

ITEM No ...11.....

REPORT TO: SCRUTINY COMMITTEE – 26 JUNE 2024

REPORT ON: DUNDEE CITY COUNCIL - UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 174-2024

1 PURPOSE OF REPORT

To provide some background and additional commentary on the Council's unaudited Annual Accounts for the year ended 31 March 2024 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 2024 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 2023/2024 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 surplus on General Fund of £21.888m was generated during the 2023/2024 financial year. This position is prior to any movements to or from other Statutory Reserves and consists of a one-off retrospective gain of £39.773m on the adoption of service concession flexibilities, offset by £17.885m of net overspends elsewhere. As previously advised to members, the retrospective adoption of service concession flexibility is a one-off adjustment, and this reserve is now earmarked to offset planned savings in future revenue budgets. The overspends above largely reflect the use of various usable reserves to meet expenditure incurred during the year. This position excludes the HRA deficit of £4.075m which was transferred to the Renewal & Repair Fund. 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 2023/2024 Movement in Reserves Statement shows that there was an increase on General Fund services of £21.084m during the year. This gives a closing General Fund Balance of £77.731m as at 31 March 2024, of which £67.916m is earmarked for specific purposes. The Council's unallocated General Fund Balance amounts to £9.815m as at 31 March 2024, this is broadly in line with the figure anticipated when the final monitoring position was reported (report 198-2024 to City Governance Committee 22 April 2024 refers) and also in line with the position set out in the latest Medium Term Finance Strategy. This can be further analysed as follows:

	£m
Earmarked Carry-forwards	4.142
Covid cost related pressures	2.750
Covid recovery measures	0.405
Service change initiatives	5.000
Roof remedial works	2.702
Social Housing	2.555
Council Tax setting	6.640
Other earmarked funds	3.967
Service Concession flexibility	39.773
Total Earmarked Funds	67.916
Unallocated Balance	9.815
Total General Fund Balance	77.731

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 revenue reserves has increased over the year by £17.699m to £89.749m at 31 March 2024. Please refer to the table on page 6 of the accounts for a breakdown of usable reserves.
- 4.7 The Council's net pension liability (as calculated under IAS 19) has increased over the year by £1.018m, to £32.2m at 31 March 2024. 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 (Rachael Browne, Assistant Director, Audit Services, Audit Scotland) by no later than 30 June 2024 to commence the audit of the Accounts. The audit completion deadline is 30

September 2024 and as outlined in their audit plan, Audit Scotland anticipate that the audit will be completed in time for reporting to the Scrutiny Committee on 25 September 2024.

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

24 JUNE 2024

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Annual Accounts

As at 31 March 2024

Unaudited



June 2024

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Dundee City Council

Annual Accounts 2023/2024

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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 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/2024 ("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 2023/2024. The Council's five strategic service areas and two key partnerships 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 148,350 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 500,000 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 2023/2024 Financial Year - Revenue Budget

The 2023/2024 General Services Revenue Budget was agreed at the meeting of the Policy and Resources Committee on 23 February 2023. Council Tax for Band D were increased by 4.75%, after budget savings totalling £5.381m were approved (in addition to base budget savings of £4.880m). £1.750m of ear-marked General Fund balances were also used in balancing the 2023/2024 budget. The 2023/2024 Housing Revenue Account Budget was agreed at the meeting of the Policy and Resources Committee on 23 January 2023 and it was also agreed that rent levels would increase on average by 3.00%.

The City Governance Committee received regular revenue monitoring reports during 2023/2024 in order to keep elected members fully apprised as to the projected outturn position.

The Consolidated Income & Expenditure Statement (page 49) shows a deficit on the provision of services of £57.963m for 2023/2024, measured on an accounting basis. This deficit is carried forward to the Movement in Reserves Statement (page 50), where adjustments totalling (£74.098m) have been made to restate the accounting position to a funding basis. The overall net increase in usable reserves is £21.084m on a funding basis. The table on page 6 gives a further breakdown of the movements in usable reserves.

The Expenditure and Funding Analysis (page 46) provides a reconciliation between the funding and accounting bases, with the former providing a direct linkage back to the regular revenue monitoring reports. The Expenditure and Funding Analysis shows that on the funding basis, there was a £17.813m increase to the General Fund and HRA balances for 2023/24, before transfers between reserves. The £17.813m is made up of an increase to the General Fund of £21.888m and a deficit on the HRA of (£4.075m).

The £17.813m increase to the General Fund and HRA for 2023/24 was £17.813m and detailed as follows:

Funding basis	Approved Revenue Budget 2023/24 £m	Adjusted Revenue Budget 2023/24 £m	Actual Net expenditure £m	Over/ (under) spend £m
Children & Families	185.991	195.215	196.928	1.713
Dundee Health & Social Care Partnership	102.437	103.862	103.862	0.000
City Development	15.449	20.617	25.861	5.244
Neighbourhood Services	26.251	25.168	25.806	0.638
Chief Executive	14.015	16.010	15.700	(0.310)
Corporate Services	31.964	34.953	32.709	(2.244)
Construction Services	0.000	(0.629)	0.073	0.702
Discretionary Non Domestic Rates (NDR) Relief	0.392	0.392	0.497	0.105
Tayside Valuation Joint Board	0.878	0.878	0.802	(0.076)
Miscellaneous items and contingencies	10.465	5.489	4.170	(1.319)
Housing Revenue Account	0.000	0.000	4.075	4.075
Cost of services	387.842	401.955	410.483	8.528
Financing and Investment Income and Expenditure	16.196	33.263	(7.022)	(40.285)
Total expenditure	404.038	435.218	403.461	(31.757)
<i>Funded by:</i>				
General Revenue Funding	(266.886)	(277.725)	(277.745)	(0.020)
Contribution from National Non Domestic Rates (NDR) Pool	(73.704)	(73.704)	(73.704)	0.000
Council Tax	(61.698)	(61.864)	(64.124)	(2.260)
Deficit/ (surplus) on provision of services	1.750	21.925	(12.112)	(34.037)
Use of earmarked reserves	(1.750)	(21.925)	(5.701)	16.224
Decrease/ (increase) in General Fund and HRA	(0.000)	0.000	(17.813)	(17.813)

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

(Under)/ Over
Spend
£m

Children & Families:

Additional staffing costs for teachers mainly as a result of providing cover for absence and maternity leave	1.370
Third party payments - overspend in Children Services due to a higher than anticipated number of children who have been placed into secure care over the year	1.136
Increased property costs due to rates, repairs and maintenance being greater than anticipated	0.484
Overspend in transport costs mainly relating to pupil transport	0.269
Reflects a range of additional income streams including items either rechargeable by the service or that were provided to fund new priorities e.g. asylum seekers, Ukrainian refugees etc.	(1.597)

City Development:

Higher than anticipated reactive property maintenance costs directly influenced by assessments/inspections carried out resulting in costs such as health & safety, fire risk, asbestos management or other essential remedial works	2.118
Reflects overspend on the vehicle parts, materials, fuel and hire costs in relation to the provision of the Council's Corporate Fleet portfolio	1.496
Increased service costs and additional consultancy costs	0.246
Bad debt provision including on-street car parking	1.060
Winter maintenance programme	0.376
Increased payments to Tayside Contracts and payments for other emergency works	0.329
Under recovery of fee income, reduction in Building Warrants income and shortfall in off street parking income	1.445
Additional rental income from commercial property portfolio, on street car parking income, additional charge to Tayside NHS, additional grant income and various economic development project related funds	(1.943)

Neighbourhood Services:

Staff costs reflecting unfilled posts during the year	(0.220)
Increased fleet recharges and hire charges	0.709
Underspend in third party payments, relating to additional funding for Ukrainian Resettlement	(0.923)
Income shortfall within Streetscene & Land Management	0.497
Income shortfall from Waste Management	0.495

Corporate Services:

Staff costs reflecting unfilled posts during the year	(1.377)
Overspends in supplies & services expenditure mainly due to increased costs of computer hardware, software and licences	0.228
Reflects a range of various additional income streams including items either rechargeable by the service or that were provided to fund new priorities.	(0.615)
Underspends in transfer payments and additional funding allocations	(0.757)

Chief Executive:

Staff costs reflecting unfilled posts during the year	(0.107)
Various underspends in supplies and services mainly due to project-related underspends	(0.207)

Construction:

Staff Costs	0.260
Net shortfall in income generated mainly as a result delays in projects	0.331

HRA:

Staff costs reflecting unfilled posts during the year	(0.258)
Additional expenditure for repairs and maintenance due to higher volume and cost of repairs	1.592
Overspend on relets to work through the backlog of properties	1.972
Overspend on energy costs due to the increase in price of gas and electricity	0.450
Void losses due to properties being unlet for longer periods than was budgeted	0.663
Decrease in the bad debt provision due to lower than budgeted tenant arrears at year end	(0.917)

Various other property costs	0.359
Miscellaneous items and contingencies:	
Relates to contingencies not allocated either for pay or other general cost	(1.089)
Reflects monies devolved for Empty Property Relief that were not spent	(0.505)
Financing and Investment Income and Expenditure:	
Service concession gain - retrospective element (see Note 29 part (iv) for further details)	(39.773)
Contribution towards Tayside Contracts deficit	0.722
Net saving from capital financing costs mainly arising from deferral of new borrowing	(0.821)
Funding sources:	
Additional Council Tax income	(2.260)

The overall General Fund balance has increased by £21.084m over the year, to £77.731m at 31 March 2024 of which £67.916m is earmarked for specific purposes. This can be analysed as follows:

	£m
Earmarked Carry-forwards	4.124
Covid cost related pressures	2.750
Covid recovery measures	0.405
Service change initiatives	5.000
Roof remedial works	2.702
Social Housing	2.555
Amounts utilised towards funding 2024/25 budget	6.640
Other earmarked funds	3.967
Service Concession flexibility	39.773
Total Earmarked Funds	67.916
Unallocated Balance	9.815
Total General Fund Balance	77.731

Further details of the breakdown of the overall General Fund balance are shown in note 10 on page 74. The value of net assets shown in the Council's Balance Sheet (page 52) has increased from £1,058.5m (at 31 March 2023) to £1,080.8m (at 31 March 2024) i.e. an increase of £22.3m. The main reasons for this movement are asset revaluations, largely offset by higher levels of borrowing.

Please note that the figures in the Comprehensive Income and Expenditure Statement on page 49 are on an accounting basis, rather than the funding basis. The figures and variances contained in the management commentary are on the funding basis. The Expenditure and Funding Analysis on page 46 explains how the accounts move from accounting to funding bases.

The Cash Flow Statement (page 53) shows that cash and cash equivalents have decreased by £11.1m over the period, with a closing cash and cash equivalents position of £1.6m.

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 2023/2024.

	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 2023	56.647	-	14.759	0.644	1.375	2.690	76.115
Surplus / (Deficit) for the Year	21.888	(4.075)	-	-	(1.021)	(0.657)	16.135
Transfer of HRA Surplus	-	4.075	(4.075)	-	-	-	0.000
Transfers Under Delegated Powers	(0.804)	-	0.142	0.548	-	0.114	0.000
Closing Balance 31 March 2024	77.731	0.000	10.826	1.192	0.354	2.147	92.250

The planned, earmarked, usage of the General Fund is set out in Note 10 on page 74.

HRA surpluses and deficits are transferred to the Renewal & Repair Fund. At 31 March 2024, £7.317m of the Renewal & Repair Fund balance related to the HRA (31 March 2023: £11.392m).

Review of the 2023/2024 Financial Year - Capital Budget

On 21 November 2022, the Policy & Resources Committee approved a combined five-year Capital Plan for General Services and Housing totalling £381.1m over the period 2023 to 2028. The gross capital budget for 2023/2024 totalled £133.027m. The City Governance Committee (formerly the Policy & Resources Committee) received capital monitoring reports during 2023/2024 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 £85.629m. 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 that have mainly arisen due to cash flow revisions within these major projects for a number of different reasons since the original budgets were prepared.

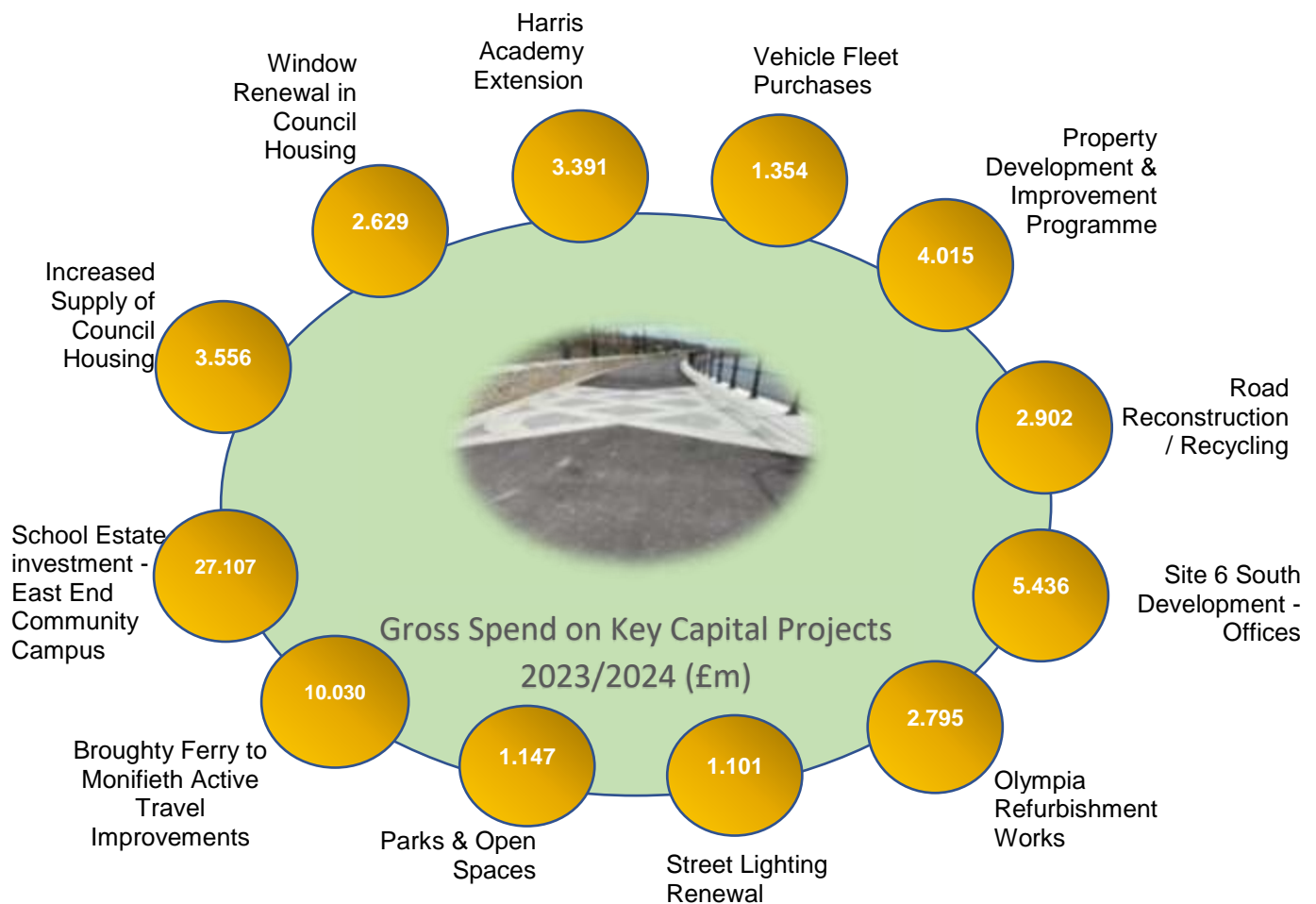
	Budget £m	Actual £m	Variance £m
Gross Capital Expenditure	133.027	85.629	(47.398)
<i>Funded by:</i>			
Borrowing	87.156	46.203	(40.953)
Capital Grants & Receipts	34.584	34.595	0.011
Capital Fund	2.436	1.995	(.441)
CFCR	1.851	2.836	0.985
Slippage Allowance	7.000	0.000	(7.000)
	133.027	85.629	(47.398)

The main elements of slippage in the 2023/2024 capital programme were as follows:

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
East End Community Campus	32,580	27,107	(5,473)	Cashflow has since been updated and the actual spend reflects progress on site by contractors with weather being the major factor against original projections. The project is on track to be delivered on budget and within anticipated timescales.

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
Demolition of Surplus Properties	1,300	133	(1,167)	Spend to date reflects progress on minor demolition projects. Balance to be carried forward for demolitions of Braeview Academy and Craigie HS, that will be programmed following closure of those schools and move to EECC.
Site 6 Waterfront South Development	14,000	5,436	(8,564)	The tender was approved at committee in June 2023 when the contractor provided an updated cashflow. Since then progress on the project has been good and the project on track to be delivered on budget and within anticipated timescales.
Broughty Ferry to Monifieth Active Travel Improvements	4,047	10,030	5,983	The budget for 2023/24 was at Autumn 2022, in December 2022 Sustrans awarded additional funding for the project. This expenditure was incurred in 2023/24. The project is on track to be delivered within the available resources and within the anticipated timescales.
Low Carbon Transport Initiative - Hydrogen	3,000	-	(3,000)	The budget for 2023/24 was as at Autumn 2022. Since then the Council has had to repay the £3m grant from Scottish Government for the Hydrogen project, as the current project, has been aborted, hence no spend as no funding.
Vehicle Fleet & Infrastructure	2,398	1,354	(1,044)	Worldwide supply chain disruption has delayed the supply of new vehicles. Purchase orders have been committed however vehicles will be received in 2024/25.
DCA Lifecycle plant replacement programme	4,355	58	(4,297)	The programme for the DCA project has been reprofiled due to other workload priorities. The budget will be required going forward in future financial years.
Property Development & Improvement Programme	7,745	4,015	(3,730)	Delays in the delivery of various projects due to resource and defining the brief with the clients have required a reprofiling of budgets. Some will be off-set against other budget lines where additional funds were required. The balance will be spent through this financial year.
Baldovie (Development)	5,052	11	(5,041)	There have been issues identifying a suitable site which has led to significant delays progressing the project. A site has now been identified and the tender should be approved during 2024/25 with works starting thereafter.
Depot Rationalisation Programme	2,500	190	(2,310)	Delays in agreeing project scope with the client department have necessitated a reprofiling of budgets to suit the new programme.
Energy Efficient	8,586	882	(7,704)	Changes to the availability of procurement frameworks and ongoing contract negotiations, have impacted projected expenditure for this year.
Increased Supply of Council Housing	11,562	3,556	(8,006)	Challenging sites, construction inflation, and reductions to the affordable housing budget by Scottish Government have all affected the delivery of new-build housing. In addition, the acquisition of new properties were delayed as a result of issues for developer.

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 2023/2024 the Council's Capital Financing Requirement (CFR) increased by £67.3m, from £779.0m to £846.3m (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 £741.1m at 31 March 2024 (£680.3m at 31 March 2023). 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 City Governance 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 2023/2024, required by the Council's Treasury Policy Statement and the CIPFA Code of Practice on Treasury Management, stated that the 2023/2024 Revenue Budget had been set to include a provision of £19.796m for Capital Financing Costs, based on an average Loans Fund Interest rate of 3.5%. It identified a new net borrowing requirement in 2023/2024 of £70m which would be funded through phased borrowing during the year. During

the financial year, there was £10m long-term borrowing undertaken and repayments of existing loans totalling £17.5m. 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 liability of £32.2m as at 31 March 2024 (net pension liability of £31.2m at 31 March 2023). The net liability therefore remained fairly static overall, with various actuarial estimates and assumptions largely offsetting themselves.

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 2023/2024 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 2023/2024. CIPFA LASAAC has advised that the implementation of IFRS 16 Leases will come into the Accounting Code of Practice for 2024/2025 with a transition date of 1 April 2024.

Public Finance Initiatives

The Council previously entered into three Public Finance Initiative (PFI) agreements:

- 2007/08 was the first 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
- 2017/18 was the first year of a 25 year Design, Build, Finance and Maintain contract, commonly referred to as DBFM, with Hub East Central (Baldragon) Ltd to design, construct, maintain and facilities-manage a new secondary school in the city.
- 20 January 2022 was the starting point of a 25 year contract with MVV Environment Baldovie Limited (MEB) for the operation of a waste-to-energy plant and the disposal of residual waste. MEB designed and constructed the plant prior to that date.

