit position for a period of at least 12 months beyond the date of the signing of Leisure and Culture Dundee's 2021/2022 accounts on 11 November 2022, whilst setting out an expectation that from 2023/2024 Leisure and Culture Dundee would operate with a balanced budget. The Council will continue to undertake cash flow management support to LACD to allow it to remain in credit at all times, and therefore have sufficient cash to continue to operate, thus allowing it to proceed as a going concern and meet its everyday cash liabilities.

The above Contingent Liability was also disclosed at 31 March 2022.

35 Contingent Assets

There were no Contingent Assets at 31 March 2023 (31 March 2022: nil).

36 Grant Income

The Council credited grants and contributions to the Comprehensive Income and Expenditure Statement in 2022/2023. These included the following grants and contributions:

Credited to Taxation and Non Specific Grant Income	2021/2022 £000	2022/2023 £000
RSG & Non-Specific Grants	(304,250)	(310,066)
Contribution from NNDR Pool	(26,821)	(35,581)
Capital Grants	(20,802)	(23,073)
Council Tax	(57,925)	(60,970)
Total	(409,798)	(429,690)

Credited to Services:	2021/2022 £000	2022/2023 £000
UK Govt: Furlough Income	(47)	(23)
Various Covid - 19 Grants	(4,856)	(5,591)
Scottish Government: Growth Accelerator Model	(2,040)	(2,039)
Scottish Government: Smarter Choices Smarter Places	(247)	(114)
Scottish Government: Employability	(1,370)	(3,260)
Scottish Government: Air Quality Grant	(199)	(276)
Various: Contribution to 5G Testbed	-	(243)
Various: Contribution toward Dundee to London flight	(1,004)	(741)
TACTRAN / SESTRAN: Active Travel Infrastructure Fund	(1,612)	(366)
Scottish Government: Bus Partnership Fund	-	(543)
SWARCO UK Ltd: Electric Vehicle Charging Project	-	(344)
Scottish Government: Switched on Fleets Grant	(707)	(234)
Private Sector Housing Grant	(613)	(664)
NHS Tayside: Community Equipment	(371)	(371)
NHS Tayside: Alcohol & Drugs Project Team	(657)	(1,614)
Angus Council: Contribution to Joint Equipment Service	(770)	(898)
NHS Tayside: Delayed Discharge Fund	(236)	(236)
NHS Tayside: Integrated Care Fund	(2,178)	(2,178)
NHS Tayside: Social Care Integration Fund	(10,102)	(10,102)
Scottish Government: Emergency Care at Home Grant	-	(1,469)
NHS Tayside: Funding for Services undertaken by the Council	(964)	-
NHS Tayside: Integration	(3,589)	(3,203)
MacMillan Cancer Care: Local Authority Partnership	-	(229)
Hillcrest Homes: Contribution to Community Wellbeing Centre	-	(244)
UK Government, Home Office - Syrian Refugees	(692)	(329)

Various: Ukrainian Refugees	-	(2,235)
Scottish Government: ASSIST (Court Advocacy) Victim Centred Approach Fund	-	(469)
NHS Tayside: Contribution to various Mental Health projects	-	(740)
NHS Tayside: Contribution for DCIJB Operational costs	(29)	(181)
Scottish & UK Governments: Opportunities for All Grant	(431)	(124)
Big Lottery Fund: Dundee Money Action	(74)	(22)
Sports Council Contribution to Sports Co-ordinators	(324)	(318)
Scottish Government: Attainment Challenge - Primary	(4,450)	(3,947)
Scottish Government: Attainment Challenge - Secondary	(1,346)	(996)
Scottish Government: Pupil Equity Fund	(5,697)	(6,058)
Scottish Government: Early Learning Childcare (ELC) Delivery Model Grant	(14,774)	(17,600)
Scottish Government: Community Mental Health and Wellbeing	-	(645)
Scottish Government: Milk and Healthy Snack Scheme	-	(307)
Scottish Government: Tayside Regional Improvement Collaborative	(643)	(757)
Other LAs: Early Years Cross Border payments	-	(429)
Scottish Futures Trust: Share of Service Cost element for Baldragon Academy	(302)	(294)
Scottish Government: Care Experienced Children & Young People funding	(349)	(332)
UK Home Office: Refugee Social Care costs	(200)	(661)
Criminal Justice Grant	(4,580)	(4,769)
Improvement Service: National Entitlement Card	(1,501)	(1,923)
DWP: Rent Allowances/Rebate Subsidies (prev Housing Benefit Subsidy)	(49,058)	(46,298)
DWP: Housing Benefit / Council Tax Benefit Administration	(773)	(814)
Other Miscellaneous Grants	(2,701)	(3,036)
Total	(119,486)	(128,266)

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver.

The main balances at the year-end are as follows:

Capital Grants Receipts in Advance:	31 March 2022	31 March 2023
	£000	£000
Section 75 Contributions	(2,568)	(3,152)
Scottish Government: Low Carbon Transport - JIVE	(3,506)	(3,506)
Various: Community Wellbeing Centre	(250)	-
UK Government: UK Shared Prosperity Fund	-	(211)
Scottish Government: Low Emission Zone	-	(371)
Scottish Power: Place Based Investment Funding	-	(638)
Other Miscellaneous Capital Grants Receipts in Advance	(144)	(223)
Total	(6,468)	(8,101)

Revenue Grants Receipts in Advance:	31 March 2022	31 March 2023
	£000	£000
Improvement Service: National Entitlement Card	(1,079)	(738)
Scottish Cities Alliance	-	(254)
Scottish Govt/EU: Employability / PESF	(1,583)	(2,360)
UK Government: Community Renewal Fund.	(216)	-
UK Government: Levelling Up	-	(1,111)
Scottish Govt: Covid Business Support	(732)	-
Scottish Government: Pupil Equity Fund	(2,937)	(1,986)
Scottish Government: ELC Delivery Model Grant	(4,701)	(1,767)
Scottish Government: Attainment Challenge	(255)	(205)
British Council: Erasmus + Pan Tayside Language Training Programme	(153)	-
Scottish Govt: Children & Young People's Mental Health & Wellbeing (CYPMHW) Grant.	(217)	-
UK Government, Home Office: Refugees	(575)	(573)
Scottish & UK Government: Home Office: Ukrainian Refugees	-	(2,786)

MacMillan Cancer Care: Cancer Support	-	(774)
DWP: Energy Bill Support Scheme	-	(575)
Scottish Govt: Home Energy Efficiency Programmes	(249)	(249)
Other Miscellaneous Grants	(1,150)	(1,735)
Total	(13,847)	(15,113)

37 Financial Instruments

The Council is required to disclose details in respect of financial instruments, which in the main include borrowing, lending, investments, creditors and debtors. The purpose of this disclosure is to provide information regarding:

- the significance of financial instruments for the Council's financial position and performance; and
- the nature and extent of risks arising from financial instruments to which the Council is exposed and how the Council manage those risks

Categories of financial assets and financial liabilities

The following categories of financial instrument are carried in the Balance Sheet:

	Long-term		Current	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Investments				
Equity Instruments Designated at Fair Value Through Other Comprehensive Income & Expenditure	-	-	3,592	3,132
Unquoted equity investment at cost	29	29	-	-
Total investments	29	29	3,592	3,132
Debtors				
Loans and receivables:				
Cash and Bank	-	-	249	255
Other Short Term Deposits	-	-	40,008	12,631
Soft Loans	94	94	-	-
Other Loans at Market Rates	11,530	10,227	-	-
Financial assets carried at contract amounts:				
Sundry Debtors including trade receivables	-	-	62,197	63,271
Total Debtors	11,624	10,321	102,454	76,157
Borrowings				
Financial liabilities at amortised cost:				
Borrowing Repayable:				
Public Works Loan Board	(473,848)	(466,320)	(11,295)	(11,758)
Lender Option/Borrower Option	(41,477)	(41,462)	(413)	(415)
Other	-	-	(21,810)	(2,313)
Temporary Advances from Other Accounts	-	-	(1,493)	(1,524)
Bank Overdraft	-	-	(3,416)	(197)
Total borrowings	(515,325)	(507,782)	(38,427)	(16,207)
Creditors				
Financial liabilities carried at contract amount:				
Sundry creditors including trade payables	-	-	(107,836)	(120,116)
Total Creditors	-	-	(107,836)	(120,116)

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and movements in reserves in relation to financial instruments are disclosed below:

2021/2022 £000		Financial Liabilities	2022/2023 Financial Assets	Financial Assets	2022/2023 Total £000
		Liabilities measured at amortised cost £000	Loans and receivables £000	Investments £000	
32,107	Interest Expense	32,434	-	-	32,434
32,107	Total expense in Surplus or Deficit on the Provision of Services	32,434	-	-	32,434
(613)	Interest Income	-	(1,412)	(150)	(1,562)
(613)	Total income in Surplus or Deficit on the Provision of Services	-	(1,412)	(150)	(1,562)
(18)	(Gains) or Losses on revaluation	-	-	460	460
(18)	(Gains) or Losses in Other Comprehensive Income & Expenditure	-	-	460	460
31,476	Net (gain)/loss for the year	32,434	(1,412)	310	31,332

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- estimated ranges of interest rates at 31 March 2023 of 1.26% to 9.13% for loans from PWLB and 4.09% to 4.95% for other loans receivable and payable, based on new lending rates for equivalent loans at that date
- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are as follows:

	Note	31 March 2022		31 March 2023			Carrying Amount £000	Fair Value £000
		Carrying Amount £000	Fair Value £000	Principal Amount Outstanding £000	LOBO Accounting Adjustment £000	Add Accrued Interest £000		
Financial liabilities:								
Borrowing								
Repayable:								
Public								
Works Loan Board	i	(485,143)	(598,764)	(473,848)	-	(4,230)	(478,078)	(416,734)
Lender Option/Borrower Option (LOBO)	i	(41,890)	(57,894)	(40,000)	(1,462)	(415)	(41,877)	(38,882)
Other	i	(21,810)	(35,468)	(2,313)	-	-	(2,313)	(2,313)

Temporary Advances from Other Accounts	ii	(1,493)	(1,493)	(1,524)	-	-	(1,524)	(1,524)
Bank Overdraft	iii	(3,416)	(3,416)	(197)	-	-	(197)	(197)

i Borrowing Repayable

The fair value for borrowing repayable is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

Valuation Method - The fair value of these financial instruments have been determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms. The discount rate used in the NPV calculation is equal to the current rate in relation to the same instruments from a comparable lender. This will be the rate applicable in the market on the date of valuation, for an instrument with the same duration i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of comparable instruments should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market.