In accordance with Finance Circular 10/2022, the Council has applied a permitted PFI Service Concession Arrangement (SCA) flexibility in financial year 2023/24 on a retrospective annuity basis to the three SCA's currently in place. The flexibility being applied is considered prudent, sustainable, and affordable over the life of the assets. By applying the flexibility a one-off combined pre 2023/24 retrospective saving of £39.773m has been achieved with the resultant benefit added to Council earmarked revenue reserves. In addition to the one-off retrospective element, an in-year, budgeted, saving occurred in scheduled debt repayments in 2023/24, of £3.600m. Debt repayment savings will be generated until SCA contracts have been repaid, followed by statutory charges over the remaining lives of the assets. Over the full asset lives of the SCA's the total repayment for the debt liability remains the same. The Council will manage the planned utilisation of SCA flexibility through an earmarked reserve specifically set up for this purpose.

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	2023/2024	2022/2023
<i>Reserves</i>		
Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure	2.1%	2.2%
Movement in the Uncommitted General Fund Balance	£0.585m	-£0.082m
<i>Council Tax</i>		
In-year collection rate	94.9%	96.0%

Ratio of Council Tax Income to Overall Level of Funding	14.1%	14.2%
<i>Financial Management</i>		
Actual Outturn Net Service Expenditure compared to Budgeted Net Service Expenditure	102.1%	97.8%
Actual contribution to / (from) Unallocated General Fund Balance compared to Budget	£2.335m	£0.218m
<i>Debt / Long Term Borrowing</i>		
Capital Financing Requirement for the current year	£846.4m	£779.0m
External Debt Levels for the current year	£741.1m	£680.3m
Ratio of financing costs to net revenue stream – General Services	4.3%	4.4%
Ratio of financing costs to net revenue stream – HRA	36.6%	36.3%
Impact of Capital Investment on Weekly Rents	-£0.31	-£0.72

PART 3 - KEY DEVELOPMENTS DURING 2023/2024

Achievements

The Council continued to make sure that the views of our citizens are heard in the planning and delivery of services, to ensure best use is made of available resources.

A total of 1,088 people took the time to complete the budget consultation survey, and their responses helped to shape our spending priorities.

Following a successful first round in 2023, which saw twelve local projects benefit from a share of around £385,000, voting opened in January 2024 for the public to decide which projects should receive support in the second phase of the Dundee Climate Fund, the first Council-led green participatory budgeting initiative in Scotland. Residents were asked to vote on community-generated ideas collected through extensive stakeholder engagement and public consultation, covering energy efficiency, active travel, reducing waste, improving biodiversity, and increasing awareness of climate change.

Residents were also invited to take part in a consultation on long-term plans for decarbonising heat in buildings, enhancing building energy efficiency, and addressing fuel poverty, as part of the development of Dundee's Local Heat and Energy Efficiency Strategy.

The City Governance Committee receives a report every year on improvements that have been made through listening to the views of customers and service users. Among many examples, last year's report highlighted the development of Local Fairness Initiatives in Linlathen and Stobswell West to address financial and health inequalities; making the Adult Employability Service more visible, accessible, and welcoming to service users; commissioning the Mind Of My Own digital app to allow care experienced young people to provide their views; and the introduction of an online tracker to let tenants check progress with housing repairs.

The City Council was also commended for its commitment to community empowerment and engagement as part of the Accounts Commission's positive findings following the Controller of Audit's Statutory Report on Best Value. The Commission noted that all of the recommendations made following the previous Best Value Assurance Report have been implemented, and also said that:

- Effective leadership by members and officers is an area of strength for the Council - the Commission noted the clarity and coherence of the Council's vision and planning, its fair and balanced public performance reporting, and its alignment of resources with priorities.
- Financial management and planning is sound.
- The Council has a commitment to continuous improvement, and members and officers were encouraged to share Dundee's approach with other Councils.

During the past year, the Council continued to make good progress in implementing the City Plan, Council Plan and Service Plans, which are built around three key strategic priorities:

- 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.

On reducing poverty and inequalities, progress includes:

- The work of Dundee's advice agencies led to over £15 million of extra benefits being raised in the city over the past year. A successful communications campaign raised awareness of support available for those affected by the cost-of-living crisis.

- The Council allocated the package of over £1.5 million investment agreed in the budget to a range of projects tackling social inequality, such as advice services, food provision, clothing and blankets, and places where people can get a warm welcome, as well as to youth diversionary activities and environmental improvements.
- Education is one of the keys to tackling inequality, and our 'Every Dundee Learner Matters' strategy is proving a success. The strategy is aimed at increasing the three Ps - Presence: ensuring that all young people attend regularly and promptly; Participation: creating a climate where all feel welcome and valued; and Progress: developing practices that maximise the achievement and ambitions of all our young people. Increasing numbers of young people living in the most deprived areas of Dundee are leaving school having achieved literacy and numeracy at SCQF level 4 or better, and increasing numbers of Dundee school leavers are going on to positive destinations including higher education, further education, voluntary work, employment, and activity agreements.
- Our efforts to support care experienced young people and care leavers, and to deliver on "The Dundee Promise", have had a positive impact. Social Work teams alongside partners have supported 600 infants, children, young people and parents/carers on the edge of care, including support from the New Beginnings Team to vulnerable pregnant women; new "Team Around the Child" arrangements have been introduced to ensure that the views of young people and their parents and carers are central to decision-making on the support they receive; and a new Kinship Team has been developed to enhance support to Kinship Carers.
- A Bairns' Hoose pathfinder project is being taken forward in partnership with Angus and Perth and Kinross Councils, Police Scotland, and NHS Tayside. This will provide co-ordinated child-centred and trauma-informed support from all agencies who support young people who have been harmed or been witnesses to harm, with services including child protection and justice, healthcare, education, and therapeutic support.
- The Council developed Craigie Cottage – a new build house for young people to replace Fairbairn Street children's home – and a new dedicated living space to support care-experienced young people into early adulthood is being developed by adapting the flats at Reid Square to provide independent living support for 17–21-year-olds.
- A new community wellbeing centre has opened to support people experiencing emotional distress. Hope Point, Dundee Wellbeing Support, is open day and night to help people who need immediate access to support.

On delivering inclusive economic growth, examples of progress include:

- There are now over 130 Living Wage accredited employers headquartered in Dundee, collectively employing over 42,000 workers. Over 2,000 people have been uplifted to the real Living Wage and Dundee is on track to see a record number of new sign-ups this financial year.
- The Skills Academy based at Michelin Scotland Innovation Parc was officially opened. This is a national centre of excellence for skills development in renewable energy, sustainable mobility, and decarbonisation, which aims to inspire, educate, and prepare both the current and the future workforce to support and accelerate the green recovery and Scotland's transition to Net Zero.
- The Eastern Quarter is the next priority focus in the City Centre Strategic Investment Plan. As well as developing a long-term masterplan to improve the city centre, a £1 million programme of streetscape works in Commercial Street and Murraygate will enhance the public realm in a bid to address vacancies. Work also started on James Thomson House, the latest development at the Waterfront, due to complete in 2025.
- Radio 1's Big Weekend at Camperdown Park generated £3.7million for the local economy. Evaluation identified a huge range of economic and social benefits, from boosting the city's image and civic pride to creating rewarding opportunities for volunteers. Dundee also hosted the World Karate Championships and other national and international events and conferences which boosted the city's economy.

On tackling climate change:

- Dundee has been recognised as one of 119 cities across the world that are taking bold leadership on environmental action and transparency. Only 26 UK local authorities achieved an A rating based on their actions to tackle climate change, with Dundee one of only 3 in Scotland.
- The Council took an important step towards a sustainable future when members approved the Net Zero Transition Plan in November - aimed at making the organisation net-zero by 2038. The plan is centred around lowering emissions from buildings, streetlighting, fleet, travel, and waste. The Council also embarked on development of a Local Area Energy Plan for the city, in partnership with Dundee Climate Leadership Group members.
- The first steps were taken towards delivering a decade-long sustainable transport drive, with the launch for consultation of Dundee's draft Sustainable Transport Delivery Plan. The plan outlines how initiatives in the city tie in with national and regional strategies and details potential investment from external sources of approximately £230 million over the next ten years. Issues covered include an active travel

network, cycle parking and storage, road safety, 20mph zones, school streets, bus services, digital information and ticketing, mobility hubs and charging for electric vehicles. Progress continues to be made on creating new high quality, inclusive and segregated active travel routes to and from the city centre.

- Work to transform the 1970s Bell Street multi-storey car park into a Green Transport Hub got underway in March after members approved a tender for just over £4.5 million in February.
- A new mobile and tablet application for all Dundee waste and recycling matters was launched. The app includes real-time notifications for service changes, personalised bin collection calendars, bin collection reminders, seasonal recycling tips and advice, and a guide on how best to recycle or dispose of household items.

The Capital Plan approved in February 2024 will see investment of nearly £390 million in the city over the next 5 years, including:

- Investment in the school estate, notably in the £100 million East End Community Campus, which is set to open in 2025. The new building, which will replace Braeview Academy and Craigie High School, will house a music and drama centre suitable for pupils from across the city and for wider use. There will also be a café and library that will be accessible during the day for public and school use. Sports facilities will include floodlit all-weather pitches, a fitness suite, and a dance studio in addition to gym and games halls which will also be available for use during the day to create a fully integrated community hub.
- 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, as well as continued environmental improvements and biodiversity initiatives.
- Investment in maintaining the quality of the housing stock; delivering energy efficiency projects; and increasing the supply of new build Council Housing to meet need. Expanding on Dundee's successful external wall insulation programme, members approved a pilot internal programme to tackle properties unsuitable for outside measures. A new Strategic Housing Investment Plan was agreed, with the aim of ensuring that the city continues to deliver new-build affordable housing for rent. The latest Housing Land Audit recorded the second-highest number of housing completions in the last decade – over 500 - and Dundee is on schedule to exceed the Council Plan target for new housing completions by the end of 2023/24. Further plans for the future direction of housing in Dundee were set out in two new strategic plans agreed towards the end of 2023. Both the Housing Asset Management Strategy and the Energy Efficiency and Net Zero Strategy acknowledge the serious and accelerating environmental, social, and economic challenges posed by climate change, while at the same time focusing on steps to meet standards in social housing and reduce fuel poverty.

Through our community benefits policy, all of this investment in the city continues to create opportunities for employment, apprenticeships, and work experience. The wide-ranging building programme in 2022/2023 delivered local spend of over £24 million, using more than 80% of local labour. This included the Harris Academy extension, Camperdown Hub, Michelin Scotland Innovation Parc, Derby Street Housing project and the Broughty Ferry to Monifieth active travel project.

The Council also began to develop a new strategic growth partnership between the City Council and the Scottish and UK Governments to continue the long-term regeneration of the city, to stimulate growth and investment, and to build on The Tay Cities Regional Deal and emerging projects such as the Eden Project, the Life Sciences Innovation District and the Abertay cyberQuarter.

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 identified in the preceding year reported in 2023/24 included the tariff score for school leavers from SIMD 1 and increasing on the pre covid cohort, a continued improvement in the claimant count reduction showing a post covid recovery and an improvement in the domestic recycling rate. The data for 2023 shows that improvement in planning application timescales and property in a satisfactory condition were delivered. 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, prioritising Scottish

Welfare Fund Grants, closing 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 the same or 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 2023/2024 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. The Council has also been responding to the Universal Credit Migration Programme for those receiving Tax Credits, helping individuals to make claims at the correct time and make sure their Tax Credits are correct prior to migration, 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 13 different Dundee community outreach venues.

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 targeted support scheme which distributed £230,000 in support funds to mitigate against fuel cut off and fuel debt. The Council also distributed soft measures such as energy lightbulbs, draught excluders, air fryers and microwaves to reduce energy costs and provide more affordable cooking options for households. Overall DEEAP made 4629 energy interventions for customers in 23/24. Council Advice Services and Customer Services worked with partners across the Council and beyond to support those struggling with food and fuel costs.

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. The Council has also worked with Aberlour Trust and Dundee Fighting for Fairness to review debt recovery practice in Dundee in light of recent research into the impact of public debt by the Robertson Trust.

In 2023/2024 Council Advice Services successfully claimed almost £12m in benefits and additional income for customers.

The GP practice co-located Welfare Rights Officer service continues to provide advice in health care settings and is available to 79,787 patients in 11 GP practices across Dundee (7 from Council Advice Services, 4 from Brooksbank). A further 2 practices are looking to come on board in 2024. In 2022/23 these practices generated £3,447,036 in benefit gains. In addition, the Maternity and Health Visitor referral service has continued to be offered to all new mothers in Dundee generating £717,000 in 2023/24. Representation at appeal tribunals, having tripled in the 2 years up to April 2018, have sharply declined between 2018-2024 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 13 community venues and are currently working alongside with Dundee Schools to co-locate welfare rights officers. The Morgan Academy pilot has seen gains of £385,257 for families in less than a year. Connect, Welfare Rights and Citizens Advice Bureau embarked on a Pension Credit take up campaign in the last week in February 2024. In the 3 months since then, it generated over £780,000. The Macmillan benefit advisers working in partnership with oncology and cancer wards also generated over £1.7m in 2023/24.

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, with the revised Strategic Commissioning Framework 2023-2033 being approved in April 2023. The 'plan for excellence in health and social care in Dundee' builds on the previous framework and reflects the outcome of considerable engagement with communities and stakeholders. The plan reinforces 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 2023/2024, DHSCP services have adopted a 'new normal' where health and social care services continue to build on the new ways of working which have been required to be implemented as part of the Covid-19 response and recovery, such as increased use of technology to carry out virtual consultations, a blended approach to home and office working, more outreach working and greater opportunities for mobile working. The aftermath of the pandemic and cost of living crisis has led to an increased demand for health and social care services. The focus remains on the further development of integrated multidisciplinary pathways of care which promote early discharge from hospital and the provision of care, rehabilitation and treatment closer to home wherever possible. Dundee Health and Social Care Partnership 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 demographic and health inequality challenges, substance use issues and increasing mental health problems.

Our People

Our People Strategy 2022-27 sets out clearly our agreed culture and values to support the Council's ambitious direction for the transformation of our workforce and is aligned with all other Council plans and strategies.

Some of the key benefits of Our People Strategy realised 2023/24 are:

- Introduction of annual quality conversations across the whole of the Council to ensure all employees are given formal time to reflect on their work and identify any development requirements.
- Establishment of Lived Experience Group to help review our people policies and ensure that a trauma informed lens is adopted.
- Improving the quantity and quality of the workforce data provided to all services to support the monitoring of employee absence and workforce planning.
- Increased use of digital processes to improve the speed and efficiency of our transactional services.
- Developed targeted learning pathways to support workforce planning for priority areas of service delivery.
- Reintroduced Leading Team Dundee and delivery of a new Collaborative Leadership programme to support future leaders to develop their knowledge and skills and grow in confidence.
- Continued prioritisation of digital skills delivery to support fuller implementation of Microsoft 365 across all services.
- Ongoing service design work to improve employees' experiences during their time with the Council.

In terms of next steps, the Council is currently reviewing our Hybrid Working Arrangements to ensure they continue to respond to our current business needs whilst still providing a flexible and responsive workforce. The Council is working with the Trade Unions to deliver a Health & Wellbeing action plan to promote attendance and increase awareness and access to a wide range of wellbeing services.

In essence the Council aims to continuously improve our service delivery and to support and enable initiatives which make Council Services more accessible, more convenient, more operationally effective and cost effective.

Awards

During 2023/24, the Council was recognised nationally for some outstanding achievements and innovations:

- Dundee City Council was named Public Transport Authority of the Year at the Electric Vehicle Innovation and Excellence Awards, recognising electric vehicle uptake and adoption, engagement with consumers and the industry, and the investment the Council has made in infrastructure.
- Millview Cottage house for young people won the Outstanding Residential Care Service Award at the Scottish Social Services Awards, well-deserved recognition for the team which cares for young people who have all had trauma in their childhood and aims to give them a sense of belonging, create trusting and consistent relationships, and give them structure and routine so they can reach their potential.
- The Building Skills Together project, led by Dundee City Council in partnership with Workers Education Association Scotland and other councils, won a COSLA Excellence Award in the Excellent People, Excellent Outcomes category. The project helps to integrate refugees by assisting them to have their construction skills certified.

Sickness Absence

The Council's sickness absence figures for LGE and teacher staff combined are expressed as an average number of days lost per FTE as follows:

2019/2020 11.81

2020/2021	10.39
2021/2022	12.14
2022/2023	13.60
2023/2024	15.06

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 continue to provide a wealth of data in relation to sickness absence through the absence dashboard to help identify trends and areas of high levels of absence. People Services are using 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. People Services are providing monthly absence statistics to the Corporate Leadership team as well as a breakdown of the outstanding actions and monitors to support managers to manage absence. Services have access to run monthly absence reports through the absence dashboard to discuss at their Senior Management team meetings.

The percentage of absence due to mental health and wellbeing reasons has reduced from 40.42% to 37.38% for all employees. Moving forward, People Services in collaboration with services will concentrate efforts in supporting employees with Health and Wellbeing.

During 2023, the Council rebranded their Employee Wellbeing Support Service, launched a new winter wellbeing programme, produced a new wellbeing framework, introduced Wellbeing Ambassadors and continued to train managers on promoting health and attendance to create a mentally healthy workforce. People Services have supported services to use the absence dashboard to use the information to identify where there are areas needing support. HR Business Partners continue to support managers to ensure there is early intervention of Occupational Health Services to support employees as early as possible. The Council will take forward the following actions:

- Will continue to review existing and developing policies to help work life balance and mental health and wellbeing including reviewing through a trauma informed lens
- Update the Health & Wellbeing action plan
- Hold focus groups alongside trade unions in service areas which have high levels of absence to identify leadership, culture and any other areas which may impact on absence.
- Carry out a mental health survey for those who have been absent due to mental health reasons to capture views on management support and application of the policy.
- Develop an attendance dashboard/resource for employees to provide all information relating to promoting attendance and wellbeing.
- Establish additional posts to support Health & Wellbeing e.g. Attendance Support Adviser and Wellness Adviser.
- Review and implement a new exit questionnaire for employees leaving the council and employees moving posts within the council to identify reasons for leaving relating to leadership or the service.
- Implement a resilience workshop for managers to increase resilience for both managers and their employees.
- Implement a workshop to understand human behaviour in teams.

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. The Plan was approved at Committee and published in November 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. The implementation commenced in Spring 2024, with Governance, Monitoring and reporting Frameworks agreed with Services.

In addition, the Sustainability and Climate Change (S&CC) Team have led the first of two rounds of Green Participatory Budgeting, the Dundee Climate Fund. The Dundee Climate Fund (DCF) has a total of £750,000. The public voting period for DCF Round One concluded at the end of March 2023 and 12 projects were successful in securing a share of £385,066 funding. The second round of the DCF was launched in April 2023, following which 15 projects were assessed by the Review Panel and 10 projects were subsequently successful in securing a share of £326,253 at the end of March 2024. Planning for DCF Round 3 is now underway.

The S&CC team has also led on the development of the Council's Statutory Local Heat and Energy Efficiency Strategy (LHEES), which was approved at Committee and published in April 2024, setting out long term plans for energy efficiency and decarbonisation of heat in buildings to reduce emissions and tackle fuel poverty. The LHEES Delivery Plan is now in development and is due to be completed by Autumn 2024. In Dundee, LHEES is being delivered as part of wider Local Area Energy Planning (LAEP) – a plan to decarbonise the whole local energy system considering renewables, heat, energy demand and supply, transport electrification and heat networks. Following on from the LHEES, Dundee's LAEP is now in development and is due to be completed by the end of August 2024. Both these plans are being delivered through Regional Energy Systems Optimisation Planning (RESOP) 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.

The S&CC team has also completed the first phase of a Heat Decarbonisation Plan to determine which of the council's own non-domestic buildings have the most emissions; the total renewable energy generation capacity of these assets and the most suitable renewable or low carbon heat technology for these properties; an initial cost/benefit analysis of decarbonising the heat demand of the properties has also been undertaken.

In addition, the S&CC team has led on the establishment of a regional climate adaptation partnership with Perth & Kinross and Angus Councils - Tayside Adapts. Each Council will have completed a new Climate Risk and Vulnerability Assessment by autumn 2024, which will allow each of the council partners to update their respective Climate Adaptation Plans as well as developing a regional plan with support from Adaptation Scotland.

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 to 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 S&CC team has also secured a £38,000 Scalable Cities Action Grant for the Dundee Climate Literacy Capacity Building Programme which is currently running for 12 months, from October 2023. The main aim of the project is to provide key staff with the knowledge and skills to effectively work with emissions related data; an increasing requirement of our Net Zero plans and the Local Heat and Energy Efficiency Strategy. Outcomes include 30 staff trained, a repository of training materials and data collaboration within departments leading to informed decision making for net-zero.

The Dundee Climate Leadership Group was established in 2021 to provides 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.

Finally, Dundee has been recognised as one of 119 cities across the globe that are taking bold leadership on environmental action and transparency, despite the challenging global economic situation. The charity CDP gave the city an A rating in its rankings based on actions being taken to tackle climate change. Only 26 UK local authorities achieved the highest rating, with Dundee, Perth & Kinross and Edinburgh as the only Scottish recipients.

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 the Council 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. The Council 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 the Council will need to look again at how it designs and delivers its services. That will also affect how the Council designs its budgets and income, its service structures and workforce planning to ensure that it is 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 developed their new service plans during 2023/24 for submission to Committee.

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.

The Council will know it has delivered on its vision of a **Modern Council** for the future, as it 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

The Council's risk management arrangements are now well established. The Risk and Assurance Board, which is chaired by the Executive Director of Corporate Services as Senior Responsible Officer for Risk, has been in place since June 2022 and meets every 2 months. Service Level risks are considered at each meeting, including any requiring consideration for inclusion in the Corporate Risk Register.

Risk management processes are embedded across all Service areas and there is ongoing use of the Council's risk and performance management system for review and monitoring purposes.

Risk is taken into account in decision making and development of strategy, and the Corporate Risk Register is reviewed by the Council Leadership Team, taking account of output from the Risk and Assurance Board. Risk management is also reported to the City Governance Committee and Scrutiny Committee in line with the Risk Management Policy and Strategy. The Risk Management Policy and Strategy was reviewed and updated during 2023/24 and was presented to the City Governance Committee on 21 August 2023 and the Scrutiny Committee on 27 September 2023. This report also included an update on the Council's Corporate Risk Register.

The 2023/24 Risk Management Annual Report was presented to the City Governance Committee on 10 June 2024. Committee minutes, including the content of the Risk Management Annual Report, are available on the Council's website.

Performance

The Council's Performance Management Framework 2021-24 was approved by the Policy and Resources Committee 8 March 2021. 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 framework establishes a programme of each service to develop and then report on its own service plan to the relevant committee. This process of monitoring and reporting is supported by our performance management system which analyses data, tracks progress, and summarises actions for improvement. As the Council is now into the last year of the Framework, it will be reviewed by the

end of 2024 and any revisions necessary will be made to ensure the Framework continues to effectively support the Council's continuous improvement journey.

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 second annual progress report for 2023/24 is being reported to the City Governance Committee on 24 June 2024. The report shows 73% of the performance indicators improved compared to the previous year's data and 64% reaching or within 5% of the target set for the current year. Specific highlights include the significant improvement in the Number of Council and Registered Social Landlord housing completions which reached its target for the first time in 2023/24. All indicators in the Deliver Inclusive Economic Growth are within 5% of their target, showing good progress on this strategic priority. There continues to be a significant uptake for new initiatives that help reduce child poverty including 82% of under 22s with an NEC card for free bus travel, and 65% of P1 to P5 pupils and 66% of P6 to S6 pupils who have taken up free school meals. The Council's corporate emissions and energy consumption in council buildings has continued to decrease, and the enforcement of the Low Emission Zone commenced on the 30th May 2024. The report also highlighted areas for improvement to concentrate on for the following year, including the educational attainment tariff score for SIMD1, and positive destinations for young people.

The first annual progress report on the City Plan for Dundee 2022-2032 went to the City Governance Committee on the 23rd October 2023. The summary of the City Plan performance showed that 50% of the performance indicators have improved when compared to the previous year. The Plan contains ambitious targets, and 15 of the 30 indicators met or are within 5% of the target. The 'reduce child poverty and inequality' theme has achieved improvement in 67% of its 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, the framework 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 report on the 2022/23 data compares Dundee's performance with those Local Authorities in its family group as well as comparisons across Scotland.

There are 39 LGBF indicators that are aligned with the 5 priorities in the Council Plan 2022-2027. These indicators are summarised in the table below which is from the report to City Governance 10 June 2024. 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 49% of 39 measures used where Dundee was in the top half of the group. Two strategic priorities relating to Creating Inclusive Growth and Community Wealth Building (7 out of 10) and Tackle Climate Change and achieve net zero by 2045 (2 out of 4) 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 for 2022/23 is the latest data and the table below sets out per priority theme a summary which compares Dundee with its Family Group showing where Dundee compares better than the mid-point of the group.

PRIORITY	Top Half	Total Measures	%
Reduce Child poverty and inequalities in incomes health and education*	6	13	46%
Create Inclusive Growth and Community Wealth Building	7	10	70%
Tackle Climate Change and achieve net zero by 2045**	2	4	50%
Build resilient and empowered communities	1	4	25%
Design a modern Council	3	8	38%
TOTAL	19	39	49%

*One indicator within this priority is 2021/22. Data refresh due June 2024. One indicator within this priority is 2020/21 and is refreshed biennially. Data refresh due August 2024

**Three indicators within this priority are 2021/22. Data refresh due May, then July.

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.

Best Value

A new approach to auditing and reporting on councils' performance against their duty of Best Value is underway. This 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.

During year one of the new audit programme, a Best Value Review of the effectiveness of the Council's Leadership in developing new local strategic priorities following the elections in May 2022 was undertaken. In carrying out this review auditors considered these key questions.

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?

The Report into the findings was published in November 2023 and endorsing the report, the Accounts Commission noted that all of the recommendations made following the 2020 Best Value Assurance Report had been implemented.

Notable findings from the Review include:

- Effective leadership provided by officers and elected members is an area of strength for the Council. The Commission noted clarity and coherence of the Council's vision and planning, its alignment of resources with priorities, and its fair and balanced public performance reporting.
- A commitment to community empowerment and engagement comes through strongly in the Council Plan and in the evidence of how this is being delivered in practice.
- Financial management and planning is sound. Challenges remain around delivery of the capital programme, but this is also showing signs of progress.
- The Council has a commitment to continuous improvement, and the Commission encouraged elected members and officers to share their approach to this with other councils.

PART 5 - LOOKING TO THE FUTURE

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

At the 2024/25 budget-setting meeting on 29 February 2024, City Governance Committee members were advised of the long term (10 year) financial outlook facing the Council, including the key assumptions used and main risk factors considered.

This was an update on the Medium-Term Financial Strategy presented to the City Governance Committee on 4 September 2023. 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 2024/2025 local government finance settlement, a report on the financial implications for the Council was submitted to the City Governance Committee on 29 February 2024. The 2024/2025 Revenue Budget and Council Tax was agreed by the City Governance Committee on 29 February 2024. 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 2024/25 to 2027/28, based on assumed flat cash grant settlements and no adjustment for the impact of distributional changes within the grant settlement process:

	Cumulative £m
2024/25	11.6
2025/26	21.2
2026/27	24.3
2027/28	31.0

In setting the 2024/2025 Revenue Budget savings totalling £0.410m and use of Covid reserves of £6.640m were agreed with a review of charges resulting in additional income of £307,000. The Council Tax remained flat 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 City Governance Committee. However, at this stage it should be noted that there remains significant uncertainty in terms of pay awards, energy prices, general inflation and government funding.

In the context of the Council having delivered savings of the order of £157m since 2008, further budget

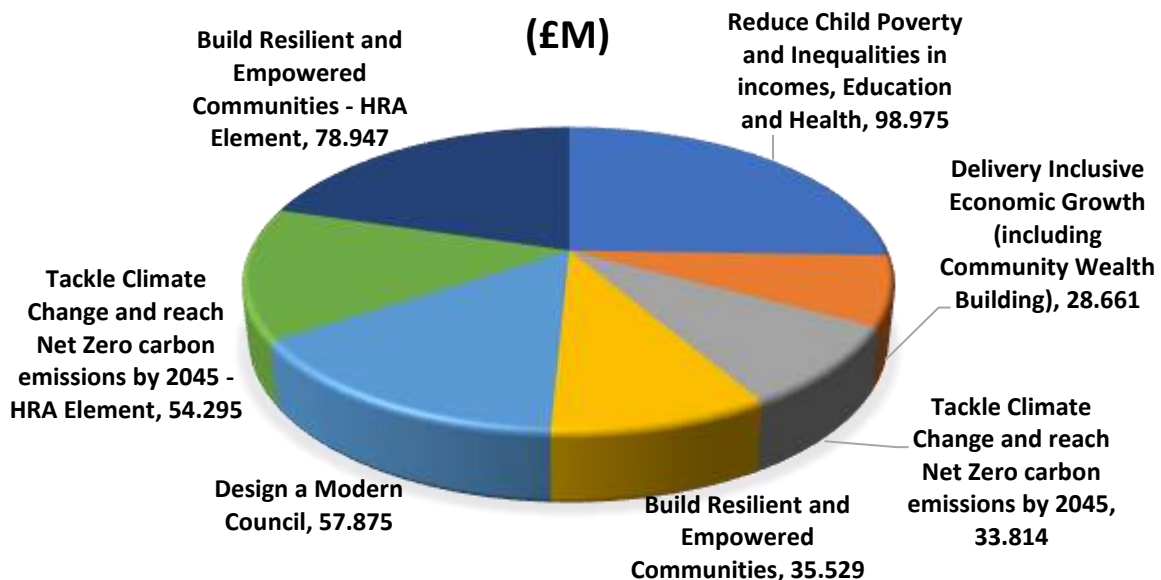
reductions on the scale anticipated will be challenging. The scope for savings will necessarily be limited to those areas of the budget where the Council has discretion to implement changes.

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 February 2024, the City Governance Committee approved a combined five year Capital Plan for General Services and Housing totalling £388m over the period 2024 to 2029. 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 2024-2029 BY THEME



Our Capital Plan for 2024-2029 sets out a £388 million building programme for the next five years for General Services & Housing HRA. The Capital Plan 2024-29 has been prepared within the backdrop of decreasing resources. Sustainability is a key focus for the Council with the combined investment of £88m in tackling climate change to help deliver the Council's Net Zero ambitions making up nearly a quarter of the Capital Plan. This includes Green Transport Hub & Spokes at Bell Street Multi Storey Car Park, Energy efficiency measures in Council Housing and Low carbon projects. The largest project in the capital programme is the East End Community Campus which is being delivered in partnership with the Scottish Government.

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 the cyclical nature of these investments. The HRA Capital Plan is committed to investment for increasing the supply of new build Council Housing to meet the housing needs within Dundee.

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.

PART 6 - CONCLUSION & ACKNOWLEDGMENTS

Conclusion

Throughout 2023/2024 the Council continued to deliver 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 cost-of-living are being felt as the City 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 2023/2024 Annual Accounts.



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Executive Director of Corporate
Services
Dundee City Council
25 September 2024



**Gregory Colgan BAcc (Hons),
ACMA, CGMA**
Chief Executive
Dundee City Council
25 September 2024



Councillor John Alexander
Leader of the Council
Dundee City Council
25 September 2024

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.
- 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.
- Longer- term Revenue Budget Model.
- 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 2023/2024 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 99% (2022/2023: 99%) 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 92% for 2023/2024 (2022/2023: 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 should be confirmed independently, through the completion of a formal External Quality Assurance (EQA) process. The independent review was due to be undertaken in 2023 but has been delayed by the reviewer. Conformance with PSIAS, with the exception of updating the EQA within five years, has been confirmed by the self-assessment prepared by the Service as part of the review. 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 2024.

The Annual Internal Audit review highlighted only one review this year, on the General Ledger, which was assessed as having limited assurance and there were no reviews providing no assurance. As at June 2024 three recommendations had reached their due dates, with two complete and one in progress. The outstanding item is considered as a medium priority action is estimated to be 25% complete. Four other actions (two high and two low priority) have not reached their due dates yet.

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).

Continuous Improvement Agenda

The Council's progress against the Continuous Improvement Agenda items for 2023/2024 is detailed in table 1. Several items are still in progress and have been carried forward to be actioned in 2024/2025. 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 2024/2025. 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 2023/24 financial year.

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 2023/2024. It is proposed over 2024/2025 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 September 2024



Councillor John Alexander
Leader of the Council
Dundee City Council

25 September 2024

CONTINUOUS IMPROVEMENT AGENDA FOR 2023/2024 - WITH PROGRESS UPDATES

The Council's Corporate Governance Assurance Statement group identified the following areas for improvement to be taken forward during 2023/2024. Full details are included in the Local Code of Corporate Governance [Report 166-2023](#) and the 2022/2023 Annual Governance Statement [Report 167-2023](#) updated for final version in 2022/2023 Audited Accounts to Scrutiny Committee on 25 October 2023 [Report 314-2023](#).

TABLE 1:

ORIGINAL IMPROVEMENT AGENDA ON 2023/2024 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	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Carried forward from 2022/2023. In progress.	Service Manager - Community Safety and Resilience.	31/12/2023		A Business Continuity Strategy has been drafted to be shared with the Risk and Assurance Board and Council Leadership Team for approval. *
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		Device roll out is complete. Sprint Testing is ongoing for costing system. Some rework required for financial processes. Work allocation sprint test for property maintenance team now in progress - feedback being reviewed to identify what changes / improvements can be made. Progress of implementation of Civica CX and Total Mobile has been delayed due to IT issues and other priorities (e.g. relets, etc.). Ongoing testing by Corporate Finance and Construction Services. Feedback will determine next actions. *

	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
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 Report 68-2020	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	31/07/2023	Future Needs Analysis approved by Council Leadership Team in July 2023. Complete. All Service level Workforce Plans completed on 4 th April 2023.
4	Implementation of Corporate Property Management system.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2023/2024.	Head of Design and Property Services.	31/03/2027		Project Initiation Document still currently being prepared for this project. Confirmation this will include specification for new system, option appraisal and confirmation of funding in capital programme. Resource requires to be identified to progress the next stage. *
5	Roll-out Procurement Strategy, including implementation of Sourcing Strategies.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	New for 2023/2024.	Head of Corporate Finance.	31/03/2024	03/05/2024	Approved Procurement Strategy 2023-2024 now rolled out and has been refreshed by an updated 3-year Procurement Strategy covering the period 2024-2027. Sourcing strategy process is now also embedded although limits for preparation and approval of these is under review and will be reflected in the revised standing orders / tender procedures and updated in the relevant procurement guidance.

	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
6	Full implementation of No Purchase Order No Pay.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section).	New for 2023/2024.	Head of Corporate Finance.	31/03/2024	03/05/2024	Regular user training now in place and is available to services through MyLearn. Guidance on payments and purchasing agreed including review of approval levels for all purchase orders and process to update these and this was issued to all services in April 2024. Compliance with this guidance will be monitored on any ongoing basis.
7	Mandatory Data Protection Impact Assessment (DPIA) training for appropriate officers.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Information Governance section).	New for 2023/2024.	Head of Democratic and Legal Services.	31/03/2024		To enable this action to be completed Services are currently identifying the appropriate officers to be trained. *
8	Review the Council's Standing Orders.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2023/2024.	Head of Democratic and Legal Services.	30/09/2023		Order of Reference to City Council and Committees reviewed following amendments to the Committee Structure. Scheme of Delegation of Powers agreed by Council Leadership Team. Standing Orders will be considered by Elected Members after the Summer Recess by the City Governance Committee. *

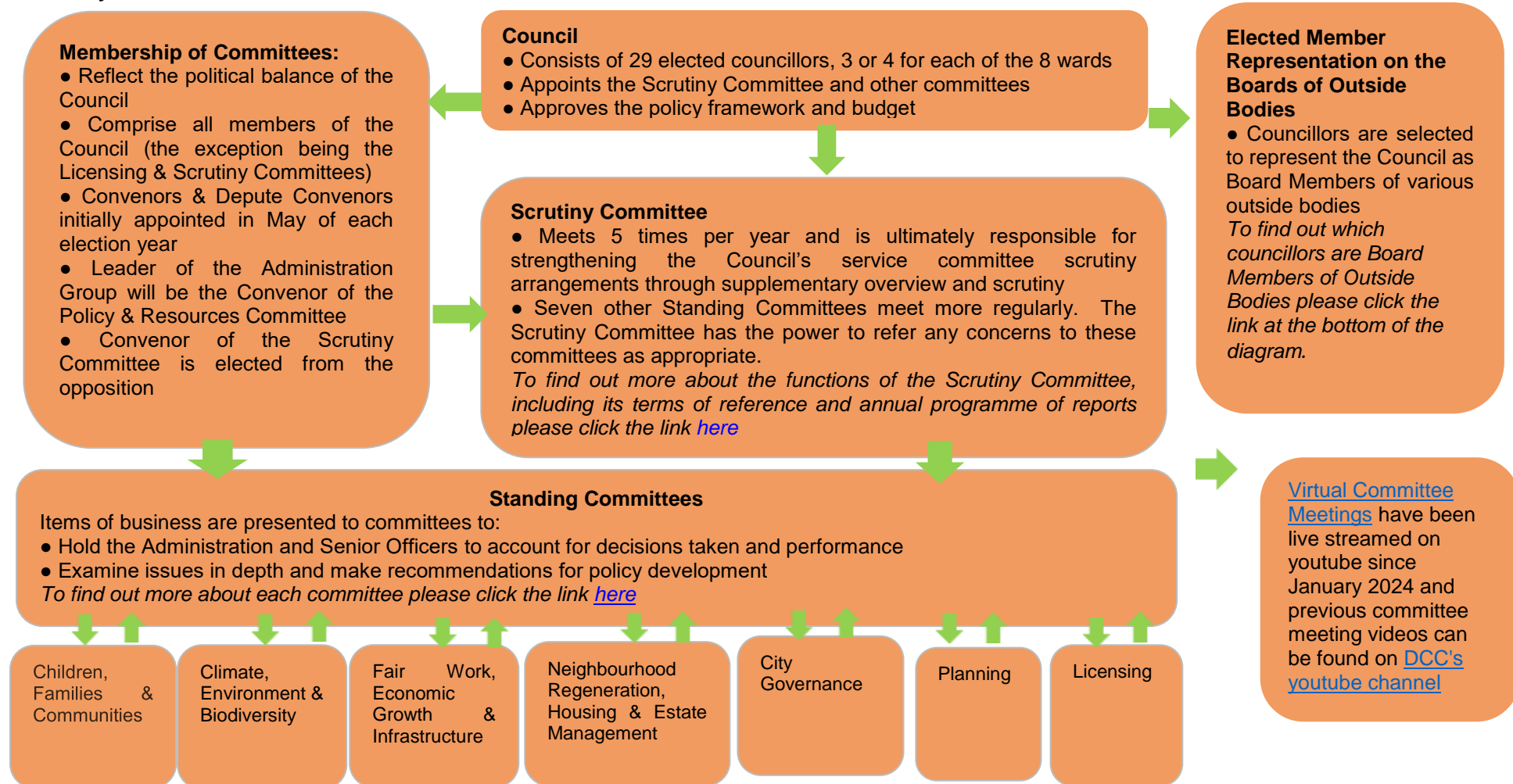
*Carried forward items have been included in Table 2 with new target completion dates.

CONTINUOUS IMPROVEMENT AGENDA FOR 2024/2025

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 2024/2025:

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). Report 223-2017	Carried forward from 2023/2024. In progress.	Service Manager - Community Safety and Resilience.	31/03/2025
2	Replace Construction Services' Costing System.		Carried forward from 2023/2024. In progress.	Head of Construction and Head of Customer Services and IT.	31/03/2025
3	Implementation of Corporate Property Management system.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Carried forward from 2023/2024. In progress.	Head of Design and Property Services.	31/03/2027
4	Mandatory Data Protection Impact Assessment (DPIA) training for appropriate officers.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Information Governance section).	Carried forward from 2023/2024. In progress.	Head of Democratic and Legal Services.	31/03/2025
5	Review the Council's Standing Orders.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Carried forward from 2023/2024. In progress.	Head of Democratic and Legal Services.	30/09/2024
6	Roll-out advanced risk management training module for senior officers.	Corporate Governance Assurance Statement Group.	New for 2024/2025.	Head of Corporate Finance	31/03/2025
7	Fully roll-out Quality Conversations.	Annual Governance Statement 2023/2024. (Self-Assessment Checklist (SAC): Internal Control Environment.	New for 2024/2025.	Head of People	31/03/2025

Dundee City Council's Governance Structure:

<https://www.dundee.gov.uk/service-area/corporate-services/democratic-and-legal-services/outside-bodies-elected-member-representation>

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 2023 (Scottish Statutory Instrument No. 2023/21) 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 2023/2024 the salary for the Leader of Dundee City Council was £40,205. 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 (£30,154). The Regulations allow the Civic Head to incur expenditure of up to £3,000 on expenses associated with the position. During 2023/2024, the Council's Lord Provost incurred expenditure of £2,870 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 £386,947 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.