Evaluation of Public Works Loan Board debt - The Council has applied the new borrowing rate, as opposed to the premature repayment rate as the discount factor for all PWLB borrowing. This is because the premature repayment rate includes a margin that represents the lender's profit as a result of rescheduling the loan that is not included in the fair value calculation since any motivation other than securing fair price should be ignored.

Inclusion of accrued interest - The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, this has also been accrued in the fair value calculation. This figure is calculated up to and including the valuation date.

Discount rates used in NPV calculation - The rates quoted in this valuation were obtained for the market on 31 March 2023, using bid prices where applicable.

Market Debt - Valuations use the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms. This is a widely accepted valuation technique commonly used by the private sector. The discount rate used in the NPV calculation should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation, for an instrument with the same duration i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of the comparable instrument should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market. In such cases, we have used the prevailing rate of a similar instrument with a published market rate, as the discount factor.

ii) Temporary Advances from Other Accounts

These amounts relate to the balances from Charities and Common Good Funds. These include cash balances that are effectively loaned to the Council on a short-term basis and other short-term loans to the Council's Consolidated Loans Fund. Interest is payable by the Council on all balances outstanding. The current value and fair value of these balances are deemed to be the same amount.

iii) Bank Overdraft

The fair value is the same as the carrying amounts as these balances relate to short term borrowing with the Council's bank.

	Note	31 March 2022		31 March 2023	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Loans and receivables:					
Cash and Bank	i	249	249	255	255
Other Short term Deposits	i	40,008	40,008	12,631	12,631
Short-term debtors:					
Soft Loans	ii	-	-	-	-
Long-term debtors:					
Other Loans at Market rates	iii	13,090	13,090	11,812	11,812

i. Cash and Bank / Other Short term Deposits

The fair value is the same as the carrying amounts as these balances relate to short term lending or deposits held with the Council's bank.

ii. Soft Loans

The fair value of these loans is the same as the carrying amount. These loans comprise of a small number of loans that the Council has made to external parties at less than market rates. Soft loans have been restated from historical cost to fair value basis by discounting future cash receipts using the prevailing market rate of interest.

iii. Other Loans at Market Rates

These balances are made up of loans to various bodies at market rates and are included on the Council's Balance Sheet as long-term debtors. As these loans are held at market rates the carrying value and fair value will not be materially different.

Available for sale assets are carried in the Balance Sheet at their fair value. These fair values are based on their current market price which is also the value they are included at in the Council's Balance Sheet.

Short term debtors and creditors including trade receivables and payables are carried at cost as this is a fair approximation of their value.

38 Nature and Extent of Risks Arising from Financial Instruments

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

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

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Financial Services and Investment Manager, under policies approved by Dundee City Council in the annual treasury management strategy. Dundee City Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch, Moody's and Standard and Poors. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

The credit limits in respect of financial assets held by the council are as detailed below:

- F1+ £12m
- F1 £10m
- AAAmf - Money Market Funds £10m
- UK Local Authorities £10m
- Debt Management Agency £10m
- Part Nationalised UK Banks £5m (with a minimum holding of 20% as per Capita Asset Services approach)
- OEICs - Government Liquidity, Gilt, Bond and Equity Funds* - 70% of asset class with any one institution

* Common Good and Insurance Funds only or at discretion of Executive Director of Corporate Services – see section 7 "Treasury Risk Register"

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by Dundee City Council.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £12m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities in UK to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2023 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2023 %	Estimated maximum exposure to default and uncollectability at 31 March 2023 £000	Estimated maximum exposure at 31 March 2022 £000
	A	B	C	(A x C)	
Financial Institutions (F1)	12,631	-	-	-	-
				-	-

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the proportion of its fixed rate borrowing during specified periods. The maturity analysis of financial liabilities is as follows:

	31 March 2022 £000	31 March 2023 £000
Less than one year	28,809	9,821
Between one and two years	7,508	12,509
Between two and five years	30,030	27,533
Between five and ten years	25,039	15,027
More than ten years	451,270	451,270
	542,656	516,160

All trade and other payables are due to be paid in less than one year.

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Council has a number of strategies for managing interest rate risk. The policy is to aim to keep a maximum of 30% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management section has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to monitor the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2023, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	23
Increase in interest receivable on variable rate investments	Nil
Impact on Surplus or Deficit on the Provision of Services	23
Share of overall impact debited to the HRA	7
Decrease in fair value of fixed rate investment assets	Nil
Impact on Other Comprehensive Income and Expenditure	Nil
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	45,954

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

Price risk

The Council does not generally invest in equity shares but does have shareholdings to the value of £7,500 Ordinary B shares in Discovery Education Companies. These 'B' shares have no right to participate in the profits of the Company and no distributions of any kind, nor do they carry any voting rights at any general meeting of the company. As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the council can monitor factors that might cause a fall in the value of specific shareholdings.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

39 Charities Account (Registered Charities)

During 2022/2023, the Council acted as sole Trustee for 6 registered Charities. The following Charitable Trusts and Endowments were registered with the Office of the Scottish Charity and Regulator (OSCR):

Name	OSCR registration	Accounting basis
A: Belmont Estate Trust	SC018900	Receipts and Payments
B: Camperdown Estate	SC018899	Receipts and Payments
C: William Dawson Trust	SC018920	Receipts and Payments
D: Hospital Fund	SC018896	Receipts and Payments
E: The Dundee Trust	SC046260	Receipts and Payments
F: Fleming Trust	SC052182	Accruals, FRS102

The Fleming Trust was registered with OSCR on 12 December 2022. Comparative figures (2021/2022) have been restated to incorporate Fleming Trust net income of £0.197m for 2021/2022 and net assets of £8.543m as at 31 March 2022.

The Income & Expenditure Account below summarises the transactions in the year and the Balance Sheet summarises the assets and liabilities at the year end.

2021/2022 (restated) £000	Income and Expenditure	A	B	C	D	E	F	2022/2023 Total
		£000	£000	£000	£000	£000	£000	£000
(420)	Rental income	(8)	-	-	(41)	-	(387)	(436)
(3)	Interest on investments	(3)	-	-	(13)	-	(30)	(46)
(423)	Total income	(11)	0	0	(54)	0	(417)	(482)
215	Expenditure	11	-	-	31	-	470	512
(208)	Net (income) / expenditure	0	0	0	(23)	0	53	30

Balance Sheet

2021/2022 (restated) £000		A	B	C	D	E	F	2022/2023 Total
		£000	£000	£000	£000	£000	£000	£000
	Fixed Assets							
6,857	Dwellings	236	157	-	-	-	8,275	8,668
2,210	Land and Buildings	-	2,061	149	-	-	-	2,210
395	Community Assets	185	169	40	1	-	-	395
58	Infrastructure	26	33	-	-	-	-	59
2,027	Investment Properties	1,561	82	-	384	-	-	2,027
11,547	Total Fixed Assets	2,008	2,502	189	385	0	8,275	13,359
655	Cash at Bank	-	-	-	-	-	444	444
91	Debtors	-	-	-	-	-	65	65
2,453	Funds deposited with DCC Loans Fund	185	3	7	767	-	1,908	2,870
3,199	Total Current Assets	185	3	7	767	0	2,417	3,379
(174)	Creditors	-	-	-	-	-	(2,202)	(2,202)
3,025	Net Current Assets	185	3	7	767	0	215	1,177
14,572	Net Assets	2,193	2,505	196	1,152	0	8,490	14,536
	Analysis of Fund Balances							
11,547	Revaluation Reserve	2,008	2,502	189	385	-	-	5,084
3,025	Revenue Reserve	185	3	7	767	-	8,490	9,452
14,572	Total reserves	2,193	2,505	196	1,152	0	8,490	14,536

NATURE AND PURPOSE

The nature and purpose of the Funds' detailed above is as follows:

A: Belmont Trust Estate

Estate gifted in 1918 by the late Mrs Emma Caird or Marryat of Roseangle, Dundee, in memory of her husband and her brothers, to be utilised for the benefit of the citizens of Dundee. The Trust's total reserves were £2.193m as at 31 March 2023 (31 March 2022: £2.193m).