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 £399,515, incorporating the effect of 0.4%, 2.8%, 2.2%, 4.2%, 5.2% and 2.7% pay increases from 1 April 2018, 1 April 2019, 1 April 2020, 1 April 2021, 1 April 2022 and 1 April 2023 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.

Remuneration paid to Councillors (subject to audit)

	2023/2024 £	2022/2023 £
Salaries	689,150	661,527
Mileage, Travel & Subsistence etc	6,283	4,767
Training & Conferences	-	85
Telephone Expenses	2,147	3,277
Other Allowances	521	285
	698,101	669,941
Provision of Council Cars	46,030	43,334
Total	744,131	713,275

The full Annual Return of Councillors Salaries & Expenses for 2023/2024 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. 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 City Governance 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 2023/2024, 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 (subject to audit)

	No of Employees 2023/2024	No of Employees 2022/2023
£50,000 - £54,999	210	139
£55,000 - £59,999	192	190
£60,000 - £64,999	74	57
£65,000 - £69,999	62	37
£70,000 - £74,999	44	63
£75,000 - £79,999	45	13

£80,000 - £84,999	12	9
£85,000 - £89,999	7	4
£90,000 - £94,999	3	7
£95,000 - £99,999	2	4
£100,000 - £104,999	5	9
£105,000 - £109,999	11	0
£110,000 - £114,999	0	1
£120,000 - £124,999	1	1
£125,000 - £129,999	0	3
£135,000 - £139,999	4	0
£160,000 - £164,999	0	1
£170,000 - £174,999	1	0
Total	673	538

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 2023/2024 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 2023/2024
On earnings up to and including £25,300	5.5%
On earnings above £25,301 and up to £31,000	7.25%
On earnings above £31,001 and up to £42,500	8.5%
On earnings above £42,501 and up to £56,600	9.5%
On earnings of £56,601 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 2023/2024, the scheme member contribution rate for Senior Councillors was in the range of 5.5% to 6.4% (2022/2023 3.25% to 5.7%) of pensionable pay and for Senior Employees was in the range of 9.4% to 10.3% (2022/2023 9.5% to 10.4%) of pensionable pay. In 2023/2024, the employer contribution rate was 17.0% (2022/2023 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.

Trade Union (Facility Time Publication Requirements) Regulations 2017 (not subject to audit)

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 2023/2024, the Council obtained numbers for the 2022/2023 financial year:

Trade Union (Facility Time Publication Requirements) Regulations 2017 disclosure requirement	2022/23	2021/22
Number of employees who were relevant union officials during the relevant period	37	55
How many employees who were relevant union officials during the relevant period spent		
a) 0 -1% of their working hours on facility time:	7	30
b) 1 – 50% of their working hours on facility time:	28	23
c) 51-99% of their working hours on facility time:	1	1
d) 100% of their working hours on facility time:	1	1
Percentage of the total pay bill spent on facility time	0.088%	0.061%
Time spent on paid trade union activities as a percentage of total paid facility time hours	none	none

The 2023/2024 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 September 2024



Councillor John Alexander
Leader of the Council
Dundee City Council

25 September 2024

TABLE 1a - REMUNERATION OF SENIOR COUNCILLORS (subject to audit)

Councillor Name	Responsibility	Salary, Fees & Allowances £	Taxable Expenses £	Non-cash Expenses & Benefits -in-Kind £	Total Remuneration 2023/2024 £	Total Remuneration 2022/2023 £
Anne Rendall	Convener of Neighbourhood Services Committee (to 6 May 2022)	-	-	-	-	2,586
Bill Campbell	Lord Provost (from 24 May 2022), Depute Lord Provost (to 6 May 2022)	30,154	-	-	30,154	27,289
Christina Roberts	Convener of Community Safety & Public Protection Committee (from 24 May 2022), Depute Convener of Neighbourhood Services Committee (to 6 May 2022) (note 1)	23,733	-	-	23,733	24,534
Heather Anderson	Convener of Neighbourhood Services Committee (from 24 May 2022)	26,697	-	-	26,697	22,222
Ian Borthwick	Lord Provost (to 6 May 2022)	-	-	-	-	2,920
John Alexander	Leader	40,205	-	-	40,205	37,359
Ken Lynn	Lead Member for Health & Social Care, Depute Convener of Licencing Committee (to 6 May 2022)	26,697	-	-	26,697	24,808
Kevin Cordell	Depute Lord Provost (from 24 May 2022), Convener, Community Safety and Public Protection (to 6 May 2022) (note 2)	25,128	-	-	25,128	21,687
Kevin Keenan	Convener of Scrutiny Committee, Leader of the Major Opposition Group	26,697	-	-	26,697	24,808
Mark Flynn	Convener of City Development Committee	26,697	-	-	26,697	24,808
Nadia El-Nakla	Depute Convener of Neighbourhood Services Committee (from 24 May 2022)	22,613	-	-	22,613	18,822
Roisin Smith	Depute Convener of Children & Families Services Committee	22,613	-	-	22,613	21,012
Siobhan Tolland	Depute Convener of Planning Committee (from 24 May 2022)	22,613	-	-	22,613	18,822
Steven Rome	Depute Convener of City Development Committee	25,577	-	-	25,577	21,012
Stewart Hunter	Convener of Children & Families Services Committee, Convener of Licencing Committee	26,697	-	-	26,697	24,808
Will Dawson	Convener of Planning Committee	26,697	-	-	26,697	24,808
Willie Sawers	Depute Convener of Policy & Resources Committee	26,697	-	-	26,697	24,808
Total		399,515	-	-	399,515	367,113

1. The 2022/2023 figures for Salary, Fees and Allowances represents total remuneration for the year including payment for being a Councillor, together with the additional payment until 10 July 2023 for being the Depute Convener of the Tay Road Bridge

2. 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:

	2023/2024 £	2022/2023 £
Tay Road Bridge Joint Board	3,773	3,997
Tayside Valuation Joint Board	5,029	5,274
Total	8,802	9,271

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES OF THE COUNCIL (subject to audit)

Employee Name	Post Title	Salary, Fees & Allowances £	Bonuses, Taxable Expenses £	Other payments £	Compensation for Loss of Employment £	Benefit s Other Than in Cash £	Total Remuneration 2023/2024 £	Total Remuneration 2022/2023 £
Gregory Colgan	Chief Executive (see note 1)	168,407	-	1,642	-	-	170,049	160,442
Robert Emmott	Executive Director of Corporate Services and S95 Officer	135,763	-	-	-	-	135,763	128,027
Audrey May	Executive Director of Children and Families	135,763	-	-	-	-	135,763	123,722
Robin Presswood	Executive Director of City Development	135,763	-	-	-	-	135,763	128,027
Elaine Zwirlein	Executive Director of Neighbourhood Services	135,763	-	-	-	-	135,763	128,027
Judy Dobbie	Director of Leisure and Culture Dundee	120,850	-	-	-	-	120,850	113,969

Diane McCulloch	Head of Health & Community Care, Dundee Health and Social Care Partnership (Chief Social Work Officer)	107,596	-	-	-	-	107,596	101,450
Total		939,905	-	1,642	-	-	941,547	883,664

TABLE 2 NOTES

1. The remuneration for Gregory Colgan, Chief Executive, includes £1,642 fees for election duties.

TABLE 3 – SENIOR COUNCILLORS ACCRUED PENSION BENEFITS (subject to audit)

Councillor Name	Responsibility	Pension as at 31 March 2024 £000	Pension Difference from 31 March 2023 £000	Lump Sum as at 31 March 2024 £000	Lump Sum Difference from 31 March 2023 £000	Pension Contribution 2023/2024 £	Pension Contribution 2022/2023 £
Anne Rendall	Convener of Neighbourhood Services Committee (to 6 May 2022) (note 2)	-	-	-	-	-	440
Bill Campbell	Lord Provost (from 24 May 2022), Depute Lord Provost (to 6 May 2022)	6.0	1.2	-	-	5,126	4,639
Christina Roberts	Convener of Community Safety & Public Protection Committee (from 24 May 2022), Depute Convener of Neighbourhood Services Committee (to 6 May 2022)	7.9	1.0	2.0	0.1	4,034	4,171
Heather Anderson	Convener of Neighbourhood Services Committee (from 24 May 2022) (note 3)	3.2	2.7	-	-	4,538	3,778
John Alexander	Leader	6.9	1.0	-	-	6,834	6,351
Ken Lynn	Lead Member for Health & Social Care, Depute Convener of Licencing Committee (to 6 May 2022)	2.6	0.7	-	-	4,538	4,218
Kevin Cordell	Depute Lord Provost (from 24 May 2022), Convener, Community Safety and Public Protection (to 6 May 2022) (note 1)	6.1	1.0	-	-	4,271	3,640
Kevin Keenan	Convener of Scrutiny Committee, Leader of the Major Opposition Group	9.3	1.2	2.4	0.1	4,538	4,218

Councillor Name	Responsibility	Pension as at 31 March 2024 £000	Pension Difference from 31 March 2023 £000	Lump Sum as at 31 March 2024 £000	Lump Sum Difference from 31 March 2023 £000	Pension Contribution 2023/2024 £	Pension Contribution 2022/2023 £
Mark Flynn	Convener of City Development Committee	3.6	0.8	-	-	4,538	4,218
Nadia El-Nakla	Depute Convener of Neighbourhood Services Committee (from 24 May 2022)	0.9	0.5	-	-	3,844	3,200
Roisin Smith	Depute Convener of Children & Families Services Committee	3.2	0.7	-	-	3,844	3,572
Siobhan Tolland	Depute Convener of Planning Committee (from 24 May 2022)	0.9	0.5	-	-	3,844	3,200
Steven Rome	Depute Convener of City Development Committee	2.4	0.7	-	-	4,348	3,572
Stewart Hunter	Convener of Children & Families Services Committee, Convener of Licencing Committee	8.7	1.1	2.2	0.1	4,538	4,218
Will Dawson	Convener of Planning Committee	8.9	1.1	2.2	0.1	4,538	4,218
Willie Sawers	Depute Convener of Policy & Resources Committee	8.9	1.1	2.2	0.1	4,538	4,218
Total		79.5	15.3	11	0.5	67,911	61,871

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.
3. Pension value for 2023/2024 includes a transfer in respect of a previous post held

TABLE 4 – SENIOR EMPLOYEES OF THE COUNCIL ACCRUED PENSION BENEFITS (subject to audit)

Employee Name	Post Title	Pension as at 31 March 2024	Pension Difference from 31 March 2023	Lump Sum as at 31 March 2024	Lump Sum Difference from 31 March 2023	Pension Contribution 2023/2023	Pension Contribution 2022/2023
		£000	£000	£000	£000	£	£
Gregory Colgan	Chief Executive	41	6	-	-	28,908	26,996
Robert Emmott	Executive Director of Corporate Services and S95 Officer	61	7	79	5	23,079	21,765
Robin Presswood	Executive Director of City Development	59	7	65	4	23,079	21,765
Elaine Zwirlein	Executive Director of Neighbourhood Services (note 2)	76	8	115	7	23,079	21,765
Judy Dobbie	Director of Leisure and Culture Dundee	60	6	91	5	20,554	19,375
Diane McCulloch	Head of Health and Community Care, Dundee Health and Social Care Partnership (Chief Social Work Officer)	60	6	90	5	18,291	17,246
Total		357	40	440	26	136,990	128,912

TABLE 4 NOTES

1. Audrey May, Executive Director of Children and Families, has opted out of the Local Government Pension Scheme.
2. Elaine Zwirlein, Executive Director of Neighbourhood Services, retired on 31 March 2024.

TABLE 5 – TERMINATION BENEFITS & EXIT PACKAGES (subject to audit)

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)	
	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024
£0 - £20,000	-	-	7	1	7	1	21	12
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
Total	-	-	7	1	7	1	21	12

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 2023/2024 and 2022/2023. Under the terms of the Council's severance schemes for non-teaching staff, employees can elect to receive a voluntary redundancy payment. During 2023/2024, 1 employee received voluntary redundancy payments (2022/2023: 7 employees) for which the Council incurred one-off redundancy costs of £0.012 m (2022/2023 £0.021m).

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 September 2024.

Signed on behalf of Dundee City Council



Councillor John Alexander
Leader of the Council
25 September 2024

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 2024.



Robert Emmott BSc, CPFA
Executive Director of Corporate Services
Dundee City Council
26 June 2024

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.

2022/2023			2023/2024		
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
184,099	10,439	194,538	196,928	926	197,854
100,041	5,942	105,983	103,862	(168)	103,694
22,202	59,484	81,686	25,861	50,465	76,326
20,339	6,039	26,378	25,806	1,550	27,356
14,050	434	14,484	15,700	27	15,727
35,087	7,382	42,469	32,709	3,117	35,826
1,157	2,373	3,530	73	(168)	(95)
(1,533)	9,016	7,483	4,075	16,180	20,255
422	-	422	497	-	497
1,021	-	1,021	802	-	802
(21)	2,424	2,403	4,170	(338)	3,832
376,864	103,533	480,397	410,483	71,591	482,074
(373,032)	(24,411)	(397,443)	(428,296)	4,185	(424,111)
3,832	79,122	82,954	(17,813)	75,776	57,963
61,313			(56,647)		
(3,832)			(17,813)		
(834)			(3,271)		
56,647			(77,731)		

* 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

2022/2023				2023/2024				
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
3	10,167	269	10,439	Children & Families Services	-	651	275	926
-	6,565	(623)	5,942	Dundee Health & Social Care Partnership	-	489	(657)	(168)
57,965	2,770	(1,251)	59,484	City Development	52,354	208	(2,097)	50,465
2,019	4,441	(421)	6,039	Neighbourhood Services	1,364	333	(147)	1,550
-	432	2	434	Chief Executive	-	34	(7)	27
2,077	5,371	(66)	7,382	Corporate Services	2,622	503	(8)	3,117
-	2,809	(436)	2,373	Construction	-	203	(371)	(168)
14,977	944	(6,905)	9,016	Housing Revenue Account	22,880	75	(6,775)	16,180
-	-	2,424	2,424	Miscellaneous Items	-	(2,585)	2,247	(338)
77,041	33,499	(7,007)	103,533	Cost Of Services	79,220	(89)	(7,540)	71,591
(33,039)	1,794	6,834	(24,411)	Other income and expenditure from the Expenditure and Funding Analysis	(1,739)	(1,499)	7,423	4,185
44,002	35,293	(173)	79,122	Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	77,481	(1,588)	(117)	75,776

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.

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.

2022/2023				2023/2024		
Gross Expend £000	Gross Income £000	Net Expend / (Income) £000		Gross Expend £000	Gross Income £000	Net Expend / (Income) £000
237,509	(42,971)	194,538	Children & Families Services	238,568	(40,714)	197,854
259,968	(153,985)	105,983	Dundee Health & Social Care Partnership	258,180	(154,486)	103,694
105,233	(23,547)	81,686	City Development	103,803	(27,477)	76,326
37,290	(10,912)	26,378	Neighbourhood Services	39,426	(12,070)	27,356
16,725	(2,241)	14,484	Chief Executive	17,920	(2,193)	15,727
94,422	(51,953)	42,469	Corporate Services	87,483	(51,657)	35,826
12,117	(8,587)	3,530	Construction	6,458	(6,553)	(95)
65,614	(58,131)	7,483	Housing Revenue Account	78,024	(57,769)	20,255
422	-	422	Discretionary NDR Relief	497	-	497
1,021	-	1,021	Tayside Valuation Joint Board	802	-	802
3,099	(696)	2,403	Miscellaneous Items	5,222	(1,390)	3,832
833,420	(353,023)	480,397	Cost Of Services	836,383	(354,309)	482,074
		671	Other Operating Expenditure (note 5)			(289)
		31,576	Financing and Investment Income and Expenditure (note 6)			30,006
		(429,690)	Taxation and Non-Specific Grant Income (note 7)			(453,829)
		82,954	Deficit on Provision of Services			57,963
		(245,890)	(Surplus) or Deficit on revaluation of non-current assets			(84,777)
		2,102	Impairment losses on non-current assets charged to the Revaluation Reserve			1,978
		460	(Surplus) or Deficit on financial assets measured at fair value through other comprehensive income			(120)
		(71,005)	Remeasurements of the net defined benefit liability (asset)			2,606
		(314,333)	Other Comprehensive (Income) / Expenditure			(80,313)
		(231,379)	Total Comprehensive (Income) / Expenditure			(22,350)

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.

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	69,066	13,888	-	-	-	-	82,954	(314,333)	(231,379)
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)	(51,163)	(1,556)	-	-	339	1,005	(51,375)	51,375	-
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	5,365	(1,533)	-	-	339	1,005	5,176	(236,555)	(231,379)
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	(236,555)	(231,379)
Balance at 31 March 2023 carried forward	(56,647)	-	(14,759)	(644)	(1,375)	(2,690)	(76,115)	(982,364)	(1,058,479)

2023/2024	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 2023 brought forward	(56,647)	-	(14,759)	(644)	(1,375)	(2,690)	(76,115)	(982,364)	(1,058,479)
Movement in Reserves during 2023/2024									
Total Comprehensive Income & Expenditure	32,590	25,373	-	-	-	-	57,963	(80,313)	(22,350)
Adjustments to Usable Reserves Permitted by Accounting Standards	(20,785)	(13,831)	-	-	-	-	(34,616)	34,616	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9)	(33,693)	(7,467)	-	-	1,021	657	(39,482)	39,482	-
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	(21,888)	4,075	-	-	1,021	657	(16,135)	(6,215)	(22,350)
Transfers to/(from) Other Statutory Reserves	804	(4,075)	3,933	(548)	-	(114)	-	-	-
(Increase)/ Decrease in 2023/2024	(21,084)	-	3,933	(548)	1,021	543	(16,135)	(6,215)	(22,350)
Balance at 31 March 2024 carried forward	(77,731)	-	(10,826)	(1,192)	(354)	(2,147)	(92,250)	(988,579)	(1,080,829)

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 2023 £000			31 March 2024 £000
1,773,603	Property, Plant & Equipment	27	1,850,207
20,942	Heritage Assets	41	20,792
13,073	Investment Property	24	13,073
2,540	Intangible Assets	25	1,801
29	Long Term Investments	37	29
10,321	Long Term Debtors	37/44	11,095
1,820,508	Long Term Assets		1,896,997
3,132	Short Term Investments	37	3,252
1,075	Inventories	-	1,102
63,271	Short Term Debtors	31	58,378
12,689	Cash and Cash Equivalents	16	1,626
5,893	Assets held for sale	30	4,493
86,060	Current Assets		68,851
(16,010)	Short Term Borrowing	37	(95,097)
(120,116)	Short Term Creditors	32/37	(98,861)
(136,126)	Current Liabilities		(193,958)
(5,681)	Provisions	33	(4,297)
(507,782)	Long Term Borrowing	37	(494,522)
(31,203)	Pension Liability	12/20	(32,221)
(159,196)	Other Long Term Liabilities	43	(153,479)
(8,101)	Grants Receipts in Advance	36	(6,542)
(711,963)	Long Term Liabilities		(691,061)
1,058,479	Net Assets		1,080,829
76,115	Usable Reserves	11	92,250
982,364	Unusable Reserves	12	988,579
1,058,479	Total Reserves		1,080,829



Robert Emmott BSc, CPFA
Executive Director of Corporate Services
Dundee City Council
26 June 2024

The notes on pages 54 to 119 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.

2022/2023		2023/2024
£000		£000
82,954	Net deficit on the provision of services	57,963
(137,973)	Adjust net (surplus) on the provision of services for non-cash movements	(70,514)
3,077	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	2,356
(51,942)	Net cash flows from Operating Activities	(10,195)
44,947	Investing Activities (note 14)	82,125
31,147	Financing Activities (note 15)	(60,867)
24,152	Net (increase)/decrease in cash and cash equivalents	11,063
36,841	Cash and cash equivalents at the beginning of the reporting period	12,689
12,689	Cash and cash equivalents at the end of the reporting period (note 16)	1,626

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1 Accounting Policies

A. General Principles

The Annual Accounts summarise the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. 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 2023/24 and the Service Reporting Code of Practice 2023/24, 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.

Should the Local Government Pension Scheme (Tayside Pension Fund) pension scheme move into a net asset position based on IAS19, the requirements of IFRIC14 (*IAS19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*) is applied using the key assumptions that fund population will remain stable, and that over the life of the fund service costs and future accruals (employer contributions) will apply.

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.

Service Concession Arrangement flexibility application

The Scottish Government's 2022 Resource Spending Review contained details of a Service Concession Arrangement (SCA) flexibility that related to the Council's PFI contracts. The flexibility permits councils to undertake internal accounting changes that extend the period over which the principal repayment of the unitary charge can be made which results in a one-off credit to the General Fund and ongoing annual savings for a period of time. In the remaining years following the end of the SCAs, the rescheduled debt repayments continue until the debt liability has been extinguished. The Statutory Regulation in relation to this matter, Local Government Finance Circular 10/2022 (FC 10/2022), was published in September 2022.

FC 10/2022 replaces the 2010 version that covered this area and permits the authority to apply a temporary flexibility for service concession arrangements entered prior to April 2022. The Circular sets out the accounting requirements and the options permitted for the recognition of repayments of the principal element of the lease component or the lease liability for the year and the temporary flexibility for SCAs entered prior to 1 April 2022.

The Council has applied the permitted change in the calculation of the statutory charge in 2023/24 and the adopted approach has been applied across all three such arrangements held by the Council in line with the key accounting principle of consistency.

The annual unitary charge will continue to be paid to the contractor over the contract period. The guidance applies to principal and not to interest, service charge costs or grant. These will continue to be accounted for over the contract period.

Annuity method for revised repayment of debt liability

The recalculation of the debt liability charges applies the annuity method to calculate the revised repayments. This method best represents the consumption of the assets over their useful lives.

This methodology is applied within the Councils current Loans Fund repayment policy. The use of an annuity method for the writing down of the PPP debt liability therefore ensures a consistent approach for the writing down of all debt which is financing capital expenditure, in that;

- The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now.
- The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, considering the real value of the amounts when they fall due.
- The annuity method is a prudent basis for providing for assets that provided a steady flow of benefits over their useful life.'

Useful Economic Life

The asset lives used in the calculation is the agreed Useful Economic Life (UEL) as per the Council's fixed asset register for the respective assets. The overall UEL for SCA assets range from 40 to 60 years.

Capital Financing Requirement

The reprofiling of the debt liability repayments over the life of the asset rather than the life of the contract increases the Capital Financing Requirement (CFR) as at 1 April 2023. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period.

Accounting Treatment

The statutory adjustment can be made as at 1 April in the year the revised repayments are applied. This option has been exercised in 2023/24 and has been applied retrospectively. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2023 results in a retrospective debit to the Capital Adjustment account in 2023/24 with a corresponding credit in the Movement in Reserves Statement within the General Fund. Further in year annual reductions will be applied along similar lines as the retrospective adjustment until the end of the contract period for each of the three SCAs. Thereafter the revised charges will result in higher cost being charged to the General fund that the current repayment profile until the end of the UEL.

S. Provisions, Contingent Liabilities and Contingent Assets

Provisions – 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

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2024/2025 Code:

The Code requires implementation from 1 April 2024 and there is therefore no impact on the 2023/2024 financial statements.

- IFRS 16 Leases (mandatory adoption in 2024/2025)
- Any others

In 2024/2025, the Council will apply IFRS 16 Leases as adopted by the Code of Accounting Practice. IFRS 16 will mean that the majority of leases where the Council act as lessee will come onto the balance sheet and lessor accounting is effectively unchanged.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets (value when new of less than £6,000). The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

It is anticipated that the application of the Code's adaptation of IFRS16 will result in the following additions to the balance sheet:

£2.376m Property, plant and equipment – land and buildings (right-of-use assets)

(£0.632m) Current creditors (lease liabilities)

(£1.744m) Non-Current creditors (lease liabilities).

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 £156m as at 31 March 2024) 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 £41m as at 31 March 2024) 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 £59m as at 31 March 2024) 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.
- Group accounts boundary: the basis for inclusion of group entities into the Group Accounts is disclosed in Note 4 to the Group Accounts.
- Should the Local Government Pension Scheme (Tayside Pension Fund) pension scheme move into a net asset position based on IAS19, the requirements of IFRIC14 (*IAS19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*) is applied using the key assumptions that fund population will remain stable, and that over the life of the fund service costs and future accruals (employer contributions) will apply.
- The Council contributes to the Teachers' Scheme, an unfunded scheme administered nationally by the Scottish Public Pensions Agency. This scheme provides 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.

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 £2.8m for every year that useful lives had to be reduced.
Pensions Liability/ Asset	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 £0.9m. However, the assumptions interact in complex ways. During 2023/2024, the Council's actuaries advised that the net pensions liability had increased by £1.0m. The increase 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 2024, the Council has a gross balance for short-term sundry debtors of £102.329m, including local taxation and housing rent debtors. A review of the different categories of debt has concluded that an overall allowance for impairment of £43.951m 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

2022/2023 £000		2023/2024 £000
(551)	(Gains) / losses on the disposal of non current assets	(539)
1,222	Impairment of Assets Held for Sale	250
671	Total	(289)

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

2022/2023 £000		2023/2024 £000
32,434	Interest payable and similar charges	34,063
1,794	Net interest on the net defined benefit liability (asset)	(1,499)

(1,562)	Interest receivable and similar income	(1,521)
500	Changes in the fair value of investment properties	0
(1,382)	Net income from investment properties	(1,169)
(297)	Share of Tayside Contracts surplus	379
(1,925)	Scottish Government contribution to DBFM interest costs	(1,062)
0	SG contribution to DBFM loan repayment costs	(864)
1,133	Studio Dundee write off costs	0
881	Trade Debtors Impairment Allowance	1,679
31,576	Total	30,006

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

2022/2023		2023/2024
£000		£000
(60,970)	Council Tax Income	(64,124)
(35,581)	Contribution from national non domestic rates pool	(73,704)
(310,066)	Non-ring-fenced government grants	(277,744)
(23,073)	Capital grants and contributions	(38,257)
(429,690)	Total	(453,829)

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 2023	31 March 2024
	£000	£000
Distribution from non-domestic rate pool	35,496	73,704
Non-domestic rate income retained by authority (BRIS)	85	-
Non-domestic rate income credited to the comprehensive income and expenditure statement	35,581	73,704

8 Subjective Analysis of Surplus or Deficit on the Provision of Services

2022/2023		2023/2024
£000		£000
317,319	Employee benefit expenses	303,255
426,299	Other service expenses	437,370
3,203	Support service recharges	3,095
91,108	Depreciation, amortisation and impairment	92,290
32,434	Interest payments	34,063
1,021	Precepts and levies	802
871,384	Total Expenditure	870,875
(196,408)	Fees, charges and other service income	(206,340)
(2,944)	Interest and investment income	(2,690)
(60,970)	Income from Council Tax	(64,124)
(527,557)	Government grants and contributions	(539,219)
(551)	Gain on disposal of non-current assets	(539)
(788,430)	Total Income	(812,912)
82,954	(Surplus) or Deficit on the Provision of Services	57,963

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.

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	(49,123)	(13,457)	-	-	62,580	-
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	(51,163)	(1,556)	1,005	339	51,375	-

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

2023/2024	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2023/2024 £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	(35,047)	(21,869)	-	-	56,916	-
Movements in the market value of Investments Properties and Assets Held for Sale	158	92	-	-	(250)	-
Capital grants and contributions that have been applied to capital financing	36,068	1,531	-	-	(37,599)	-
Revenue expenditure funded from capital under statute	(357)	-	-	-	357	-
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	432	107	-	-	(539)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Statutory provision for the financing of capital investment	9,881	12,370	-	-	(22,251)	-
Capital expenditure charged against the General Fund and HRA balances	2,836	-	-	-	(2,836)	-
Statutory repayment of debt (PPP) flexibility adjustment	(43,373)	-	-	-	43,373	-
Adjustments involving the Capital Fund:						
Capital grants allocation used to meet principal elements of loans fund repayments	(5,701)	-	-	-	5,701	-
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	-	-	657	-	(657)	-

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

2023/2024 (continued)	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2023/2024 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions applied to finance new capital expenditure	7	-	-	1,021	(1,028)	-
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	562	231	-	-	(793)	-
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)	(26,020)	(799)	-	-	26,819	-
Employer's pensions contributions & direct payments to pensioners payable in the year	27,530	876	-	-	(28,406)	-
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	(669)	(6)	-	-	675	-
Total Adjustments 2023/2024	(33,693)	(7,467)	657	1,021	(39,482)	-

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.

2023/2024	Balance at 1 April 2023 £000	Transfers Out 2023/2024 £000	Transfers In 2023/2024 £000	Balance at 31 March 2024 £000	Purpose of the Earmarked Reserve
General Fund					
Car Parking Balances	(360)	-	(237)	(597)	To fund future car parking projects
Second Homes etc Discount Reduction*	(2,545)	450	(460)	(2,555)	To fund new social housing
Organisational Change Fund	(2,532)	144	-	(2,388)	To fund service transformation initiatives
Budget Carry Forwards	(5,962)	2,916	(1,078)	(4,124)	To fund underspends carried forward from previous year
Covid Costs	(14,647)	11,897	-	(2,750)	To fund Covid-related costs and income shortfalls
Covid Recovery Fund	(1,280)	875	-	(405)	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	(256)	-	(64)	(320)	To fund asset replacements
Inflationary pressures	(3,800)	3,800	-	-	Funded known inflationary pressures
Roof maintenance cost pressures	(3,707)	1,005	-	(2,702)	To fund additional roof maintenance cost pressures
Cost of Living pressures	-	300	(500)	(200)	To fund Cost of Living pressures
Scientific Services	(288)	288	-	-	Funded decrease in external financial contributions
Service concessions flexibility	-	3,600	(43,373)	(39,773)	To fund cost of unwinding service concessions flexibility over the life of the assets
Contribution to budget setting	(1,750)	1,750	(6,640)	(6,640)	To fund a contribution to 2023/24 revenue budget
Children Services pressures	(4,300)	4,300	-	-	Funded cost pressures in third party payments
Ash dieback	(411)	27	-	(384)	To fund removal of infected and dangerous ash trees
City events	(505)	505	-	-	Funded 2023/24 commitments
Total - Earmarked Balances	(47,421)	31,857	(52,352)	(67,916)	
Uncommitted General Fund Balances	(9,226)	-	(589)	(9,815)	To fund unforeseen / emergency expenditure
Total - General Fund Balances	(56,647)	31,857	(52,941)	(77,731)	

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.

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)	

Earmarked reserve for PFI Service Concession Arrangement Flexibilities

In accordance with Accounting Policy R on page 63 and Finance Circular 10/2022, the Council has applied a permitted PFI Service Concession Arrangement (SCA) flexibility in financial year 2023/24 on a retrospective annuity basis to the three SCA's currently in place.

By applying the flexibility, a one-off combined pre 2023/24 retrospective saving of £39.773m has been achieved with the resultant benefit added to Council earmarked revenue reserves. In addition to the one-off retrospective element, an in-year, budgeted, saving occurred in scheduled debt repayments in 2023/24, of £3.600m. Debt repayment savings will be generated until SCA contracts have been repaid, followed by statutory charges over the remaining lives of the assets. Over the full asset lives of the SCA's the total repayment for the debt liability remains the same. Please refer to Note 29 iv for more details.

In order to ensure that the SCA flexibility being applied is prudent, sustainable, and affordable over the life of the assets, the Council will manage its effect and utilisation through an earmarked reserve specifically set up for this purpose. The earmarked reserve will be used to capture the benefits and costs arising from the flexibility and to ensure a smoothed and sustainable profile for budget-setting and long-term financial planning purposes.

	PFI SCA Earmarked reserve opening balance £000	PFI SCA flexibility (Note 29) £000	Planned use (smoothed profile) £000	PFI SCA Earmarked reserve closing balance £000
Pre 2023/24	-	(39,773)	-	(39,773)
Paid in 2023/24	(39,773)	(3,600)	3,600	(39,773)
Payable 2-5 years	(39,773)	(17,738)	16,804	(40,707)
Payable 6-10 years	(40,707)	(24,429)	17,051	(48,085)
Payable 11-15 years	(48,085)	(34,719)	12,222	(70,582)
Payable 16-20 years	(70,582)	(10,479)	7,392	(73,669)
Payable 21-25 years	(73,669)	5,048	2,563	(66,058)
Payable 26-30 years	(66,058)	25,009	(2,267)	(43,316)
Payable 31-35 years	(43,316)	34,163	(7,097)	(16,250)
Payable 36-40 years	(16,250)	34,702	(11,926)	6,526
Payable 41-45 years	6,526	24,615	(16,756)	14,385
Payable 46-50 years	14,385	7,201	(21,586)	-
TOTAL		0	0	

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 2023 £000		31 March 2024 £000
(784,139)	Revaluation Reserve	(830,767)
416	Financial Instruments Revaluation Reserve	296
(254,858)	Capital Adjustment Account	(215,219)
12,243	Financial Instruments Adjustment Account	11,444
31,203	Pensions Reserve	32,221
12,771	Employee Statutory Adjustment Account	13,446
(982,364)	Total Unusable Reserves	(988,579)

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.

2022/2023 £000		2023/2024 £000
(567,151)	Balance at 1 April	(784,139)
(256,584)	Upward revaluation of assets	(143,866)
12,796	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	61,074
(243,788)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(82,792)
26,403	Difference between fair value depreciation and historical cost depreciation	34,616
397	Accumulated gains on assets sold or scrapped	1,548
(784,139)	Balance at 31 March	(830,767)

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

2022/2023 £000		2023/2024 £000
(43)	Balance at 1 April	416
-	Upward revaluation of investments	(120)
459	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	-
459		(120)
416	Balance at 31 March	296

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.

2022/2023 £000		2023/2024 £000
(270,717)	Balance at 1 April	(254,858)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
62,580	Charges for depreciation and impairment of non current assets	56,916
404	Revenue expenditure funded from capital under statute	357
(551)	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	(539)
62,433		56,734
(397)	Adjusting amounts written out of the Revaluation Reserve	(1,548)
62,036	Net written out amount of the cost of non-current assets consumed in the year	55,186
	Capital financing applied in the year:	
(1,005)	Use of the Capital Fund to finance new capital expenditure	(657)
(22,617)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(37,599)
(794)	Application of grants to capital financing from the Capital Grants Unapplied Account	(1,028)
-	Statutory repayment of debt (PPP) flexibility adjustment	43,373
(20,871)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(16,550)
(2,611)	Capital expenditure charged against the General Fund and HRA balances	(2,836)
(47,898)		(15,297)
1,721	Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	(250)
(254,858)	Balance at 31 March	(215,219)

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.

2022/2023 £000		2023/2024 £000
12,563	Balance at 1 April	12,243
(305)	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(783)
(15)	Difference in interest on stepped rate loans (existing 31 March 2007)	(16)

(320)	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	(799)
12,243	Balance at 31 March	11,444

The balance on the Financial Instruments Adjustment Account relates to:

31 March 2023 £000		31 March 2023 £000
10,775	Premiums and discounts associated with the refinancing of loans	10,469
1,462	Borrowing where the loan is a stepped interest rate loan	975
6	Loans to third parties granted at less than market interest rates	-
12,243		11,444

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.

2022/2023 £000		2023/2024 £000
66,915	Balance at 1 April	31,203
(70,933)	Actuarial (gains) or losses on pensions assets and liabilities	2,478
(72)	Difference between actuarial pensions contribution figure and actual pensions contribution figure	128
61,526	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	26,818
(26,233)	Employer's pensions contributions and direct payments to pensioners payable in the year	(28,406)
31,203	Balance at 31 March	32,221

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.

2022/2023 £000		2023/2024 £000
12,624	Balance at 1 April	12,771
(12,624)	Settlement or cancellation of accrual made at the end of the preceding year	(12,771)
12,771	Amounts accrued at the end of the current year	13,446
147	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	675
12,771	Balance at 31 March	13,446

The above balance relates entirely to untaken holidays.

13 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2022/2023		2023/2024
£000		£000
(1,562)	Interest received	(1,521)
32,434	Interest paid	34,063
(136)	Dividends received	(138)

14 Cash Flow Statement – Investing Activities

2022/2023		2023/2024
£000		£000
48,170	Purchase of property, plant and equipment, investment property and intangible assets	83,534
1,691	Other payments for investing activities	2,628
(3,077)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,356)
(1,837)	Other receipts from investing activities	(1,681)
44,947	Net cash flows from investing activities	82,125

15 Cash Flow Statement – Financing Activities

2022/2023		2023/2024
£000		£000
-	Cash receipts of short and long-term borrowing	(10,000)
-	Other Receipts from Financing Activities - Financing Arrangement	-
4,651	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	4,992
26,496	Repayments of short- and long-term borrowing	(55,859)
31,147	Net cash flows from financing activities	(60,867)

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2023	Financing Cash Flows	Non-cash Acquisition	Changes Other	31 March 2024
	£000	£000	£000	£000	£000
Long-term Borrowings	(507,782)	13,260	-	-	(494,522)
Short-term Borrowings	(16,010)	(79,119)	-	32	(95,097)
Financing Arrangement Liabilities	(22,518)	364	-	-	(22,154)
On Balance Sheet PFI Liabilities	(141,577)	4,628	-	-	(136,949)
Total Liabilities from Financing	(687,887)	(60,867)	0	32	(748,722)

16 Cash Flow Statement – Cash and Cash Equivalents

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

31 March 2023		31 March 2024
£000		£000
255	Cash held by the Council	249
(197)	Bank current accounts	(13,958)
12,631	Short-term deposits with banks and building societies	15,335
12,689	Total cash and cash equivalents	1,626

17 Agency Services

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

	2022/2023 (Income) £000	2022/2023 Expenditure £000	2023/2024 (Income) £000	2023/2024 Expenditure £000
<u>The main items of income and related expenditure which are included in the Comprehensive Income and Expenditure Accounts are:</u>				
Non-Covid:				
Special Education services to Various Local Authorities	(1,253)	1,253	(1,309)	1,309
Scottish Water Income	(563)	-	(627)	-
Improvement Service - Implementation of National Entitlement Card	(1,944)	1,944	(1,572)	1,572
Storm Babet Flood Recovery Grant	-	-	(221)	175
<u>The main items of income and related expenditure which are not included in the Comprehensive Income and Expenditure Accounts are:</u>				
Non-Covid:				
Tay Cities Region Deal	(36,633)	36,633	(42,473)	42,473
SG - Cost of Living	(8,793)	8,793	-	-
Covid:				
SG - Business Support Grants	(195)	-	-	-
SG - Self Isolation Funding	(621)	621	-	-
	(50,002)	49,244	(46,202)	45,529

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:

	2022/2023 £000	2023/2024 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	419	444
Total	419	444

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 £24.2m to Teachers' Pensions in respect of teachers' retirement benefits, representing 31.8% of pensionable pay. The figures for 2022/23 were £22.5m and 31.5%. 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 2025 are £27.7m.

20 Defined Benefit Pension Schemes

The Tayside Pension Fund is administered by Dundee City Council within the Local Government Pension Scheme regulations.

Tayside Pension Fund is maintained for the benefit of its membership (including existing and deferred pensioners). This comprises the majority of Local Government employees within Dundee City Council, Perth and Kinross Council and Angus Council as well as 39 other bodies. Teachers are not included in the Scheme as they have a separate, nationally established, statutory arrangement.

The Local Government Pension Scheme is voluntary and is open to all employees of the Scheduled and Admitted Bodies. A list of Tayside Pension Fund’s scheduled and admitted bodies is shown below.

The employers with active members as at 31 March 2024 were as follows –

Scheduled Bodies (12)

Angus Council	Scottish Police Authority (Civilians)
Dundee City Council	TACTRAN
Dundee and Angus College	Tayplan
Perth & Kinross Council	Tay Road Bridge Joint Board
Perth College	Tayside Contracts
Scottish Fire & Rescue Service (Civilians)	Tayside Valuation Joint Board

Admitted Bodies (29)

Abertay Housing Association	Leisure and Culture Dundee
Angus Alive	Live Active Ltd
Care Inspectorate	Mitie PFI Ltd
Culture Perth & Kinross	Montrose Links Trust
Dorward House	Montrose Port Authority
Dovetail Enterprises	Perth & Kinross Countryside Trust
Duncan of Jordanstone College of Art	Perth & Kinross Society for the Blind
Dundee Citizens' Advice Bureau	Perth Citizens' Advice Bureau
Dundee Contemporary Arts Ltd	Perth Theatre Co Ltd
Dundee Science Centre	Robertsons Facilities Management
Dundee Voluntary Action	Rossie Secure Accommodation Services
Forfar Day Care Committee	Scottish Social Services Council
Highlands & Islands Airports Ltd	Sodexo
idverde	University of Abertay, Dundee
	Xplore Dundee

Scheduled Bodies are those detailed in Schedule 2 Part 1 of the Regulations, with the most current being in the Local Government Pension Scheme (Scotland) Regulations 2014. For example, the bodies are Local Authorities, Colleges, Transport Authorities.