B: Camperdown Estate Trust

Purchased in the interest and for the benefit of the Community on 11 November 1945, at a cost of £58,100 which was provided by the Sir James Caird Land Acquisition Fund. The Trust's total reserves were £2.505m as at 31 March 2023 (31 March 2022: £2.505m).

C: William Dawson Trust

Residue of estate handed over to the Lord Provost and Magistrates of the City of Dundee as trustees in 1948, for the purpose of acquiring ground for use as playing fields in wards X and XI. The Trust's total reserves were £0.196m as at 31 March 2023 (31 March 2022: £0.196m).

D: Hospital Fund

This Fund was established under the Dundee Churches and Hospital Act 1864, on behalf of the poor of the town. An annual payment of £80 is made from the Fund to local pensioners who require financial assistance. The Fund's total reserves were £1.152m as at 31 March 2023 (31 March 2022: £1.129m).

E: The Dundee Trust

The Dundee Trust was awarded charitable status by the Office of the Scottish Charity Regulator (OSCR) and was entered in the Scottish Charity Register on 15 January 2016. The various charitable purposes of The Dundee Trust are recorded in the Trust Deed, signed on 17 November 2015. During the 2017/2018 financial year, the Trust received donations totalling £69,927 as a result of the reorganisation of thirteen charitable trusts for which Dundee City Council acted as sole trustee. These donations, together with interest accruing, have now been fully distributed by the Dundee Trust, in line its stated charitable purposes. The Trust's total reserves as at 31 March 2023 were £ nil (31 March 2022 £ nil).

F: Fleming Trust

This Trust was established with sums gifted in 1929 by Robert Fleming for the purchase of land and buildings and the provision of suitable accommodation for re-housing the displaced occupants of slum property in Dundee. The Trust's total reserves were £8.490m as at 31 March 2023 (31 March 2022: £8.543m).

40 Charities Account (Unregistered Charities)

The Council acts as sole Trustee for 4 unregistered charities. These are the Broughty Ferry Lifeboat Disaster Fund, TRC Trusts, Miss Kinloch Fund and Orchar Art Gallery Trust.

Fleming Trust was registered with OSCR on 12 December 2022 and it is therefore now incorporated within Note 39, with comparative figures restated accordingly.

The Income & Expenditure Account below summarises the transactions in the year and the Balance Sheet summarises the assets and liabilities at the year end.

Income & Expenditure	
2021/2022 (restated) Total £000	2022/2023 Total £000
- Income	(8)
- Expenditure	-
0 Net (income) / expenditure	(8)

2022 (restated) £000	Balance Sheet as at 31 March	2023 £000
Current Assets		
505	Funds deposited with DCC Loans Fund	513
505	Net Assets	513

Financed By Fund Balances and Reserves

Available for Use:		
505	Fund Balances	513
505		513

41 Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets held by the Council

	Museum & Art Gallery Collections £000	Other Heritage Assets £000	Total Assets £000
1 April 2022	7,248	1,134	8,382
Additions	-	-	-
Revaluations	11,421	1,139	12,560
31 March 2023	18,669	2,273	20,942

Museum and Art Gallery Collections

The valuation disclosed in the balance sheet is based on the assessment by the Council's insurers of the replacement value of the collection. Items valued in excess of £100,000 are detailed individually in the Museums Insurance schedule and these make up the total of assets included in this category.

Other Heritage Assets

This includes the Desperate Dan statue, Balgay Bridge and Linlathen Bridge.

Additions & Disposals of Heritage Assets

Additions in 2022/2023 - £Nil (2021/2022 - £Nil)

There were no disposals in 2022/2023 (2021/2022 - none)

42 Heritage Assets: Further Information

Museum and Art Gallery Collections

The Dundee Art Galleries and Museums Collection which is largely housed at the McManus Art Gallery & Museum in the City Centre, forms the major part of the heritage assets held by the Council.

The Art Gallery & Museum's major collection groups include Community History, Decorative Arts/Crafts, Early History, Fine Art, Natural History, Social History and World Cultures.

New Collection - 'Charting New Waters'

An exhibition in 2015/2016 entitled 'Charting New Waters' introduces two major acquisitions to Dundee's collection. Paintings by Frances Walker, inspired by wild and remote places are the most significant gift by an artist to Dundee's nationally significant fine art collection for over 25 years. In addition, eight ship models and related material, previously owned by the pioneering Dundee, Perth & London Shipping Company Ltd (DP&L) are a significant addition to the collection.

Community History

Collections of objects relating to the community and domestic life of Dundee, including civic history and recreation, along with costume.

Decorative Arts / Crafts

The collection of Scottish Provincial Silver consists of about 400 items, with excellent coverage of all known Dundee makers. Ceramics range from ornamental Japanese Satsuma ware and English 18th century porcelain to an expanding collection of contemporary Studio ceramics by mainly Scottish makers.

Early History

These collections comprise regional archaeology dating from prehistoric times to the Middle Ages drawn from the Dundee area, foreign artefacts representing ancient Egypt and more recent world culture, and an extensive collection of coins and medals.

Fine Art

This collection of over 4,000 works consists of oil paintings, watercolours, drawings, artists' prints and sculptures. Excellent coverage of 19th and 20th century Scottish Art with notable Dundee artists, John Duncan and McIntosh Patrick, and fine art photography by Joseph McKenzie are included in this collection.

Natural History

This section includes geological and botanical collections along with vertebrate and invertebrate zoology material.

Social History

This collection includes areas of interest ranging from Dundee's industrial and working history, to shipbuilding and transport.

World Cultures

This collection includes fascinating material from different cultures around the world, including artefacts brought back to Dundee by whalers, and important 'early contact' material from the 1874 Moresby expedition to Papua New Guinea.

Further information about these and other collections can be found at [here](#).

Library Collections of Rare Books, Manuscripts and Archives

The Rare Book Collections, Manuscripts and Archives are mainly held in the Central Library. Among the collections and features are:

- Maps & plans – a wide range of maps and plans from early times to date,
- Lamb Collection, a unique resource of 450 archive boxes of ephemera, dating mainly from the latter part of the nineteenth century,
- Taybridge Disaster – a wealth of maps, plans, books, documents, drawings and photographs on the two Tay rail bridge disasters,
- A wide-ranging collection of works by and about William McGonagall
- Rare books and manuscripts – Dundee possessed one of Europe's earliest municipal libraries

Further information about these and other collections can be found [here](#).

Preservation and Management

The Director, Leisure & Communities, is responsible for making arrangements for the proper administration of the Galleries and Museums Collections. Assets are collated, preserved and managed in accordance with The Council's policy on management, acquisitions and disposals, as detailed in the Collections Development Policy 2013 – 2018. The full policy document can be found [here](#).

43 Other Long Term Liabilities

	31 March 2022 £000	31 March 2023 £000
PPP Schools Liability	59,238	56,656
DBFM School Liability (Baldragon)	24,070	23,123
Service Concession Arrangement Liability (Waste Project)	58,269	57,170
Financing Arrangement (Dundee House)	22,518	22,154
Burial Grounds Perpetuity Fund	93	93
Total	164,188	159,196

44 Long Term Debtors

	31 March 2022 £000	31 March 2023 £000
Advances to Tayside Contracts for Capital Expenditure	8,070	8,270
Loans to Other Organisations	1,598	459
Housing Loans / Mortgages	1,956	1,592
Total	11,624	10,321

45 Service Income and Expenditure Including Internal Recharges

The service lines in the Comprehensive Income and Expenditure Statement exclude internal recharges (controllable budgets). The income and expenditure for each service, inclusive of internal recharges, are shown below:

	2022/2023			
	Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	Internal Recharging Adj £000
Children & Families Services	237,509	(42,971)	194,538	-
Budgets Delegated to Dundee Health & Social Care Partnership	259,968	(153,985)	105,983	-
City Development	117,441	(38,226)	79,215	14,679
Neighbourhood Services	43,017	(16,639)	26,378	5,727
Chief Executive	16,725	(2,241)	14,484	-
Corporate Services	100,338	(57,869)	42,469	5,916
Construction	29,319	(25,789)	3,530	17,202
Housing Revenue Account	66,132	(58,649)	7,483	518
Discretionary NDR Relief	422	-	422	-
Tayside Valuation Joint Board	1,021	-	1,021	-
Miscellaneous Items	4,282	(1,879)	2,403	1,183
Cost Of Services	876,174	(398,248)	477,926	45,225

	2021/2022			
	Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	Internal Recharging Adj £000
Children & Families Services	218,164	(37,873)	180,291	-
Budgets Delegated to Dundee Health & Social Care Partnership	236,136	(140,191)	95,945	-
City Development	103,685	(33,874)	69,811	13,259
Neighbourhood Services	45,289	(16,984)	28,305	5,470
Chief Executive	16,653	(1,512)	15,141	-
Corporate Services	99,458	(60,173)	39,285	5,916
Construction	26,447	(24,414)	2,033	16,794
Housing Revenue Account	67,223	(55,559)	11,664	564
Discretionary NDR Relief	380	-	380	-
Tayside Valuation Joint Board	932	-	932	-
Miscellaneous Items	4,763	(1,902)	2,861	1,120
Cost Of Services	819,130	(372,482)	446,648	43,123