Admitted Bodies are those described in Schedule 2 Part 2 of the same Regulations and detail the type of bodies along with the requirements to be considered prior to admission (and the signing of the formal admission agreement).

Under the Local Government Pension Scheme (Administration) (Scotland) Regulations, there is a requirement for the Council to publish a pension fund annual report. The report covers, among other thing, scheme governance, financial statements, governance compliance, membership statistics and information on investment and market valuations. The Audited Annual Report will be available on the [Pension Fund website](#).

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	
	2022/2023 £000	2023/2024 £000
<i>Cost of Services:</i>		
<i>Service cost comprising:</i>		
• current service cost	59,732	28,167
• past service costs	-	-
• (Gains)/Losses on settlements and curtailments	-	150
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability	1,400	(1,955)
• administration expenses	394	456
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	61,526	26,818
<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)	124,236	(136,993)
• Other actuarial gains / (losses) on assets: impact of asset ceiling	391,325	77,381
• Changes in demographic assumptions	-	(22,977)
• Changes in financial assumptions	(699,199)	(8,135)
• Experience loss / (gain) on defined benefit obligation	112,705	93,202
• Difference between actuarial pensions contribution figure and actual pensions contribution figure	(72)	128
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(9,479)	29,424

Movement in Reserves Statement

• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(61,526)	(26,818)
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Actual amount charged against the General Fund Balance for pensions in the year:

• employers' contributions payable to scheme	26,233	28,406
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Reconciliation of opening and closing balances of the present value of the defined benefit obligation (scheme liabilities):

	Year to 31 March 2023 £000	Year to 31 March 2024 £000
Opening defined benefit obligation	1,737,121	1,604,803
Current service cost	59,732	28,167
Interest cost	44,629	58,115
Contributions by scheme participants	8,778	10,040
Remeasurement (gains) and losses:		
• Changes in financial assumptions	(699,199)	(8,135)
• Changes in demographic assumptions	-	(22,977)
• Experience loss / (gain) on defined benefit obligation	112,705	93,202
• Impact of asset ceiling	391,325	90,181
Curtailments	-	150
Benefits paid	(47,751)	(53,557)
Past service costs	-	-
Unfunded pension payments	(2,537)	(2,735)
Closing defined benefit obligation	1,604,803	1,797,254

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

	Year to 31 March 2023 £000	Year to 31 March 2024 £000
Opening fair value of fund assets	1,670,206	1,573,600
Interest	43,229	80,108
Remeasurement gains and (losses):		
• Return on plan assets, excluding the amount included in the net interest expense	(124,236)	136,993
• Other actuarial gains / (losses)	-	(7,238)
Employer contributions	26,305	28,278
Administration Expenses	(394)	(456)
Contributions by scheme participants	8,778	10,040
Benefits paid	(50,288)	(56,292)
Closing fair value of fund assets	1,573,600	1,765,033

Local Government Pension Scheme Assets

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

	31 March 2023 £000	%	31 March 2024 £000	%
Equities				
Consumer	197,099	12	145,917	8
Manufacturing	64,835	4	145,917	8
Energy and Utilities	72,616	5	36,919	2

Financial Institutions	233,407	15	147,675	8
Health and Care	173,759	11	96,692	6
Information Technology	150,418	9	131,853	8
Investment Funds Unit Trusts	-	-	476,429	27
Others	233,407	15	91,418	5
	1,125,541	71	1,272,820	72
Gilts				
Government Bonds	31,338	2	111,366	6
	31,338	2	111,366	6
Other Bonds				
Corporate Bonds (Investment Grade)	51,959	3	75,552	4
Investment Funds Unit Trusts	156,397	10	31,627	2
Others	9,872	1	8,785	1
	218,228	14	115,964	7
Property				
UK Property	155,491	10	151,240	9
Overseas Property	-	-	5,215	-
	155,491	10	156,455	9
Cash				
Cash and Cash Equivalents	43,002	3	108,428	6
Foreign Exchange	-	-	-	-
	43,002	3	108,428	6
Total	1,573,600	100	1,765,033	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 2023			31 March 2024		
	Quoted %	Unquoted %	Total %	Quoted %	Unquoted %	Total %
Equities	43	28	71	43	29	72
Gilts	2	-	2	6	-	6
Other Bonds	12	2	14	7	-	7
Property	10	-	10	9	-	9
Cash etc	3	-	3	6	-	6
Total	70	30	100	71	29	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 2023	31 March 2024
Life expectancy (years) from age 65 for current pensioners i.e. those retiring today:		
Men	19.0	18.9
Women	22.4	21.6

Life expectancy (years) from age 65 for future pensioners i.e. those retiring in 20 years time:

Men	20.4	20.2
Women	23.9	23.1
Rate of inflation (CPI)	2.9%	2.9%
Rate of increase in salaries	3.9%	3.9%
Rate of increase in pensions	2.9%	2.9%
Rate for discounting scheme liabilities	4.8%	4.85%
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)	1,106	(1,076)
Rate of increase in salaries (increase or decrease by 0.1%)	19	(19)
Rate of increase in pensions (increase or decrease by 0.1%)	969	(937)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(925)	956

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 £23.573m. The actuarial assumption for the duration of past service liabilities is 16 years (2022/2023: 15 years).

Expected contributions for the Discretionary Benefit Scheme in the year to 31 March 2025 are £3.138m.

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 2024 and 26 June 2024 that would require adjustments to the 2023/2024 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. 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. 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 2022/2023		As at 31 March 2023			During 2023/2024		As at 31 March 2024	
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
1,310	-	-	941	Tayside Pension Fund	1,542	-	-	437

Employer's contributions paid to the Tayside Pension Fund are in addition to the above and are disclosed in Note 20.

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:

During 2022/2023		As at 31 March 2023			During 2023/2024		As at 31 March 2024	
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
-	2	-	-	Ardler Village Trust Comp	48	1	-	-
-	13,313	-	-	Discovery Education PLC	-	15,369	-	-
14	620	121	4	Dovetail Enterprises (1993) Ltd	23	881	140	2
11	78	72	19	Dundee Contemporary Arts Ltd	22	1	21	19
134,248	106,521	-	15,706	Dundee Health & Social Care Integration Joint Board	104,333	104,333	-	9,678
-	509	-	-	Dundee Rep Theatre	-	469	-	-
-	231	-	-	Dundee Science Centre Enterprises Ltd	-	294	-	-
-	7	-	-	Dundee Science Ce	4	35	-	29
17	2,696	277	-	Hub East Central (Baldragon) Ltd	26	2,819	262	2
877	11,669	557	634	Leisure and Culture Dundee	542	12,278	684	437
115	36	115	-	Michelin Scotland Innovation Parc Limited	16	30	-	-
83	-	-	312	Tay Cities Deal Joint Committee	-	-	-	290
174	12	4	128	Tay Road Bridge Joint Board	246	-	1	347
2,626	26,855	12,287	1,818	Tayside Contracts Joint Committee	2,970	33,960	14,965	434
75	956	151	7	Tayside Valuation Joint Board	85	902	188	28
-	351	166	-	V&A Dundee	-	351	173	-

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 2023 £000	31 March 2024 £000
Operational Building	22,576	21,623
Land	670	670
Total	23,246	22,293

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.

Financing Arrangement Liabilities (net present value of minimum financing arrangement payments):	31 March 2023 £000	31 March 2024 £000
Current	364	376
Non-Current	1,575	1,625
Finance Costs payable in future years	20,579	20,154
Total Minimum Financing Arrangement Payments	22,518	22,155

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

	Minimum Financing Arrangement Payments		Financing Arrangement Liabilities	
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Not later than one year	742	747	378	371
Later than one year and not later than five years	3,023	3,046	1,448	1,421
Later than five years	26,903	26,133	6,324	5,979
	30,668	29,926	8,150	7,771

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 2024 the minimum payments expected to be received under non-cancellable sub-leases was £2.530m (£0.247m at 31 March 2023).

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 2023 £000	31 March 2024 £000
Not later than one year	312	720
Later than one year and not later than five years	827	1,711
Later than five years	-	333
	1,139	2,764

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:

	2022/2023 £000	2023/2024 £000
Minimum lease payments	781	901
Less Employee Contributions	(71)	(66)
	710	835

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 2023/2024.

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:

	2022/2023 £000	2023/2024 £000
Not later than one year	6,775	7,175
Later than one year and not later than five years	20,724	24,055
Later than five years	98,506	96,848
	126,005	128,078

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:

	2022/2023 £000	2023/2024 £000
Rental income from investment property	1,409	1,331
Direct operating expenses arising from investment property	(32)	(162)
Net gain/(loss)	1,377	1,169

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:

	2022/2023 £000	2023/2024 £000
Balance at start of the year	13,573	13,073
Disposals	-	-
Net gains/(losses) from fair value adjustments	(500)	-
Transfers:		
- (to)/from Property, Plant and Equipment	-	-
Balance at end of the year	13,073	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 2024 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 2024 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	7,589	-	7,589
Office Units	-	134	-	134
Commercial Units	-	5,350	-	5,350
Total	-	13,073	-	13,073

2023 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 2023 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	7,589	-	7,589
Office Units	-	134	-	134
Commercial Units	-	5,350	-	5,350
Total	-	13,073	-	13,073

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.

	2022/2023 £000	2023/2024 £000
Opening Gross Book Value	4,239	4,924
Additions	685	-
Closing Gross Book Value	4,924	4,924
Opening Accumulated Amortisation	1,752	2,384
Amortisation Charge for the Year	632	739
Closing Accumulated Amortisation	2,384	3,123
Closing Net Book Value	2,540	1,801

26 Impairment Losses

Impairment losses charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement during 2023/2024 totalled £18.600m (2022/2023 £21.469m).

Of this total, £18.290m (2022/2023 £21.114m) relates to expenditure in the year which did not add value to assets. £8.619m (2022/2023 £7.839m) relates to expenditure on Council Houses, £3.639m (2022/2023 £4.271m) relates to expenditure on schools and the remaining £6.032m (2022/2023 £9.004m) relates to expenditure on other Council land & buildings.

The remaining £0.310m (2022/2023 £0.355m) 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 2023/2024:

	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 2023	540,888	983,589	116,556	355,999	6,493	5,599	22,750	2,031,874	138,191	33,157	60,348
Additions	11,882	10,777	3,996	21,623	-	-	37,352	85,630	120	-	11
Revaluation inc/(dec) recognised in the Revaluation Reserve	(37,961)	68,982	-	-	-	916	-	31,937	17,890	7,835	-11
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(15,694)	(4,550)	-	(872)	-	24	-	(21,092)	(100)	-	-
Disposals	-	(438)	(974)	-	-	-	-	(1,412)	-	-	-
Reclassification within PPE	10,277	9,087	-	-	-	0	(19,364)	0	-	-	-
At 31 March 2024	509,392	1,067,447	119,578	376,750	6,493	6,539	40,738	2,126,937	156,101	40,991	60,348
Accumulated Depreciation and Impairment											
At 1 April 2023	0	(13,428)	(97,360)	(147,482)	-	-	-	(258,270)	-	-	-
Depreciation charge	(18,877)	(38,554)	(4,162)	(11,107)	-	-	-	(72,700)	(5,780)	(1,108)	(1,536)
Depreciation written out to the Revaluation Reserve	18,694	32,162	-	-	-	-	-	50,856	5,780	1,108	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	183	2,308	-	-	-	-	-	2,491	-	-	-
Disposals	-	-	895	-	-	-	-	895	-	-	-
At 31 March 2024	-	(17,512)	(100,627)	(158,589)	-	-	-	(276,728)	-	-	(1,536)
Net Book Value:											
At 31 March 2024	509,392	1,049,934	18,950	218,161	6,493	6,539	40,738	1,850,207	156,101	40,991	58,812
At 31 March 2023	540,887	970,160	19,196	208,518	6,493	5,599	22,750	1,773,603	138,191	33,157	65,308

Comparative 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)	69,696	-	-	-	565	-	69,986	25,076	4,168	-
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(7,839)	(25,563)	-	(942)	-	-	-	(34,344)	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	983,589	116,556	-	6,493	5,599	22,750	1,691,339	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	75,322	85,919	-	-	-	-	-	161,241	17,936	2,289	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	10,404	-	-	-	-	-	10,404	2	1,257	-
Disposals	-	-	1,907	-	-	-	-	1,907	-	-	-
At 31 March 2023	0	(13,429)	(97,360)	-	-	-	-	(122,049)	-	-	(1,633)
Net Book Value:											
At 31 March 2023	540,887	970,160	19,196	208,518	6,493	5,599	22,750	1,773,603	138,191	33,157	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 2024, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/2025 and future years budgeted to cost £109m. Similar commitments at 31 March 2023 were £128m. The major commitments are:

- East End Community Campus - £70.7m
- Site 6 South Development - Offices- £19.8m
- Green Transport Hub & Spokes Pre-construction and Enabling Works - £5.1m
- Schools Connectivity – £1.8m
- Increased Supply of Council Houses - £1.6m

This gross expenditure of £109m will be funded from a combination of Council Borrowing, Grants and Contributions.

Effects of Changes in Estimates

In 2023/2024, 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 2021/2022 was the first year of the current revaluation programme. The effective date for the 2023/2024 revaluations is 31 March 2024.

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. To provide additional assurance on the carrying value of assets not included in the current year of the revaluation cycle, a value indexation exercise was completed on DRC valued assets, to assess the impact of inflation on DRC based asset valuations.

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	-	-	3,977	-	3,977

Valued at fair value as at:					
31 March 2024	(34,778)	105,155		939	71,316
31 March 2023	75,210	11,888	-	340	87,438
31 March 2022	-	11,888	-	340	12,228
31 March 2021	-	(5,146)	-	205	(4,941)
31 March 2020	-	(2,720)	-	300	(2,420)
Total Cost or Valuation	40,432	121,065	3,977	2,124	167,598

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.

	2022/2023 £000	2023/2024 £000
<i>Opening Capital Financing Requirement</i>	776,698	779,043
<i>Capital investment</i>		
Property, Plant and Equipment	52,230	85,123
Intangible Assets	685	-
Revenue Expenditure Funded from Capital under Statute	404	506
<i>Sources of finance:</i>		
Capital receipts	(3,076)	(2,356)
Government grants and other contributions	(22,617)	(32,555)
Transfer from Capital Grants & Receipts Unapplied Account	(1,799)	(1,685)
Application of PFI retrospective flexibility	-	39,773
Application of PFI in-year flexibility	-	3,600
<i>Sums set aside from revenue:</i>		
• Direct revenue contributions	(2,611)	(2,836)
• Loans fund principal	(20,871)	(22,251)
<i>Closing Capital Financing Requirement</i>	779,043	846,362
<i>Explanation of movements in year</i>		
Increase / (Decrease) in underlying need to borrowing (unsupported by government financial assistance)	6,995	28,944
Increase/ (Decrease) in PFI debt repayment flexibility	-	43,373
Increase/ (Decrease) in PFI/PPP obligation	(2,339)	(2,582)
Increase/ (Decrease) in DBFM obligation	(943)	(947)
Increase/ (Decrease) in Service Concession Arrangement	(1,016)	(1,099)
Increase/ (Decrease) in Financing Arrangement	(352)	(364)
<i>Increase/(decrease) in Capital Financing Requirement</i>	2,345	67,325

29 Private Finance Initiatives and Similar Contracts

i) Education Services PFI Scheme

2023/24 was the 16th 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 2024 (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 2024/25	4,458	3,190	7,674	1,158	16,480
Payable within 2-5 years	18,975	13,733	31,387	6,051	70,146
Payable within 6 - 10 years	26,512	18,705	39,694	13,098	98,009
Payable within 11 - 15 years	23,927	21,029	37,403	6,102	88,461
TOTAL	73,872	56,657	116,158	26,409	273,096

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:

	2022/2023 £000	2023/2024 £000
Balance at the start of the year	61,580	59,240
Payments during the year	(2,340)	(2,583)
Balance at year-end	59,240	56,657

ii) Baldragon DBFM Project

2023/24 was the 7th 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 2024 (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 2024/25	313	964	1,125	405	2,807
Payable within 2-5 years	1,332	4,192	4,107	1,787	11,418
Payable within 6 - 10 years	1,861	6,020	4,121	2,737	14,739
Payable within 11 - 15 years	2,107	6,992	2,825	3,396	15,320
Payable within 16 - 20 years	1,735	4,995	974	4,256	11,960
TOTAL	7,348	23,163	13,152	12,581	56,244

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:

	2022/2023 £000	2023/2024 £000
Balance at the start of the year	25,013	24,070
Payments during the year	(943)	(947)
Balance at year-end	24,070	23,123

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 2024 (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 2024/25	4,066	1,189	4,800	-	10,055

Payable within 2-5 years	17,461	5,544	18,379	323	41,707
Payable within 6 - 10 years	25,475	8,853	20,057	1,578	55,963
Payable within 11 - 15 years	28,515	14,078	16,866	391	59,850
Payable within 16 - 20 years	33,200	18,851	10,308	2,433	64,792
Payable within 21 - 25 Years	11,987	8,654	1,857	-	22,498
TOTAL	120,704	57,169	72,267	4,725	254,865

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:

	2022/2023 £000	2023/2024 £000
Balance at the start of the year	59,284	58,268
Repayments during the year	(1,016)	(1,099)
Balance at year-end	57,169	57,169

iv) Application of PFI Service Concession Arrangement Flexibilities

In accordance with Accounting Policy R on page 63 and Finance Circular 10/2022, the Council has applied a permitted PFI Service Concession Arrangement (SCA) flexibility in financial year 2023/24 on a retrospective annuity basis to the three SCA's currently in place.

By applying the flexibility, a one-off combined pre 2023/24 retrospective saving of £39.773m has been achieved with the resultant benefit added to Council earmarked revenue reserves. In addition to the one-off retrospective element, an in-year, budgeted, saving occurred in scheduled debt repayments in 2023/24, of £3.600m. Debt repayment savings will be generated until SCA contracts have been repaid, followed by statutory charges over the remaining lives of the assets. Over the full asset lives of the SCA's the total repayment for the debt liability remains the same.

In order to ensure that the SCA flexibility being applied is prudent, sustainable, and affordable over the life of the assets, the Council will manage its effect and utilisation through an earmarked reserve specifically set up for this purpose. The earmarked reserve will be used to capture the benefits and costs arising from the flexibility and to ensure a smoothed profile for planned use at budget-setting. Please refer to Note 10 for more details.

	Current (contractual) repayment £000	Revised (statutory) repayment £000	(Reduction)/ cost £000
Pre 2023/24	47,268	7,495	(39,773)
Paid in 2023/24	4,628	1,028	(3,600)
Payable 2-5 years	22,475	4,737	(17,738)
Payable 6-10 years	32,067	7,638	(24,429)
Payable 11-15 years	44,900	10,182	(34,718)
Payable 16-20 years	24,133	13,653	(10,480)
Payable 21-25 years	13,374	18,422	5,048
Payable 26-30 years	-	25,009	25,009
Payable 31-35 years	-	34,163	34,163
Payable 36-40 years	-	34,702	34,702
Payable 41-45 years	-	24,615	24,615
Payable 46-50 years	-	7,201	7,201
TOTAL	188,845	188,845	0

Impact on CIES and Balance Sheet.