46 Revenue from Contracts with Service Recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients:

2021/2022 £000	Revenue from contracts with service recipients:	2022/2023 £000
51,281	Housing Rents	52,115
2,830	Sheltered Housing Charge	2,788
3,177	Temporary Accommodation Properties	2,347
5,179	Residential Care	5,634
1,227	Non Residential Care	472
764	School Meals	859
664	Social Care Meals	473
2,146	Off Street Parking	2,903
1,659	On Street Parking	1,665

781	Building Warrants	1,130
643	Planning Applications	785
835	Trade Waste	815
474	Special Collections	488
839	Garden Waste Collections	895
454	Licensing	506
607	Burial Ground Charges	723
1,964	Miscellaneous	1,739
75,524	Total Included in Comprehensive Income and Expenditure	76,337

47 Capital Grants & Receipts Unapplied Account

	31 March 2022 £000	31 March 2023 £000
Capital Grants	1,387	1,048
Future Transformation Projects	327	327
Total	1,714	1,375

48 Debtors for Local Taxation

	31 March 2022 £000	31 March 2023 £000
Up to One Year:		
Council Tax	531	255
NDRI	784	435
Total	1,315	690
Over One Year:		
Council Tax	2,562	1,736
NDRI	3,830	4,729
Total	6,392	6,465
Total		
Council Tax	3,093	1,991
NDRI	4,614	5,164
Total	7,707	7,155

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49 TAY CITIES REGION DEAL - LEAD AUTHORITY DISCLOSURES

The Tay Cities Region Deal was signed on 17th December 2020. It represents an investment in the Tay Cities region by the Scottish and UK Governments of £150 million each over 10 years. The City Region Deal seeks to transform the regional economy by delivering inclusive growth: raising the productivity of the region and increasing the participation of its workforce.

During 2022/2023, four project Business Cases were approved by the Tay Cities Region Joint Committee. Full Business case approval from the Joint Committee is required ahead of any drawdown of the funding.

During 2022/2023, £36.633m drawdown of government grant had been made successfully. This included £8.0m of accelerated funding, over what was agreed at the Deal signing. At the 31st March 2023, Grant due from Scottish Government was £18.626m and Grant payments due to projects were £18.626m.

Dundee City Council acts as the Accountable Body for the Tay Cities Region Deal.

The analysis of funding awarded to individual projects and drawdown of grant is shown in the table below, which reflects both Capital and Revenue projects.

Project	Grant Award £000	Funded By SG £000	Funded By UKG £000	2022/23 Approved Allocation £000	2022/23 Grant Claimed £000	2022/23 Grant Approved during year £000	Grant Claims and Payments Outstanding as at 31 March £000
Dundee Airport Investment	8,900	8,900	-	-	-	-	-
Perth Bus & Rail Interchange	15,000	15,000	-	-	-	-	-
Low Carbon Transport & Active Travel Hubs	3,500	3,500	-	632	362	362	179
Advanced Manufacturing Programme	8,000	8,000	-	-	-	-	-
Advanced Plant Growth Centre	27,000	7,000	20,000	8,652	8,456	8,456	3,437
International Barley Hub	35,000	10,000	25,000	5,598	9,501	9,501	3,315
Angus Fund	26,500	-	26,500	2,070	300	300	300
CyberQuarter	11,700	6,000	5,700	1,000	1,150	1,150	231
Eden Campus	26,500	2,000	24,500	4,963	6,483	6,483	1,057
Just Tech	15,000	-	15,000	-	-	-	-
Growing the Tay Cities BioMedical Cluster	25,000	25,000	-	8,963	1,545	1,545	1,431
Perth Cultural Transformation (Perth Museum)	10,000	-	10,000	1,373	-	-	-

Project	Grant Award £000	Funded By SG £000	Funded By UKG £000	2022/23 Approved Allocation £000	2022/23 Grant Claimed £000	2022/23 Grant Approved during year £000	Grant Claims and Payments Outstanding as at 31 March £000
Pitlochry Festival Theatre	10,000	10,000	-	-	6,881	6,881	6,881
Project Beacon	5,200	-	5,200	-	-	-	-
Perth Innovation Highway	5,000	-	5,000	900	-	-	-
Regional Culture and Tourism Programme	27,000	27,000	-	285	961	961	961
Studio Dundee	3,000	3,000	-	-	-	-	-
Aviation Academy for Scotland	8,100	-	8,100	1,630	-	-	-
Rural Angus & Rural Perth and Kinross Highspeed Broadband	2,000	-	2,000	200	54	54	-
5G Digital Testbeds	2,000	2,000	-	720	284	284	254
Tay Cities Engineering Partnership	1,401	1,401	-	334	521	521	521
Innerpeffer Library	100	-	100	-	-	-	-
Aero Space Kinross	1,600	-	1,600	-	-	-	-
Crieff International Highland Centre	1,000	-	1,000	-	-	-	-
Stretch Dome Simulator	300	-	300	-	-	-	-
Total Capital Grant	278,801	128,801	150,000	37,320	36,498	36,498	18,567
Regional Skills and Employability Investment Programme	20,000	20,000	-	936	72	72	46
Tay Cities Engineering Partnership	599	599	-	76	63	63	13
Dundee Airport Investment	600	600	-	-	-	-	-

Total Revenue Grant	21,199	21,199	-	1,012	135	135	59
TOTAL	300,000	150,000	150,000	38,332	36,633	36,633	18,626

The Programme Management Office (PMO) supports the governance of the deal by completing operational tasks necessary to implement the Tay Cities Deal programme. The income and expenditure of the PMO is summarised in the table below:

	2021/2022	2022/2023
	£000	£000
Expenditure	322	339
Income	(343)	(355)
Net Expenditure	(21)	(16)

The PMO is funded from partner local authorities, Higher and Further Education and Research partners. A combined underspend of £154,000 was carried forward to 2022/23.

Further information can be found at: www.taycities.co.uk

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The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the authority.

2021/2022 £000		2022/2023 £000
91,392	Gross Council Tax levied and contributions in lieu	94,794
(60)	Adjustments for prior years Council Tax	(83)
91,332		94,711
	Adjusted for:	
(18,502)	Other discounts and reductions	(19,385)
(12,961)	Council Tax Reduction Scheme	(13,323)
(1,944)	Provision for Non-collection	(1,033)
57,925	Net Council Tax Income per the Comprehensive Income and Expenditure Account	60,970

The calculation of the Council Tax Base 2022/23:

	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	Total Dwellings	Ratio to Band D	Band D Equivalents
Band A	28,032	3,465	37	16,630	687	24,582	240/360	13,387
Band B	17,258	1,741	52	8,027	261	15,523	280/360	10,411
Band C	9,686	1,096	58	3,744	106	8,602	320/360	6,767
Band D	9,421	568	70	2,911	84	8,853	360/360	8,083
Band E	7,593	807	70	1,747	72	6,740	473/360	8,235
Band F	2,547	92	24	473	21	2,439	585/360	3,754
Band G	1,120	22	8	194	10	1,090	705/360	2,030
Band H	38	4	-	6	2	34	882/360	77
						TOTAL		57,745
						Provision for non-collection (3.2%)		(1,688)
						Council Tax Base		51,057

Dwellings fall within a valuation band between A to H which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base i.e. Band D equivalents. This value is then increased or decreased depending on the band. Based on the Council Tax base available to Dundee City Council, the band D charge for 2022/2023 was £1,419.03.

Dundee City Council £ per year for 2022/2023:

Band A	£946.02
Band B	£1,103.69
Band C	£1,261.36
Band D	£1,419.03
Band E	£1,864.45
Band F	£2,305.92
Band G	£2,778.93
Band H	£3,476.62

National Non Domestic Rates (NNDR) income is collected by local authorities, but all income is then remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to local authorities along with the Revenue Support Grant.

2021/2022		2022/2023
£000		£000
95,902	Gross rates levied and contributions in lieu	98,509
	Less:	
(47,225)	Reliefs and other deductions	(29,262)
(11,978)	Write Off of uncollectable debt and allowance for impairment	(4,458)
36,699	Net Non Domestic Rate Income	64,789
593	Adjustment to Previous Years' Non-Domestic Rates	15,692
37,292	Total Non Domestic Rate Income (before local authority retentions)	80,481
-	- Non Domestic Rates Retained by Authority	-
37,292	Contribution to Non-Domestic Rate Pool	80,481

Net Rateable Value Calculation

The amount paid for NNDR is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £, which is determined each year by the Scottish Government. The basic property rate NNDR poundage set by the Scottish Government for 2022/2023 was £0.498, the intermediate property rate was £0.511, payable when rateable value is between £51,000 and £95,000, and the higher property rate was £0.524, payable when rateable value exceeds £95,000.