The reprofiling of the debt liability repayments increases the Capital Financing Requirement (CFR) by £39.773m as at 1 April 2023. The increase in the CFR (Note 28) will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2024 has the following impact on the 2023/24 Balance sheet (Capital Adjustment Account) and Movement in Reserves statement:

	Retrospective £000	In-year £000	Total £000
Capital Adjustment Account (note 12)	39,773	3,600	43,373
Movement in Reserves Statement (Note 9)	(39,773)	(3,600)	(43,373)

30 Assets Held for Sale

	2022/2023 £000	2023/2024 £000
Balance at start of year	4,593	5,893
Assets newly classified as held for sale:		
• Property, Plant and Equipment	2,829	-
Revaluation gains/(losses)	(1,222)	(251)
Assets sold	(307)	(1,149)
Balance at year-end	5,893	4,493

31 Short Term Debtors

	31 March 2023 £000	31 March 2024 £000
Central government bodies	20,989	19,203
Other local authorities	6,360	7,068
NHS bodies	2,067	1,239
Public corporations and trading funds	11	116
Other entities and individuals	33,844	30,636
Total	63,271	58,262

32 Short Term Creditors

	31 March 2023 £000	31 March 2024 £000
Central government bodies	37,726	25,458
Other local authorities	16,232	12,125
NHS bodies	748	296
Public corporations and trading funds	836	1,120
Other entities and individuals	64,574	59,746
Total	120,116	98,745

33 Provisions

Self-Insured / Uninsured Losses				
	Dundee City Council £000	ex-TRC/DDC Funds £000	Construction Services £000	Total £000
Balance at 1 April 2023	4,994	491	196	5,681
Additional provisions made in year	2,670	-	93	2,763
Amounts used in year	(2,067)	(142)	(98)	(2,307)
Unused amounts reversed in year	(1,840)	-	-	(1,840)
Balance at 31 March 2024	3,757	349	191	4,297

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. The provision relates to ongoing insurance claims and legal cases against the Council and represent the Council's share of the insurer's estimate of settlement costs.

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 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 £25.482m (31 March 2023: £24.643m) 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 £5.557m (31 March 2023: £5.342m) 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 £6.989m (31 March 2023: £6.028m) 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 £4.854m (31 March 2023: £5.390m) 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 £1.069m (31 March 2023: £1.191m) 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 2023.

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 2023.

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 2023.

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 recognised that, whilst facilities are now fully operational, income levels will take some time to be restored to pre-pandemic levels. To provide certainty, stability and time for Leisure and Culture Dundee to develop a balanced budget from 2024/25 onwards Dundee City Council has confirmed its continuing financial support to cover the deficit position for a period until 31 March 2024. In December 2023, it was further agreed that the

Chief Executive be authorised to extend the support to Leisure and Culture Dundee to 30 June 2024 should this be necessary. The Council will also 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 2023.

35 Contingent Assets

There were no Contingent Assets at 31 March 2024 (31 March 2023: nil).

36 Grant Income

The Council credited grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/2024. These included the following grants and contributions:

Credited to Taxation and Non Specific Grant Income	2022/2023 £000	2023/2024 £000
RSG & Non-Specific Grants	(310,066)	(277,744)
Contribution from NNDR Pool	(35,581)	(73,704)
Capital Grants	(23,073)	(38,257)
Council Tax	(60,970)	(64,124)
Total	(429,690)	(453,829)

Credited to Services:	2022/2023 £000	2023/2024 £000
UK Govt: Furlough Income	(23)	-
Various Covid - 19 Grants	(5,591)	(590)
UK Government: Levelling-Up Fund: Multiply Grant	-	(442)
UK Government: UK Shared Prosperity Fund	-	(661)
Various: Contributions to BBC Radio 1 Big Weekend	-	(216)
Scottish Government: Growth Accelerator Model	(2,039)	(2,040)
Scottish Government: Smarter Choices Smarter Places	(114)	(143)
Scottish Government: Employability	(3,260)	(2,075)
Scottish Government: Air Quality Grant	(276)	(152)
Various: Contribution to 5G Testbed	(243)	(890)
Various: Contribution toward Dundee to London flight	(741)	(2,491)
TACTRAN / SESTRAN: Active Travel Infrastructure Fund	(366)	(689)
Scottish Government: Bus Partnership Fund	(543)	(336)
SWARCO UK Ltd: Electric Vehicle Charging Project	(344)	-
Scottish Government: Switched on Fleets Grant	(234)	-
Private Sector Housing Grant	(664)	(541)
NHS Tayside: Community Equipment	(371)	(371)
NHS Tayside: Alcohol & Drugs Project Team	(1,614)	(2,464)
Angus Council: Contribution to Joint Equipment Service	(898)	(904)
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	-	-
NHS Tayside: Integration	(3,203)	(2,941)
MacMillan Cancer Care: Local Authority Partnership	(229)	(345)
Hillcrest Homes: Contribution to Community Wellbeing Centre	(244)	-
UK Government, Home Office - Syrian Refugees	(329)	(222)
Various: Ukrainian Refugees	(2,235)	(2,852)
Scottish Government: ASSIST (Court Advocacy) Victim Centred Approach Fund	(469)	(589)
NHS Tayside: Contribution to various Mental Health projects	(740)	(576)
NHS Tayside: Contribution for DCIJB Operational costs	(181)	(267)

Scottish & UK Governments: Opportunities for All Grant	(124)	(191)
Big Lottery Fund: Dundee Money Action	(22)	-
Sports Council Contribution to Sports Co-ordinators	(318)	(328)
Scottish Government: Attainment Challenge - Primary	(3,947)	(2,278)
Scottish Government: Attainment Challenge - Secondary	(996)	(1,081)
Scottish Government: Pupil Equity Fund	(6,058)	(6,393)
Scottish Government: Early Learning Childcare (ELC) Delivery Model Grant	(17,600)	(16,111)
Scottish Government: Community Mental Health and Wellbeing	(645)	(460)
Scottish Government: Milk and Healthy Snack Scheme	(307)	(316)
Scottish Government: Tayside Regional Improvement Collaborative	(757)	(797)
Other LAs: Early Years Cross Border payments	(429)	(341)
Scottish Futures Trust: Share of Service Cost element for Baldrigon Academy	(294)	(315)
Scottish Government: Care Experienced Children & Young People funding	(332)	(311)
UK Home Office: Refugee Social Care costs	(661)	(601)
Criminal Justice Grant	(4,769)	(4,847)
Improvement Service: National Entitlement Card	(1,923)	(1,623)
Scottish Government: Scottish Cities Alliance	-	(563)
DWP: Rent Allowances/Rebate Subsidies (prev Housing Benefit Subsidy)	(46,298)	(46,465)
DWP: Housing Benefit / Council Tax Benefit Administration	(814)	(777)
Scottish Government: Flexible Childcare Services Scotland	-	(509)
NHS: Contribution to The Crescent	-	(230)
NHS Tayside: Shared Care Home Costs	-	(259)
Various: Contribution to Resident's Care Home costs	-	(856)
Arts Council Grants: Youth Music	-	(275)
Scottish Government: School Aged Childcare - Early Adopter Project	-	(275)
Angus Council: Contribution to Out of Hours Service	-	(212)
Other Local Authorities (Angus & P&K): Contribution to Tay Project	-	(212)
Scottish Government: Child Poverty Pathfinder	-	(302)
Other Miscellaneous Grants	(3,036)	(2,376)
Total	(128,266)	(124,617)

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 2023 £000	31 March 2024 £000
Section 75 Contributions	(3,152)	(3,765)
Scottish Government: Low Carbon Transport - JIVE	(3,506)	(13)
Various: Community Wellbeing Centre	-	-
UK Government: UK Shared Prosperity Fund	(211)	(96)
Scottish Government: Low Emission Zone	(371)	(282)
Scottish Power: Place Based Investment Funding	(638)	-
UK Govt: Department for Transport: Green Transport (Bell St)	-	(2,106)
EU: LCTT Waterfront Place Active Travel HUB ERDF Grant	-	(105)
Other Miscellaneous Capital Grants Receipts in Advance	(223)	(175)
Total	(8,101)	(6,542)

Revenue Grants Receipts in Advance:	31 March 2023 £000	31 March 2024 £000
Improvement Service: National Entitlement Card	(738)	(679)
Scottish Cities Alliance	(254)	-
Northwood Trust: Cost of Living Funding	-	(150)
Scottish Govt/EU: Employability / PESF	(2,360)	(1,056)
UK Government: Community Renewal Fund.	-	-
UK Government: Levelling Up	(1,111)	(647)
Scottish Government: Covid Business Support	-	-

Scottish Government: Pupil Equity Fund	(1,986)	(700)
Scottish Government: ELC Delivery Model Grant	(1,767)	-
Scottish Government: Attainment Challenge	(205)	-
British Council: Erasmus + Pan Tayside Language Training Programme	-	-
Scottish Govt: Children & Young People's Mental Health & Wellbeing (CYPMHW) Grant.	-	-
UK Government, Home Office: Refugees	(573)	(571)
Scottish & UK Government: Home Office: Ukrainian Refugees	(2,786)	(3,774)
MacMillan Cancer Care: Cancer Support	(774)	-
DWP: Energy Bill Support Scheme	(575)	-
Scottish Government: Home Energy Efficiency Programmes	(249)	(582)
Other Miscellaneous Grants	(1,735)	(1,210)
Total	(15,113)	(9,369)

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 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000
Investments				
Equity Instruments Designated at Fair Value Through Other Comprehensive Income & Expenditure	-	-	3,132	3,252
Unquoted equity investment at cost	29	29	-	-
Total investments	29	29	3,132	3,252
Debtors				
Loans and receivables:				
Cash and Bank	-	-	255	249
Other Short Term Deposits	-	-	12,631	15,336
Soft Loans	94	100	-	-
Other Loans at Market Rates	10,227	10,995	-	-
Financial assets carried at contract amounts:				
Sundry Debtors including trade receivables	-	-	63,271	58,378
Total Debtors	10,321	11,095	76,157	73,963
Borrowings				
Financial liabilities at amortised cost:				
Borrowing Repayable:				
Public Works Loan Board	(466,320)	(463,830)	(11,758)	(12,509)
Lender Option/Borrower Option	(41,462)	(30,975)	(415)	(417)
Other	-	-	(2,313)	(75,952)
Temporary Advances from Other Accounts	-	-	(1,524)	(1,665)
Bank Overdraft	-	-	(197)	-
Total borrowings	(507,782)	(494,805)	(16,207)	(90,543)
Creditors				

Financial liabilities carried at contract amount:				
Sundry creditors including trade payables	-	-	(120,116)	(98,861)
Total Creditors	-	-	(120,116)	(98,861)

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:

		Financial Liabilities	2023/2024 Financial Assets	Financial Assets	2023/2024 Total £000
		Liabilities measured at amortised cost £000	Loans and receivables £000	Investments £000	
2022/2023 £000					
32,434	Interest Expense	34,063	-	-	34,063
32,434	Total expense in Surplus or Deficit on the Provision of Services	34,063	-	-	34,063
(1,562)	Interest Income	-	(1,476)	(45)	(1,521)
(1,562)	Total income in Surplus or Deficit on the Provision of Services	-	(1,476)	(45)	(1,521)
460	(Gains) or Losses on revaluation	-	-	(120)	(120)
460	(Gains) or Losses in Other Comprehensive Income & Expenditure	-	-	(120)	(120)
31,332	Net (gain)/loss for the year	34,063	(1,476)	(165)	32,422

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 2024 of 1.26% to 9.13% for loans from PWLB and 4.10% to 6.60% 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:

31 March 2023				31 March 2024			
Note	Carrying Amount £000	Fair Value £000	Principal Amount Outstanding £000	LOBO Accounting Adjustment £000	Add Accrued Interest £000	Carrying Amount £000	Fair Value £000
Financial liabilities:							
Borrowing							
Repayable:							

Public Works Loan Board	i	(478,078)	(416,734)	(473,848)	-	(4,230)	(478,078)	(416,734)
Lender Option/Borrower Option (LOBO)	i	(41,877)	(38,882)	(30,000)	(975)	(417)	(31,392)	(25,188)
Other	i	(2,313)	(2,313)	(75,952)	-	-	(75,952)	(75,952)
Temporary Advances from Other Accounts	ii	(1,524)	(1,524)	(1,665)	-	-	(1,665)	(1,665)
Bank Overdraft	iii	(197)	(197)	(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 2024, 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.

		31 March 2023		31 March 2024	
	Note	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Loans and receivables:					
Cash and Bank	i	255	255	249	249
Other Short term Deposits	i	12,631	12,631	15,336	15,336
Short-term debtors:					
Soft Loans	ii	-	-	-	-
Long-term debtors:					
Other Loans at Market rates	iii	11,812	11,812	12,765	12,765

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 2024 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 2024 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2024 %	Estimated maximum exposure to default and uncollectability at 31 March 2024 £000	Estimated maximum exposure at 31 March 2023 £000
	A	B	C	(A x C)	
Financial Institutions (F1)	15,336	-	-	-	-
				-	-

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 2023 £000	31 March 2024 £000
Less than one year	9,821	88,188
Between one and two years	12,509	10,010
Between two and five years	27,533	27,536

Between five and ten years	15,027	15,014
More than ten years	451,270	441,270
	516,160	582,018

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 2024, 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	757
Increase in interest receivable on variable rate investments	Nil
Impact on Surplus or Deficit on the Provision of Services	757
Share of overall impact debited to the HRA	220
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)	50,352

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 2023/2024, 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 Income & Expenditure Account below summarises the transactions in the year and the Balance Sheet summarises the assets and liabilities at the year end.

2022/2023 (restated) £000	Income and Expenditure	A £000	B £000	C £000	D £000	E £000	F £000	2023/2024 Total £000
(436)	Rental income	(8)	-	-	(49)	-	(422)	(479)
(46)	Interest on investments	-	-	-	(34)	-	(92)	(126)
(482)	Total income	(8)	0	0	(83)	0	(514)	(605)
512	Expenditure	8	-	-	35	-	266	309
30	Net (income) / expenditure	0	0	0	(48)	0	(248)	(296)

Balance Sheet

2022/2023 (restated) £000		A £000	B £000	C £000	D £000	E £000	F £000	2023/2024 Total £000
	Fixed Assets							
8,668	Dwellings	236	157	-	-	-	8,049	8,442
2,210	Land and Buildings	-	2,603	149	-	-	-	2,752
395	Community Assets	185	169	40	1	-	-	395
59	Infrastructure	26	33	-	-	-	-	59
2,027	Investment Properties	1,763	82	-	384	-	-	2,229
13,359	Total Fixed Assets	2,210	3,044	189	385	0	8,049	13,877
	Current Assets							
444	Cash at Bank	-	-	-	-	-	407	407
65	Debtors	-	-	-	-	-	57	57
2,870	Funds deposited with DCC Loans Fund	185	3	7	815	-	308	1318
3,379	Total Current Assets	185	3	7	815	0	772	1782
(2,202)	Creditors	-	-	-	-	-	(83)	(83)
1,177	Net Current Assets	185	3	7	815	0	689	1699
14,536	Net Assets	2,395	3,047	196	1,200	0	8,738	15,576
	Analysis of Fund Balances							
5,084	Revaluation Reserve	2,209	3,044	189	385	-	-	5,827

9,452	Revenue Reserve	186	3	7	815	-	8,738	9,749
14,536	Total reserves	2,395	3,047	196	1,200	0	8,738	15,576

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 £2.395m as at 31 March 2023 (31 March 2023: £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 £3.047m as at 31 March 2023 (31 March 2023: £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 2023: £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 £1.200m as at 31 March 2023 (31 March 2023: £1.152m).

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 2024 were £ nil (31 March 2023 £ nil). The Dundee Trust was removed from the OSCR charity register on 24 April 2024 and is therefore no longer a registered charity after that date.

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 £8.738m as at 31 March 2023 (31 March 2023: £8.490m).

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.

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		
2022/2023 (restated) Total £000		2023/2024 Total £000
(8) Income		(22)
- Expenditure		-
(8) Net (income) / expenditure		(22)

2023 (restated) £000	Balance Sheet as at 31 March	2024 £000
	Current Assets	
513	Funds deposited with DCC Loans Fund	535
513	Net Assets	535
	Financed By Fund Balances and Reserves Available for Use:	
513	Fund Balances	535
513		535

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 2023	18,669	2,273	20,942
Additions	-	-	-
Revaluations	(150)	-	(150)
31 March 2024	18,519	2,273	20,792

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 2023/2024 - £Nil (2022/2023 - £Nil)

There were no disposals in 2023/2024 (2022/2023 - 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.

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 2024-2029. The full policy document can be found [here](#).

43 Other Long Term Liabilities

	31 March 2023 £000	31 March 2024 £000
PPP Schools Liability	56,656	53,467
DBFM School Liability (Baldragon)	23,123	22,159
Service Concession Arrangement Liability (Waste Project)	57,170	55,981
Financing Arrangement (Dundee House)	22,154	21,778
Burial Grounds Perpetuity Fund	93	93
Total	159,196	153,478

44 Long Term Debtors

	31 March 2023 £000	31 March 2024 £000
Advances to Tayside Contracts for capital expenditure	8,270	9,229
Loans to other organisations	459	462
Housing loans / mortgages	1,592	1,404
Total	10,321	11,095

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:

	2023/2024			
	Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	Internal Recharging Adj £000
Children & Families Services	238,568	(40,714)	197,854	-
Budgets Delegated to Dundee Health & Social Care Partnership	258,180	(154,486)	103,694	-
City Development	118,257	(41,931)	76,326	14,454
Neighbourhood Services	45,597	(18,241)	27,356	6,171
Chief Executive	17,920	(2,193)	15,727	-
Corporate Services	94,019	(58,193)	35,826	6,536
Construction	26,881	(26,976)	(95)	20,423
Housing Revenue Account	78,585	(58,330)	20,255	561
Discretionary NDR Relief	497	-	497	-
Tayside Valuation Joint Board	802	-	802	-
Miscellaneous Items	6,269	(2,437)	3,832	1,047
Cost Of Services	885,575	(403,501)	482,074	49,192

	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	119,912	(38,226)	81,686	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	878,645	(398,248)	480,397	45,225

46 Revenue from Contracts with Service Recipients

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

2022/2023 £000	Revenue from contracts with service recipients:	2023/2024 £000
52,115	Housing Rents	53,671
2,788	Sheltered Housing Charge	2,968
2,347	Temporary Accommodation Properties	2,994
5,634	Residential Care	6,505
472	Non Residential Care	679
859	School Meals	1,072
473	Social Care Meals	547
2,903	Off Street Parking	3,279

1,665	On Street Parking	2,459
1,130	Building Warrants	636
785	Planning Applications	840
815	Trade Waste	855
488	Special Collections	537
895	Garden Waste Collections	900
506	Licensing	598
723	Burial Ground Charges	633
1,739	Miscellaneous	2,078
76,337	Total Included in Comprehensive Income and Expenditure	81,251

47 Capital Grants & Receipts Unapplied Account

	31 March 2023 £000	31 March 2024 £000
Capital Grants	1,048	354
Future Transformation Projects	327	-
Total	1,375	354

48 Debtors for Local Taxation

	31 March 2023 £000	31 March 2024 £000
Up to One Year:		
Council Tax	255	1,529
NDRI	435	136
Total	690	1,665
Over One Year:		
Council Tax	1,736	522
NDRI	4,729	6,193
Total	6,465	6,715
Total		
Council Tax	1,991	2,051
NDRI	5,164	6,329
Total	7,155	8,380

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 2023/2024, 4 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 2023/2024, £43.529m drawdown of government grant had been made successfully. This included £13.0m of accelerated funding, over what was agreed at the Deal signing. At the 31st March 2024, Grant due from Scottish Government was £13.989m and Grant payments due to projects were £13.989m.

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	2023/24 Approved Allocation £000	2023/24 Grant Claimed £000	2023/24 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	-	633	274	274	11
Advanced Manufacturing Programme	8,000	8,000	-	-	-	-	-
Advanced Plant Growth Centre	27,000	7,000	20,000	11,485	11,485	11,485	2,751
International Barley Hub	35,000	10,000	25,000	12,847	13,679	13,679	3,733
Angus Fund	26,500	-	26,500	4,507	-	-	-
CyberQuarter	11,700	6,000	5,700	943	248	248	248
Eden Campus	26,500	2,000	24,500	-	-	-	-
Just Tech	15,000	-	15,000	-	-	-	-
Growing the Tay Cities BioMedical Cluster	25,000	25,000	-	7,491	12,868	12,868	3,689
Perth Cultural Transformation (Perth Museum)	10,000	-	10,000	-	-	-	-

Project	Grant Award £000	Funded By SG £000	Funded By UKG £000	2023/24 Approved Allocation £000	2023/24 Grant Claimed £000	2023/24 Grant Approved during year £000	Grant Claims and Payments Outstanding as at 31 March £000
Pitlochry Festival Theatre	10,000	10,000	-	-	2,506	2,506	1,873
Project Beacon	5,200	-	5,200	-	-	-	-
Perth Innovation Highway	5,000	-	5,000	990	-	-	-
Regional Culture and Tourism Programme	27,000	27,000	-	2,582	191	191	155
Studio Dundee	3,000	3,000	-	-	-	-	-
Aviation Academy for Scotland	8,100	-	8,100	-	-	-	-
Rural Angus & Rural Perth and Kinross Highspeed Broadband	2,000	-	2,000	-	6	6	-
5G Digital Testbeds	2,000	2,000	-	747	899	899	424
Tay Cities Engineering Partnership	1,401	1,401	-	345	317	317	318
Innerpeffray 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	42,570	42,473	42,473	13,202
Regional Skills and Employability Investment Programme	20,000	20,000	-	1,505	691	691	463
Tay Cities Engineering Partnership	599	599	-	97	60	60	19
Dundee Airport Investment	600	600	-	-	305	305	305

Total Revenue Grant	21,199	21,199	-	1,602	1,056	1,056	787
TOTAL	300,000	150,000	150,000	44,172	43,529	43,529	13,989

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:

	2022/2023	2023/2024
	£000	£000
Expenditure	339	399
Income	(355)	(465)
Net Expenditure	(16)	(66)

The PMO is funded from partner local authorities, Higher and Further Education and Research partners. A combined underspend of £110,000 was carried forward to 2023/2024.