	2022/2023
	£
Analyses of Rateable Values:	
Rateable Value at 1/4/2022	181,714,000
Running Roll (Full Year Rateable Value)	-
Rateable Value at 31/3/2023	193,118,000
Less: Wholly Exempt	(6,093,000)
Net Rateable Value at 31/03/2023	187,025,000
Dundee City Council's Rateable Values at 1 April 2023	£000
Commercial	89,513
Industrial and Freight Transport	33,069
Public Undertakings	9,378
Others	61,158
Total	193,118

Housing Revenue Account - Income & Expenditure Statement

The HRA 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. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2021/2022 £000	Notes	2022/2023 £000
Income		
51,280		52,115
814		831
3,371		5,608
55,465		58,554
Expenditure		
(19,320)		(22,213)
(13,968)		(14,157)
(299)		(302)
(30,789)		(27,322)
(2,752)	5	(2,043)
(67,128)		(66,037)
(11,663)		(7,483)
(502)		(525)
(12,165)		(8,008)
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:	
14		16
(6,259)		(6,482)
309		414
24		306
(103)		(60)
(43)		-
-		-
(226)		(74)
(18,449)		(13,888)

Housing Revenue Account - Movement in Reserves Statement

2021/2022 £000	Notes	2022/2023 £000
(18,449)		(13,888)
20,148	1	15,421
1,699		1,533
(1,699)	2	(1,533)
-		-
-		-

Housing Revenue Account – Disclosures**1 Adjustments between Accounting Basis and Funding Basis under Statute**

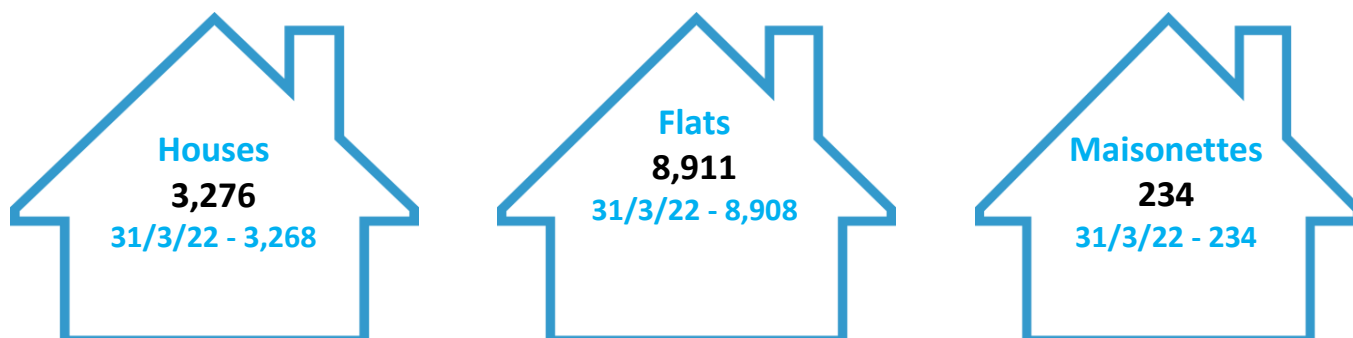
2021/2022 £000		2022/2023 £000
(14)	Gain or loss on sale of HRA non-current assets	(16)
(309)	Impairment of Assets Held for Sale	(414)
	Transfer to/from Revaluation Reserve:	
13,865	* Current Value Element of Depreciation Charge	13,865
	Transfer to/from Capital Adjustment Account:	
16,924	* Depreciation and Impairment - Housing Revenue Account Assets	13,457
-	* Capital Grants and Contributions	-
(11,480)	* Repayment of Debt	(12,345)
-	* Capital Financed from Current Revenue (CFCR)	-
43	Change in Fair Value of Investment Property	-
2	Short Term Accumulating Absences	(33)
1,207	HRA share of contributions to or from the Pensions Reserve	1,004
(90)	HRA Share of Transfer to/from the Financial Instruments Adjustment Account	(97)
20,148	Total	15,421

2 Transfers (to) or from Reserves

2021/2022 £000		2022/2023 £000
(1,699)	Transfer (to)/from the Renewal & Repair Fund	(1,533)
-	Transfer from General Fund (Funding for CFCR from Reduced Council Tax Discounts on long-term Empty Properties and Second Homes)	-
(1,699)	Total	(1,533)

3 Housing Stock

The Council's housing stock at 31 March 2023 was as follows:

**4 Rent Arrears**

Rent Arrears at 31 March 2023 were £5,160,307 (£4,916,345 at 31 March 2022).

5 Impairment of Debtors

In 2022/2023 an impairment of £5,389,949 has been provided in the Balance Sheet for irrecoverable rents, a net increase of £263,154 from the provision in 2021/2022.

6 Voids

The total value of uncollectable void rents was £1,512,697 (2021/2022 £1,678,442). This has been netted against rental income.

7 Accumulated Housing Revenue Account Balance

The Renewal & Repair Fund balance at 31 March 2023 was £14.759m, of which £11.392m was earmarked for the Housing Revenue Account.

THE GROUP ACCOUNTS & THEIR NOTES | Group Comprehensive Income & Expenditure Statement

The Group Comprehensive Income and Expenditure Statement combines the income and expenditure figures of the Council with the Council's share of operating results of those entities in which it has a financial interest.

2021/2022				2022/2023		
Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000		Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000
217,829	(37,538)	180,291	Children & Families Services	237,509	(42,971)	194,538
236,136	(140,191)	95,945	Dundee Health & Social Care Partnership	259,968	(153,985)	105,983
90,426	(20,615)	69,811	City Development	102,762	(23,547)	79,215
39,928	(11,884)	28,044	Neighbourhood Services	37,760	(11,299)	26,461
4,759	(967)	3,792	Chief Executive	5,056	(1,364)	3,692
93,542	(54,763)	38,779	Corporate Services	94,422	(51,953)	42,469
9,653	(7,620)	2,033	Construction	12,117	(8,587)	3,530
66,659	(54,995)	11,664	Housing Revenue Account	65,614	(58,131)	7,483
380	-	380	Discretionary NDR Relief	422	-	422
932	-	932	Tayside Valuation Joint Board	1,021	-	1,021
3,643	(782)	2,861	Miscellaneous Items	3,099	(696)	2,403
144	-	144	Common Good Fund	136	-	136
18,451	(4,607)	13,844	Leisure and Culture Dundee	18,569	(5,376)	13,193
1,361	-	1,361	Associates Accounted for on an Equity Basis	1,338	-	1,338
90,559	-	90,559	Joint Ventures Accounted for on an Equity Basis	105,839	-	105,839
874,402	(334,962)	540,440	Cost Of Services	945,632	(357,909)	587,723
		(4)	Other Operating Expenditure			671
		(155)	Share of Other Operating Expenditure (Associates)			(159)
		-	Share of Other Operating Expenditure (Joint Ventures)			1
		(7,332)	Share of Other Operating Expenditure (Subsidiaries)			(27,213)
		32,245	Financing and Investment Income and Expenditure			31,576
		15	Share of Financing and Investment Income and Expenditure (Associates)			(4)
		140	Share of Financing and Investment Income and Expenditure (Subsidiaries)			51
		(409,798)	Taxation and Non-Specific Grant Income			(429,690)
		(102,078)	Share of Taxation and Non-Specific Grant Income (Joint Ventures)			(97,368)
		(4,415)	Share of Taxation and Non-Specific Grant Income (Associates)			(1,938)
		49,058	(Surplus) or Deficit on Provision of Services			63,650
		(14,439)	(Surplus) or Deficit on revaluation of fixed assets			(142,682)
		1,717	Impairment losses on non-current assets charged to Revaluation Reserve			2,102
		308	(Surplus) or Deficit on financial assets measured at fair value through other comprehensive income			460
		(108,951)	Remeasurements of the net defined benefit liability (asset)			(407,989)
		(717)	Share of Other Comprehensive Income and Expenditure (Associates)			(1,875)
		(122,082)	Other Comprehensive (Income) / Expenditure			(549,984)
		(73,024)	Total Comprehensive (Income) / Expenditure			(486,334)

THE GROUP ACCOUNTS & THEIR NOTES | 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, together with the movement in the Council's shares of those entities in which it has a financial interest.

	<u>Revenue Reserves</u>				<u>Capital Reserves</u>		Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal and Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 2021	(56,198)	-	(11,467)	(2,224)	(4,993)	(636)	(75,518)	(693,137)	(768,655)
Movement in reserves during 2021/2022									
Total Comprehensive Expenditure and Income	30,609	18,449	-	-	-	-	49,058	(122,082)	(73,024)
Adjustments to Usable Reserves Permitted by Accounting Standards	(11,408)	(13,865)	-	-	-	-	(25,273)	25,273	-
Adjustments between Group Accounts and Council Accounts	5,194	-	-	-	-	-	5,194	(6,229)	(1,035)
Net (Increase)/Decrease before Transfers	24,395	4,584	-	-	-	-	28,979	(103,038)	(74,059)
Adjustments between Accounting Basis and Funding Basis Under Regulations	(48,706)	(6,283)	-	-	279	-	(54,710)	54,710	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(24,311)	(1,699)	-	-	279	-	(25,731)	(48,328)	(74,059)
Transfers to/(from) Other Statutory Reserves	(762)	1,699	(1,703)	766	3,000	(3,000)	-	-	-
(Increase)/Decrease in 2021/2022	(25,073)	-	(1,703)	766	3,279	(3,000)	(25,731)	(48,328)	(74,059)
Balance at 31 March 2022 Carried Forward	(81,271)	-	(13,170)	(1,458)	(1,714)	(3,636)	(101,249)	(741,465)	(842,714)

	<u>Revenue Reserves</u>				<u>Capital Reserves</u>			Unusable Reserves £000	Total Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal and Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000	Total Usable Reserves £000		
Balance at 31 March 2022	(81,271)	-	(13,170)	(1,458)	(1,714)	(3,636)	(101,249)	(741,465)	(842,714)
Movement in reserves during 2022/2023									
Total Comprehensive Expenditure and Income	49,762	13,888	-	-	-	-	63,650	(549,984)	(486,334)
Adjustments to Usable Reserves Permitted by Accounting Standards	(12,538)	(13,865)	-	-	-	-	(26,403)	26,403	-
Adjustments between Group Accounts and Council Accounts	16,286	-	-	-	-	-	16,286	(38,423)	(22,137)
Net (Increase)/Decrease before Transfers	53,510	23	-	-	-	-	53,533	(562,004)	(508,471)
Adjustments between Accounting Basis and Funding Basis Under Regulations	(48,692)	(1,556)	-	-	339	1,005	(48,904)	48,904	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	4,818	(1,533)	-	-	339	1,005	4,629	(513,100)	(508,471)
Transfers to/(from) Other Statutory Reserves	(699)	1,533	(1,589)	814	-	(59)	-	-	-
(Increase)/Decrease in 2022/2023	4,119	-	(1,589)	814	339	946	4,629	(513,100)	(508,471)
Balance at 31 March 2023	(77,152)	-	(14,759)	(644)	(1,375)	(2,690)	(96,620)	(1,254,565)	(1,351,185)

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The Group Balance Sheet shows as at 31 March the assets and liabilities of the Group and combines the Council's assets and liabilities with the Council's share of those entities assets and liabilities in which it has a financial interest.

31 March 2022		31 March 2023
£000		£000
1,590,185	Property, Plant & Equipment	1,681,195
8,382	Heritage Assets	20,942
13,573	Investment Property	13,073
2,487	Intangible Assets	2,540
29	Long Term Investments	29
12,770	Investments in Associates	46,008
8,782	Long Term Debtors	7,509
-	Pension Asset	305,781
1,636,208	Long Term Assets	2,077,077
10,682	Short Term Investments	8,278
960	Inventories	1,125
58,733	Short Term Debtors	60,666
37,496	Cash and Cash Equivalents	13,133
4,593	Assets Held for Sale	5,893
112,464	Current Assets	89,095
(33,502)	Short Term Borrowing	(14,102)
(106,063)	Short Term Creditors	(120,125)
(139,565)	Current Liabilities	(134,227)
(4,927)	Provisions	(5,681)
(515,325)	Long Term Borrowing	(507,782)
(75,485)	Pension Liability	-
(164,188)	Other Long Term Liabilities	(159,196)
(6,468)	Capital Grants Receipts in Advance	(8,101)
(766,393)	Long Term Liabilities	(680,760)
842,714	Net Assets	1,351,185
101,249	Usable reserves	96,620
741,465	Unusable Reserves	1,254,565
842,714	Total Reserves	1,351,185



Robert Emmott BSc CPFA
Executive Director of Corporate Services
Dundee City Council
28 June 2023

The notes on pages 128 to 133 form part of the financial statements.

The Group Cash Flow Statement shows the change in the year of cash and cash equivalents of the Council and those entities in which it has a financial interest.

2021/2022		2022/2023
£000		£000
49,058	Net (Surplus) or Deficit on the provision of services	63,650
(145,697)	Adjust net (Surplus) or Deficit on the provision of services for non cash movements	(118,458)
1,335	Adjust for items included in the net (Surplus) or Deficit on the provision of services that are investing and financing activities	3,077
(95,304)	Net cash flows from Operating Activities	(51,731)
58,397	Investing Activities	44,947
(2,267)	Financing Activities	31,147
(39,174)	Net (Increase) or Decrease in cash and cash equivalents	24,363
(1,678)	Cash and cash equivalents at the beginning of the reporting period	37,496
37,496	Cash and cash equivalents at the end of the reporting period	13,133

1 Impact of Consolidation on Reserves

The impact on total reserves of consolidating group entities is shown in the following tables.

Group Entity	As at 31 March 2023		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Dundee City Council (Single Entity)	76,115	1,218,611	1,294,726
Elimination of Intra-group balances within single-entity accounts	(150)	-	(150)
Tayside Contracts Joint Committee	(80)	18,789	18,709
Common Good Fund	3,255	(396)	2,859
Fleming Trust	8,717	-	8,717
Tayside Valuation Joint Board	65	1,596	1,661
Leisure & Culture Dundee	2,284	15,965	18,249
Dundee City Integration Joint Board	-	-	-
Michelin Scotland Innovation Parc	6,414	-	6,414
Total per Group Balance Sheet	96,620	1,254,565	1,351,185

Group Entity	As at 31 March 2022		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Dundee City Council (Single Entity)	81,291	745,809	827,100
Intra-group balances elimination in Single Entity accounts	679	-	679
Tayside Contracts Joint Committee	(46)	(2,157)	(2,203)
Common Good Fund	3,253	23	3,276
Charitable Trust Fund	655	6,463	7,118
Tayside Valuation Joint Board	90	(103)	(13)
Leisure & Culture Dundee	3,572	(8,570)	(4,998)
Design Dundee Limited	509	-	509
Dundee City Integration Joint Board	8,250	-	8,250
Michelin Scotland Innovation Parc	2,996	-	2,996
Total per Group Balance Sheet	101,249	741,791	842,714

From 2022/2023, organisations with net assets/liabilities less than £2m are excluded from the Group Accounts on grounds of immateriality. Design Dundee Limited has thus been excluded from the Group Accounts.

2 Impact of Consolidation on Cash and Cash Equivalents

The impact on total cash and cash equivalents of consolidating group entities is shown below:

Group Entity	At 31 March 2022	At 31 March 2023
	£000	£000
Dundee City Council (Single Entity)	36,841	12,689
Charitable Trust Fund	655	444
Total per Group Balance Sheet	37,496	13,133

3 Group Accounting Policies

The group accounting policies are those specified for the single entity financial statements. The accounting policies of all group entities are materially the same as those of the single entity, except as where subsequently stated. The appropriate consolidation adjustments have been made where group entities are not required to prepare their financial statements on an IFRS basis.

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4 Group Entities – Basis of Consolidation

The Group Accounts have been prepared using the 'equity' and 'line by line' methods of consolidation, with appropriate summarisation of the Comprehensive Income & Expenditure Statement and Balance Sheet. This involves bringing into the Group Comprehensive Income & Expenditure Statement the Council's share of profits and losses of the group entities and bringing into the Group Balance Sheet the Council's share of the assets and liabilities of the group entities. The impact of consolidating the results of the Council with these entities is as follows:

	Consolidation Basis	Group Share %	2021/2022		2022/2023		
			Net Expenditure / (Income) £000	Net Assets / (Liabilities) £000	Group Share %	Net Expenditure / (Income) £000	Net Assets / (Liabilities) £000
Subsidiaries:							
Common Good Fund	Sole Trustee	100.00	11	3,276	100.00	2,859	
Fleming Trust	Sole Trustee	100.00	(262)	7,118	100.00	8,717	
Leisure & Culture Dundee (see note below)	100% Control	100.00	6,786	(4,998)	100.00	18,249	
Associates:							
Tayside Valuation Joint Board	Requisition Share	30.97	(523)	(13)	30.90	1,661	
Tayside Contracts Joint Committee	Share of Business	29.80	-	(2,203)	34.00	18,709	
Design Dundee Limited	Voting Rights	20.00	52	509	20.00	-	
Joint Ventures:							
Dundee City Integration Joint Board	Equal Partnership	50.00	(12,584)	8,250	50.00	7,515	
Michelin Scotland Innovation Parc	Equal Partnership	33.33	(2,376)	2,996	33.33	6,414	
Total Group Entities			(8,896)	14,935		(7,916)	56,609
Dundee City Council (Single Entity)			(64,128)	827,779		(478,418)	1,294,576
Dundee City Council (Group)			(73,024)	842,714		(486,334)	1,351,185

Since 2020/2021, Leisure & Culture Dundee (LACD) has been consolidated as a subsidiary on a "line-by-line" basis. In previous years LACD was consolidated as an Associate on a "net equity" basis. This change in accounting treatment reflects the increased level of financial support and other assurances provided by the Council to LACD in the wake of the Covid-19 pandemic.

From 2022/2023 a £2m de-minimis on an organisation's net assets / liabilities has resulted in Design Dundee Limited being excluded in terms of being immaterial.

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Subsidiaries:Common Good Fund and Fleming Trust

The Council administers the Common Good Fund for the former Burgh of Dundee. Whilst the Council does not have legal title over the assets of the Fund, they are legally vested in the Council and have therefore been included in the Group Accounts on the basis of applying the principle of faithful representation. Similarly, a charitable trust administered by the Council (the Fleming Trust) has also been included in the Group Accounts. The income, expenditure, assets and liabilities of the Common Good Fund and Fleming Trust have been consolidated as subsidiaries on a "line-by-line" basis in the Group Accounts. Separate details of the Common Good Fund are included on page 134. Separate details of the Fleming Trust are included on pages 110-111.

Leisure and Culture Dundee

Leisure and Culture Dundee (LACD) is a Scottish Charitable Incorporated Organisation (SCIO) that was established to manage the leisure and cultural facilities owned by the Council and has been in operation since 1 July 2011. The operational responsibility for Dundee Ice Arena was also transferred to LACD from 1 April 2014. In 2020/2021, the organisation was consolidated as a subsidiary on a "line-by-line" basis. In previous years LACD was consolidated as an Associate on a "net equity" basis. This change in accounting treatment reflects the increased level of financial support and other assurances provided by the Council to LACD in the wake of the Covid-19 pandemic. For the purpose of consolidation and disclosure, unaudited accounts to the year ended 31 March 2023 were used.