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

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.

2022/2023 £000		2023/2024 £000
94,794	Gross Council Tax levied and contributions in lieu	99,974
(83)	Adjustments for prior years Council Tax	(77)
94,711		99,897
	Adjusted for:	
(19,385)	Other discounts and reductions	(20,616)
(13,323)	Council Tax Reduction Scheme	(13,666)
(1,033)	Provision for Non-collection	(1,491)
60,970	Net Council Tax Income per the Comprehensive Income and Expenditure Account	64,124

The calculation of the Council Tax Base 2023/24:

	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	Total Dwellings	Ratio to Band D	Band D Equivalents
Band A	28,060		3,333		37	16,728	621	20,164
Band B	17,291		1,602		62	8,039	291	13,497
Band C	9,874		1,006		67	3,834	122	7,830
Band D	9,598		551		68	2,966	95	8,248
Band E	7,741		754		70	1,817	72	6,444
Band F	2,560		88		29	487	31	2,314
Band G	1,142		24		9	192	14	1,052
Band H	40		8		-	6	2	29
TOTAL								53,524
Provision for non-collection (3.2%)								(1,713)
Council Tax Base								51,812

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 2023/2024 was £1,486.

Dundee City Council £ per year for 2023/2024:

Band A	£990.95
Band B	£1,156.11
Band C	£1,321.27
Band D	£1,486.43
Band E	£1,953.00
Band F	£2,415.45
Band G	£2,910.93
Band H	£3,641.75

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.

2022/2023 £000		2023/2024 £000
98,509	Gross rates levied and contributions in lieu	100,334
	Less:	
(29,262)	Reliefs and other deductions	(27,599)
(4,458)	Write Off of uncollectable debt and allowance for impairment	(6,907)
64,789	Net Non Domestic Rate Income	65,828
15,692	Adjustment to Previous Years' Non-Domestic Rates	8,528
80,481	Total Non Domestic Rate Income (before local authority retentions)	74,356
-	- Non Domestic Rates Retained by Authority	-
80,481	Contribution to Non-Domestic Rate Pool	74,356

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 2023/2024 was £0.498, the intermediate property rate was £0.511, payable when rateable value is between £51,000 and £100,000, and the higher property rate was £0.524, payable when rateable value exceeds £100,000.

	2023/2024 £
Analyses of Rateable Values:	
Rateable Value at 1/04/2023	193,118,000
Running Roll (Full Year Rateable Value)	-
Rateable Value at 31/03/2024	193,303,000
Less: Wholly Exempt	(1,405,000)
Net Rateable Value at 31/03/2024	191,898,000
Dundee City Council's Rateable Values at 1 April 2024	£000
Commercial	88,829
Industrial and Freight Transport	33,638
Public Undertakings	9,373
Others	61,463
Total	193,303

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.

2022/2023		Notes	2023/2024
£000			£000
Income			
52,115	Dwelling Rents		53,671
831	Non-dwelling Rents		844
5,608	Any Other Income		3,717
58,554	Total Income		58,232
Expenditure			
(22,213)	Repairs and Maintenance		(25,708)
(14,157)	Supervision and Management		(14,811)
(302)	Rent, rates, taxes and other charges		(274)
(27,322)	Depreciation and Impairment on Non-Current Assets		(35,700)
(2,043)	Movement in the Impairment Allowance for Non-Trade Debtors	5	(1,994)
(66,037)	Total Expenditure		(78,487)
(7,483)	Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		(20,255)
(525)	HRA Services' Share of Corporate and Democratic Core		(459)
(8,008)	Net Cost for HRA Services		(20,714)
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
16	Gain or (Loss) on Sale of HRA Non-Current Assets		107
(6,482)	Interest Payable and Similar Charges		(7,059)
414	Impairment of Assets Held for Sale		92
306	Interest and Investment Income		754
(60)	Pension Interest Cost and Expected Return on Pension Assets		46
-	Change in Fair Value of Investment Property		
-	Capital Grants and Contributions Receivable		1,531
(74)	Movement in the Impairment Allowance for Trade Debtors		(130)
(13,888)	Surplus or (Deficit) for the Year on HRA Services		(25,373)

Housing Revenue Account - Movement in Reserves Statement

2022/2023		Notes	2023/2024
£000			£000
(13,888)	Surplus or (Deficit) for the Year on HRA Income and Expenditure Statement		(25,373)
15,421	Adjustments between Accounting Basis and Funding Basis Under Statute	1	21,298
1,533	Net Increase or (Decrease) Before Transfers to or from Reserves		(4,075)
(1,533)	Transfers (to) or from Reserves	2	4,075
-	Increase or (Decrease) in Year on the HRA		-
-	Balance on the HRA at the end of the Current Year		-

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

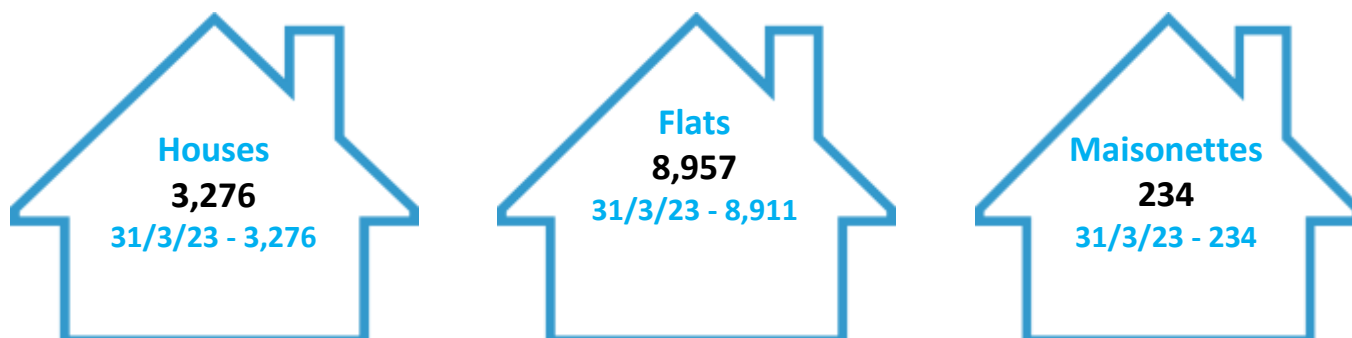
2022/2023 £000		2023/2024 £000
(16)	Gain or loss on sale of HRA non-current assets	(107)
(414)	Impairment of Assets Held for Sale	(92)
	Transfer to/from Revaluation Reserve:	
13,865	* Current Value Element of Depreciation Charge	13,831
	Transfer to/from Capital Adjustment Account:	
13,457	* Depreciation and Impairment - Housing Revenue Account Assets	21,869
-	* Capital Grants and Contributions	(1,531)
(12,345)	* Repayment of Debt	(12,370)
-	* Capital Financed from Current Revenue (CFCR)	-
-	Change in Fair Value of Investment Property	-
(33)	Short Term Accumulating Absences	6
1,004	HRA share of contributions to or from the Pensions Reserve	(77)
(97)	HRA Share of Transfer to/from the Financial Instruments Adjustment Account	(231)
15,421	Total	21,298

2 Transfers (to) or from Reserves

2022/2023 £000		2023/2024 £000
(1,533)	Transfer (to)/from the Renewal & Repair Fund	4,525
-	Transfer from General Fund (Funding for CFCR from Reduced Council Tax Discounts on long-term Empty Properties and Second Homes)	(450)
(1,533)	Total	4,075

3 Housing Stock

The Council's housing stock at 31 March 2024 was as follows:

**4 Rent Arrears**

Rent Arrears at 31 March 2024 were £4,622,774.26 (£5,160,307.29 at 31 March 2023).

5 Impairment of Debtors

In 2023/2024 an impairment of £4,854,528 has been provided in the Balance Sheet for irrecoverable rents, a net decrease of £535,421 from the provision in 2022/2023.

6 Voids

The total value of uncollectable void rents was £1,620,791 (2022/2023 £1,512,697). This has been netted against rental income.

7 Accumulated Housing Revenue Account Balance

The Renewal & Repair Fund balance at 31 March 2024 was £10.826m, of which £7.317m was earmarked for the Housing Revenue Account.

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.

2022/2023				2023/2024			
Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000		Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	
237,509	(42,971)	194,538	Children & Families Services	238,568	(40,714)	197,854	
259,968	(153,985)	105,983	Dundee Health & Social Care Partnership	258,180	(154,486)	103,694	
105,233	(23,547)	81,686	City Development	103,803	(27,477)	76,326	
37,760	(11,299)	26,461	Neighbourhood Services	39,692	(12,493)	27,199	
5,056	(1,364)	3,692	Chief Executive	5,642	(1,651)	3,991	
94,422	(51,953)	42,469	Corporate Services	87,483	(51,657)	35,826	
12,117	(8,587)	3,530	Construction	6,458	(6,553)	(95)	
65,614	(58,131)	7,483	Housing Revenue Account	78,024	(57,769)	20,255	
422	-	422	Discretionary NDR Relief	497	-	497	
1,021	-	1,021	Tayside Valuation Joint Board	802	-	802	
3,099	(696)	2,403	Miscellaneous Items	5,222	(1,390)	3,832	
136	-	136	Common Good Fund	123	-	123	
18,569	(5,376)	13,193	Leisure and Culture Dundee	17,837	(6,118)	11,719	
1,338	-	1,338	Associates Accounted for on an Equity Basis	-	-	-	
105,839	-	105,839	Joint Ventures Accounted for on an Equity Basis	104,149	-	104,149	
948,103	(357,909)	590,194	Cost Of Services	946,480	(360,308)	586,172	
		671	Other Operating Expenditure			(289)	
		(159)	Share of Other Operating Expenditure (Associates)			-	
		1	Share of Other Operating Expenditure (Joint Ventures)			15	
		(27,213)	Share of Other Operating Expenditure (Subsidiaries)			(226)	
		31,576	Financing and Investment Income and Expenditure			30,006	
		(4)	Share of Financing and Investment Income and Expenditure (Associates)			-	
		-	Share of Financing and Investment Income and Expenditure (Joint Ventures)			(12)	
		51	Share of Financing and Investment Income and Expenditure (Subsidiaries)			(257)	
		(429,690)	Taxation and Non-Specific Grant Income			(453,828)	
		(97,368)	Share of Taxation and Non-Specific Grant Income (Joint Ventures)			(100,025)	
		(1,938)	Share of Taxation and Non-Specific Grant Income (Associates)			(1,039)	
		66,121	(Surplus) or Deficit on Provision of Services			60,517	
		(245,890)	(Surplus) or Deficit on revaluation of fixed assets			(84,776)	
		2,102	Impairment losses on non-current assets charged to Revaluation Reserve			1,977	
		460	(Surplus) or Deficit on financial assets measured at fair value through other comprehensive income			(120)	
		(71,005)	Remeasurements of the net defined benefit liability (asset)			2,606	
		(1,875)	Share of Other Comprehensive Income and Expenditure (Associates)			-	
		(316,208)	Other Comprehensive (Income) / Expenditure			(19,796)	
		(250,087)	Total Comprehensive (Income) / Expenditure			(1,039)	

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>				
	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	Unusable Reserves £000	Total 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	52,233	13,888	-	-	-	-	66,121	(316,208)	(250,087)
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	(3,690)	12,596
Net (Increase)/Decrease before Transfers	55,981	23	-	-	-	-	56,004	(293,495)	(237,491)
Adjustments between Accounting Basis and Funding Basis Under Regulations	(51,163)	(1,556)	-	-	339	1,005	(51,375)	51,375	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	4,818	(1,533)	-	-	339	1,005	4,629	(242,120)	(237,491)
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	(242,120)	(237,491)
Balance at 31 March 2023 Carried Forward	(77,152)	-	(14,759)	(644)	(1,375)	(2,690)	(96,620)	(983,585)	(1,080,205)

	Revenue Reserves				Capital Reserves		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 2023	(77,152)	-	(14,759)	(644)	(1,375)	(2,690)	(96,620)	(983,585)	(1,080,205)
Movement in reserves during 2023/2024									
Total Comprehensive Expenditure and Income	35,144	25,373	-	-	-	-	60,517	(80,313)	(19,796)
Adjustments to Usable Reserves Permitted by Accounting Standards	(20,785)	(13,831)	-	-	-	-	(34,616)	34,616	-
Adjustments between Group Accounts and Council Accounts	(1,271)	-	-	-	-	-	(1,271)	1,809	538
Net (Increase)/Decrease before Transfers	13,088	11,542	-	-	-	-	24,630	(89,585)	(39,054)
Adjustments between Accounting Basis and Funding Basis Under Regulations	(33,693)	(7,467)	-	-	1,021	657	(39,482)	39,482	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(20,605)	4,075	-	-	1,021	657	(14,852)	(4,406)	(19,258)
Transfers to/(from) Other Statutory Reserves	804	(4,075)	3,933	(548)	-	(114)	-	-	-
(Increase)/Decrease in 2023/2024	(19,801)	-	3,933	(548)	1,021	543	(14,852)	(4,406)	(19,258)
Balance at 31 March 2024	(174,105)	-	(25,585)	(1,836)	(1,729)	(4,837)	(208,092)	(1,971,576)	(2,179,668)

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 2023 £000		31 March 2024 £000
1,781,932	Property, Plant & Equipment	1,858,292
20,942	Heritage Assets	20,792
13,073	Investment Property	13,073
2,540	Intangible Assets	1,801
29	Long Term Investments	29
11,275	Investments in Associates	7,942
7,509	Long Term Debtors	8,234
1,837,300	Long Term Assets	1,910,163
8,278	Short Term Investments	7,455
1,125	Inventories	1,153
60,666	Short Term Debtors	56,463
13,133	Cash and Cash Equivalents	2,033
5,893	Assets Held for Sale	4,493
89,095	Current Assets	71,597
(14,102)	Short Term Borrowing	(94,789)
(120,125)	Short Term Creditors	(96,109)
(134,227)	Current Liabilities	(287,007)
(5,681)	Provisions	(4,297)
(507,782)	Long Term Borrowing	(494,522)
(31,203)	Pension Liability	(32,559)
(159,196)	Other Long Term Liabilities	(153,479)
(8,101)	Capital Grants Receipts in Advance	(6,542)
(711,963)	Long Term Liabilities	(691,399)
1,080,205	Net Assets	1,099,463
96,620	Usable reserves	111,472
983,585	Unusable Reserves	987,991
1,080,205	Total Reserves	1,099,463



Robert Emmott BSc CPFA
Executive Director of Corporate Services
Dundee City Council
26 June 2024

The notes on pages 129 to 134 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.

2022/2023		2023/2024
£000		£000
66,121	Net (Surplus) or Deficit on the provision of services	60,517
(120,929)	Adjust net (Surplus) or Deficit on the provision of services for non cash movements	(73,031)
3,077	Adjust for items included in the net (Surplus) or Deficit on the provision of services that are investing and financing activities	2,356
(51,731)	Net cash flows from Operating Activities	(10,158)
44,947	Investing Activities	82,125
31,147	Financing Activities	(60,867)
24,363	Net (Increase) or Decrease in cash and cash equivalents	11,100
37,496	Cash and cash equivalents at the beginning of the reporting period	13,133
13,133	Cash and cash equivalents at the end of the reporting period	2,033

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 2024		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Dundee City Council (Single Entity)	92,250	988,579	1,080,829
Elimination of Intra-group balances within single-entity accounts	35	-	35
Tayside Contracts Joint Committee	(138)	42	(96)
Common Good Fund	3,287	(292)	2,995
Fleming Trust	8,456	-	8,456
Leisure & Culture Dundee	2,877	(338)	2,539
Dundee City Integration Joint Board	-	-	-
Michelin Scotland Innovation Parc	4,705	-	4,705
Total per Group Balance Sheet	111,472	987,991	1,099,463

Group Entity	As at 31 March 2023		
	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Dundee City Council (Single Entity)	76,115	982,364	1,058,479
Elimination of Intra-group balances within single-entity accounts	(150)	-	(150)
Tayside Contracts Joint Committee	(80)	21	(59)
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	-	2,284
Dundee City Integration Joint Board	-	-	-
Michelin Scotland Innovation Parc	6,414	-	6,414
Total per Group Balance Sheet	96,620	983,585	1,080,205

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. From 2023/2024 this has also resulted in Tayside Valuation Joint Board being excluded from the Group in terms of being immaterial.

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 2023 £000	At 31 March 2024 £000
Dundee City Council (Single Entity)	12,689	1,626
Charitable Trust Fund	444	407
Total per Group Balance Sheet	13,133	2,033

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.

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:

		2022/2023			2023/2024		
		Group	Net	Net Assets /	Group	Net	Net Assets /
Consolidation Basis		Share	Expenditure /	(Liabilities)	Share	Expenditure /	(Liabilities)
		%	(Income)	(Liabilities)	%	(Income)	(Liabilities)
			£000	£000		£000	£000
Subsidiaries:							
Common Good Fund	Sole Trustee	100.00	(2)	2,859	100.00	(32)	2,995
Fleming Trust	Sole Trustee	100.00	54	8,717	100.00	(249)	8,456
Leisure & Culture Dundee (see note below)	100% Control	100.00	(13,802)	2,284	100.00	11,483	2,539
Associates:							
Tayside Valuation Joint Board (see note below)	Requisition Share	30.90	(1,681)	1,661	28.21	-	-
Tayside Contracts Joint Committee	Share of Business	34.00	-	(59)	31.00	-	(96)
Design Dundee Limited (see note below)	Voting Rights	20.00	-	-	20.00	-	-
Joint Ventures:							
Dundee City Integration Joint Board	Equal Partnership	50.00	7,515	-	50.00	3,078	-
Michelin Scotland Innovation Parc	Equal Partnership	33.33	-	6,414	33.33	10	4,705
Total Group Entities			(7,916)	21,876	(14,290) 18,599		
Dundee City Council (Single Entity)			(231,379)	1,058,479	(22,350) 1,080,829		
Elimination of Intra-group balances within single-entity accounts			(10,792)	(150)	(11,736) 35		
Dundee City Council (Group)			(250,087)	1,080,205	(19,796) 1,099,463		

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.

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 135. Separate details of the Fleming Trust are included in Note 39.

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 2024 were used.

Associates: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 2024 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 2024 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 2024 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 were 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 2024 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 one) (At 31 March 2023 there was a total of two directors). An application to strike the company off the Companies House register was submitted on 9 April 2024.

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".

2022/2023 £000	Income & Expenditure Account	2023/2024 £000
	<u>Income</u>	
(138)	Dividends on Bonds / Shares	(155)
(138)		(155)
	<u>Expenditure</u>	
136	Other Expenditure	123
136		123
(2)	(Surplus)/Deficit for Year	(32)
2023 £000	Balance Sheet as at 31 March	2023 £000
	<u>Current Assets</u>	
2,859	Short Term Investments	2,995
2,859		2,995
	<u>Current Liabilities</u>	
-	Sundry Creditors	-
-		-
2,859	Net Assets	2,995
	Financed By Fund Balances and Reserves	
	Not Available for Use:	
(396)	- Financial Instruments Restatement Reserve	(292)
(396)		(292)
	Available for Use:	
3,255	- Common Good Balance	3,287
2,859		2,995



Robert Emmott BSc, CPFA
Executive Director of Corporate Services
Dundee City Council
26 June 2024

1. SHORT TERM INVESTMENTS

Included within the Short Term Investments figure of £2,995,028 are investments in Bonds to the value of £2,907,950.

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:

Rachel Browne
Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DH

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.