Associates:Tayside Valuation Joint Board

Tayside Valuation Joint Board was created in 1996 to take over from the local authorities in its area certain duties in relation to valuation for Rating and Council Tax. The Valuation Joint Boards (Scotland) Order 1995 provides the regulatory framework for the administration of the Board. Dundee City Council has accounted for it on a "net equity" basis. For the purpose of consolidation and disclosure, unaudited statutory accounts to the year ended 31 March 2023 were used.

Tayside Contracts Joint Committee

Tayside Contracts is a commercially based local authority contracting organisation providing catering, cleaning, roads maintenance, vehicle maintenance and winter maintenance throughout the Tayside area of Scotland. Tayside Contracts operates under a Joint Committee comprising of elected members from Dundee, Angus and Perth & Kinross Councils. Tayside Contracts is accounted for as an "associate" and has been consolidated on a "net equity" basis. For the purpose of consolidation and disclosure, unaudited accounts to the year ended 31 March 2023 were used.

Joint Ventures:Dundee City Integration Joint Board

The Dundee City Integration Joint Board was established 3 October 2015 by a formal legal partnership agreement between the two parent organisations, Dundee City Council and NHS Tayside. It is responsible for the operational management and oversight of delegated health and social care functions with effect from 1 April 2016. The Public Bodies (Joint Working) (Integration Joint Board) (Scotland) Amendment (No 3) Order 2015 provides the regulatory framework for the administration of the Board. It has been accounted for on a "net equity" basis. For the purpose of consolidation and disclosure, unaudited statutory accounts to the year ended 31 March 2023 were used.

Michelin Scotland Innovation Parc

Michelin Scotland Innovation Parc (MSIP) Limited was created in May 2019 to provide suitable governance arrangements for the Michelin Scotland Innovation Parc on the site of the former Michelin factory. The Council controls 33% of the voting rights and the organisation has been consolidated on a 'net equity' basis. For the purpose of consolidation and disclosure, unaudited statutory accounts to the year ended 31 March 2023 were used.

Copies of the accounts for all the above organisations can be obtained from the Executive Director of Corporate Services, Dundee City Council, (e-mail: robert.emmott@dundeecity.gov.uk). In accordance with the Local Authority Accounts (Scotland) Regulations 2014, copies of audited accounts of those organisations treated as subsidiaries will also be published on the Council's website once these are available.

5 Non-Material Interests in Other Entities

The Council also has non-material interests in the following other entities:

Design Dundee Limited

Design Dundee Limited (DDL) was established to organise the development and delivery of the V&A Museum of Design Dundee (V&A Dundee). The Council are one of the founder members of the company together with Universities of Dundee and Abertay, Scottish Enterprise and Victoria & Albert Museum. The company is limited by guarantee and is a registered charity. The Council has one officer appointed as a Director to the Board (total number Directors is currently 9). The company has a wholly owned subsidiary, Dundee Design Enterprises Limited (DDE) which was established to organise the commercial activities of the V&A Museum. DDE's accounts have been consolidated with the company's on a "line-by-line" basis. In 2021/2022, both companies have been consolidated with the Council's accounts on a "net equity" basis. From 2022/2023 a £2m de-minimis on an organisation's net assets / liabilities has resulted in Design Dundee Limited being excluded in terms of being immaterial. For the purpose of assessing materiality and whether to consolidate and disclose, unaudited management accounts to 31 March 2023 were used.

Discovery Education Companies (3 companies)

Discovery Education PLC, Discovery Education (Holdings) Limited and Discovery Education (Nominee) Limited were established during financial year 2006/2007 to operate the Dundee Schools PPP Project. The Council has a contract with Discovery Education PLC to carry out the projects works and services. Dundee City Council has a 1.5% shareholding in Discovery Education (Holdings) Limited. The Council owns £7,500 Ordinary B shares of £1 each. These 'B' shares have no rights to participate in the profits of the Company and no distributions of any kind, nor do they carry any voting rights at any general meeting of the company. The Council has an officer appointed as a Director on the Board of the company (total number of directors is 3). The Council also has an officer appointed as a Director on the Board of both the other companies although the Council has no shareholding (total number of directors on both other companies is 3). The Council's interest in these companies is accounted for as an investment in the single entity and group accounts.

There are eight other entities the Council has an interest in but no investment. The nature of the Council's interest is such that the financial results of these entities do not require to be consolidated in the group accounts. These entities are as follows:

Replacement of Baldragon Academy – Project Delivery Company

An investment of £299,800 has been made by the Council in the Subordinated Debt of the project delivery company (Hub East Central (Baldragon) Limited), this being the maximum investment that can be made under the revised Hub Design, Build, Finance and Maintain (DBFM) structure. This debt carries an interest rate of 10% and is repayable on a semi-annual basis from 31 March 2021, with a final repayment date of 31 March 2042. This represents 10% of the total sub debt invested in Hub East Central (Baldragon) Limited ("DBFM Co"). The Council's investment is accounted for as a long term debtor in the single entity and group accounts.

The Council also holds 10 "B" Ordinary Shares in Hub East Central (Baldragon) Midco Limited ("MidCo") representing a 10% share holding. DBFM Co is a wholly owned subsidiary of MidCo. The Council has an officer appointed as a Director on the Board of both companies (both companies have a total number of 6 directors).

Dundee Contemporary Arts Limited

The Dundee Contemporary Arts Limited Company was established to operate the Arts Centre in Dundee, which is owned by the Council. There is a lease agreement with the company for the occupation of the Arts Centre. The company is limited by guarantee and the members' liability is limited to a maximum amount of £1. The Council has four elected members and one officer appointed as Directors to the Board (maximum number of Directors is 20).

Dovetail Enterprises (1993) Limited

Dovetail Enterprises Limited was established to provide training and employment for persons with disabilities. The Council provides annual grant funding to this organisation. The Council has also provided an interest free loan of £400,000 and as a result has increased its share of the Standard Security to 33% of the company's liquidated assets. As at 31 March 2022, £300,000 of this loan has been repaid to the Council. During the period 2017-2020 the Council provided further loans of £450,000 at commercial rates. As at 31 March 2022, £350,000 of these commercial loans has been repaid to the Council and as a result the company has outstanding loans totalling £200,000 from the Council. The company is limited by guarantee and the members'

liability is limited to £1. The Council has four elected members appointed as Directors to the Board (total number of Directors is 14).

Tay Cities Region Joint Committee

Tay Cities Region Joint Committee was created in September 2017 to provide suitable governance arrangements for the Tay Cities Deal. The financial results of the Joint Committee have not been consolidated in the Council's Group Accounts on the basis that the transactions and balances were less than the de-minimis amount required for the Council to consider consolidation in the Council's accounts. This treatment will be reviewed in future years to ensure that the Joint Committee is consolidated and disclosed within the Council's accounts when this is material.

Studio Dundee Joint Venture Company Limited

Studio Dundee Joint Venture Company Limited (SDJVC) was created in March 2018 to provide suitable governance arrangements for the development of Central Waterfront Development Plot 2. The financial results of the company have not been consolidated in the Council's Group Accounts on the basis that the transactions and balances were less than the de-minimis amount required for the Council to consider consolidation in the Council's accounts. This treatment will be reviewed in future years to ensure that the company is consolidated and disclosed within the Council's accounts when this is material. The Council has indemnified funding of £525,000 to Robertson Capital Projects (RCP) Ltd. The Heads of Terms for the Tay Cities Deal made reference to an investment opportunity for Studio Dundee of up to £3m. During 2020/2021 the Council provided a loan to SDJVC of £1.133m at commercial rates. The loan is repayable by 18 January 2024. The loan was written off in the Council's Accounts in 2022/2023. The Council has an officer appointed as a Director on the Board of the company (total number of directors is 2).

Dundee Science Centre

Dundee Science Centre (DSC) was established to advance education by promoting awareness and understanding of science, technology, engineering and mathematics through the establishment and operation of a permanent exhibition and education / learning programmes in DSC and via outreach programmes. The company is a Charitable Company Limited by Guarantee. The Council has one elected member and one officer appointed as Directors to the Board (total number of Directors is 12). Dundee Science Centre Enterprises Limited is a wholly owned subsidiary of DSC.

Leisure and Culture Dundee Training C.I.C

Leisure and Culture Dundee Trading Community Interest Company (CIC) was established in anticipation of some services being transferred from Leisure and Culture Dundee but this has not yet taken place and there are no imminent plans to do so. The company is currently dormant. The Council has one officer appointed as a Director to the Board (total number of Directors is 2).

Ardler Village Trust Company

Ardler Village Trust Company was established with the aim of achieving various objectives for the area and residents of Ardler, including advancing education and skills training, promotion of health education, relieving unemployment, alleviating poverty, and prevention of crime. The Council has one elected member and two officers appointed as Directors to the Board (total number of Directors is 8).

6. Related Entities Not Consolidated

Tay Road Bridge Joint Board

The Board comprises twelve elected members who are appointed by the three constituent Councils, with Dundee City Council nominating six members. Following the abolition of tolls in February 2008, the revenue and capital expenditure requirements of the Board are met directly by grants from the Scottish Government. The financial results of the Board have not been consolidated in the Council's Group Accounts on the basis that the Council does not have a financial interest or investment in the Board.

National Housing Trust Initiatives

The National Housing Trust (NHT) is a housing initiative developed by the Scottish Government, in partnership with the Scottish Futures Trust and local authorities. The aim is to deliver new homes for mid-market rent while at the same time stimulating the housing market.

Broughty Ferry NHT 2011 LLP

In August 2010, the Council agreed to participate in Phase 1 of the National Housing Trust Initiative, to provide properties for mid-market rent within Dundee subject to suitable bids being received. It was agreed that up to

a maximum of 75 units may be considered, involving a prudential borrowing requirement of up to £6.337m. This prudential borrowing would be backed by Scottish Government guarantees. In March 2011, the Council approved a bid from Ferrier Holdings to provide 16 x 2 bedroom flats at East Links Place, Broughty Ferry. The Council would provide 65% of the funding required, with the developer retaining a 35% interest for the minimum five year period. Following the initial five year period the flats could continue to be rented, sold to sitting tenants or sold on the open market.

The Special Purpose Vehicle (SPV) established for this project is Broughty Ferry NHT 2011 LLP. The Council is one of the three designated members of the SPV and provided funding of £1,456,560 during the 2014/15 financial year, by way of a loan which is repayable after 6.5 years. This loan is included at par value under Long Term Debtors in the Council's Balance Sheet. This loan was repaid during April 2020. The financial results of the SPV have not been consolidated in the Council's Group Accounts on the basis that the SPV is deemed to be a subsidiary of the developer and the Council does not therefore have control or exercise significant influence.

The Council administers the Common Good Fund for the former Burgh of Dundee. Common Good Funds came into existence in medieval times when the Crown gave lands to Burghs. The rents and feu-duties on these lands were to be used for the common good, which at that time was the minimal level of public service provided such as public lighting, street cleaning and repairs. Over time, as the level of public services increased, the rates system was introduced as the funding mechanism. The funds still held are to be used for purposes which promote "the general good of the inhabitants".

2021/2022 £000	Income & Expenditure Account	2022/2023 £000
	<u>Income</u>	
(133)	Dividends on Bonds / Shares	(138)
(133)		(138)
	<u>Expenditure</u>	
144	Other Expenditure	136
144		136
11	(Surplus)/Deficit for Year	(2)
2022 £000	Balance Sheet as at 31 March	2023 £000
	<u>Current Assets</u>	
3,276	Short Term Investments	2,859
3,276		2,859
	<u>Current Liabilities</u>	
-	Sundry Creditors	-
-		-
3,276	Net Assets	2,859
	Financed By Fund Balances and Reserves	
	Not Available for Use:	
23	- Financial Instruments Restatement Reserve	(396)
23		(396)
	Available for Use:	
3,253	- Common Good Balance	3,255
3,276		2,859



Robert Emmott BSc, CPFA
Executive Director of Corporate Services
Dundee City Council
28 June 2023

1. SHORT TERM INVESTMENTS

Included within the Short Term Investments figure of £2,858,784 are investments in Bonds to the value of £2,803,541.

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

The Annual Accounts set out on pages 47 to 134 are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Brian Howarth FCA
Audit Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

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While much of the terminology used in this document is intended to be self-explanatory, the following additional definitions and interpretation of terms may be of assistance.

Accounting Period

The period of time covered by the accounts, normally a period of 12 months commencing on 1 April.

Actuarial Gains and Losses (Pensions)

Changes in actuarial deficits or surpluses that arise because events have not coincided with previous actuarial assumptions or actuarial assumptions have changed.

Asset

An asset is categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non current asset will provide benefit to the Council and to the Services it provides for a period of more than one year.

Associate

An entity in which the Council has a participating interest or over whose operating and financial policies the Council is able to exercise significant influence.

Balance Sheet

This represents the overall financial position of the Council at the end of the year. All inter-departmental balances have been eliminated upon consolidation.

Capital Adjustment Account

The Capital Adjustment Account relates to amounts set aside from capital resources to meet past expenditure.

Capital Expenditure

Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing

The various methods used to finance capital expenditure such as borrowing, leasing, capital receipts, capital grants and use of revenue funding.

Capital Grants and Receipts Unapplied Account

The Capital Grants and Receipts Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. Capital receipts that are available to fund qualifying expenditure on transformation or service redesign projects are also held in this account.

Capital Receipt

Proceeds from the disposal of land or other non-current assets.

Capital Receipts Reserve

The Capital Receipts Reserve represents the proceeds from non-current asset disposals not yet used and are available to meet future capital investment.

Cash Flow Statement

Shows the changes in cash and cash equivalents by detailing the inflows and outflows of cash arising from revenue and capital transactions.

Common Good Fund

Presents a picture of the Council's stewardship of the assets under its control which do not form part of the core financial statements.

Community Assets

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal, such as municipal parks.

Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (IFRS).

Corporate and Democratic Core

The Corporate and Democratic Core comprises all activities, which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are therefore over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same service.

Council Tax Income Account

Details the gross and net income from Council Tax.

Creditor

Amounts owed by the council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities, expected to arise from employee service in the current period.

Debtor

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Depreciation

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

Discretionary Benefits (Pensions)

Retirement awards, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account, which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to and from the account.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Events after the Balance Sheet Date

Are those events both favourable and unfavourable that occur between the Balance Sheet date and the date when the Annual Accounts are signed

Expenditure and Funding Analysis

Demonstrates to council tax and rent payers how the funding available to the Council (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

Fair Value

The fair value of an asset is 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.

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account is a balancing account to allow for differences in statutory requirements and proper accounting practices for lending and borrowing by the Council.

Finance Lease

A lease that transfers substantially all the risks and rewards of ownership of a non-current asset to the lessee.

General Fund

The General Fund encompasses all services areas (with the exception of the Council's housing stock) and is funded mainly by Government Grant and Council Tax.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue or capital spend of the Council in general.

Gross Expenditure

This includes all expenditure attributable to the service and activity including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, support services and capital charges.

Gross Income

This includes grant income and all charges to individuals and organisations for the direct use of the Council's services.

Group Accounts

Brings together Dundee City Council and its interests in entities which would be regarded as its subsidiaries or associates or joint ventures if the local authority was subject to the Companies Act.

Heritage Asset

An asset with historical, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account

Reflects the statutory requirement to separately account for local authority housing provision, as defined in the Housing (Scotland) Act 1987. It shows the major elements of housing revenue expenditure, and how these are met by rents, housing support grant and other income.

Impairment

A reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.

Infrastructure Assets

Assets belonging to the council represented by highways, footpaths and bridges.

Insurance Fund

The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes.

Intangible Assets

Non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period of the scheme liabilities because the benefits are one period closer to settlement.

Inventories

Items of raw materials and stock the Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

Liability

A liability is where the Council owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A long term liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and unusable reserves.

National Non-Domestic Rates Pool

All Non domestic Rates collected by local authorities are remitted to the national pool and thereafter distributed to Councils by the Scottish Government.

Net Book Value

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Non Current Assets

These are created by capital expenditure incurred by the Council. They include property, vehicles, plant, machinery, roads, computer equipment etc.

Non Distributed Costs

Costs that cannot be allocated to specific services and are, therefore, excluded from the total cost relating to Service activity in accordance with the Service Reporting code of Practice. Charges for added pension years and early retirement are examples of these costs.

Non-Domestic Rate Income Account

Details the gross and net income from Non-Domestic Rates and the net contribution to the National Non-Domestic Rate Pool.

Notes to the Core Financial Statements and Other Various Accounts

These are intended to give the reader further information which is not separately detailed in the financial statements.

Operating Lease

A lease where the ownership of a non-current asset remains with the lessor.

Past Service Cost (Pensions)

For a defined benefit scheme, the increase in the present value of the scheme liabilities relating to employee service in prior periods arising in the current period as a result of the introduction of or improvement to retirement benefits.

Pension Reserve

The Pension Reserve arises from the IAS 19 account disclosures for retirement benefits and recognises the council's share of actuarial gains and losses in the Tayside Pension Fund and the change in the Council's share of the Pension Fund net liability chargeable to the Comprehensive Income and Expenditure Statement.

Pension Scheme Liabilities

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. The scheme liabilities, measured using the 'projected unit method' reflect the benefits that the employer is committed to provide for service up to the valuation date.

Post Employment Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment (e.g. pensions in retirement).

Prior Year Adjustment

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates or when they will arise are uncertain.

Public Works Loan Board (PWLB)

A Central Government Agency, which provides loans for one year and above to Councils at interest rates only based on those at which the Government can borrow itself

Rateable Value

The annual assumed rental of a non housing property, which is for national Non Domestic Rates purposes.

Related Parties

Entities or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.

Repairs and Renewal Fund

The Repairs and Renewal Fund provides resources for expenditure on the Council's assets.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

Residual Value

The net realisable value of an asset at the end of its useful life.

Revaluation Reserve

The Revaluation Reserve represents the store of gains on revaluation of fixed assets not yet realised through sale.

Revenue Expenditure

The day-to-day running costs associated with the provision of services.

Service Concession Arrangement

A contractual arrangement (or other arrangement that confers similar rights) between a local authority and an operator in which:

- a) the operator uses the service concession asset to provide a public service on behalf of the local authority for a specified period of time, and
- b) the operator is compensated for its services over the period of the service concession arrangement.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy and/or operational decisions.

Soft Loan

A loan made by the Council to another entity at an interest rate significantly below market interest rates.

Subsidiary

An entity over which the Council has overall control through the power to govern its financial and operating policies so as to obtain benefits from the entity's activities.

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