

ITEM No ...4(c)(i).....

Annual Accounts

As at 31 March 2025

Audited



September 2025

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Dundee City Council

Annual Accounts 2024/25

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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 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025 ("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 2024/2025. 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 150,390 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 2024/2025 Financial Year - Revenue Budget

The 2024/2025 General Services Revenue Budget was agreed at the meeting of the City Governance Committee on 29 February 2024. Council Tax for Band D was frozen at 2023/2024 levels after budget savings totalling £0.410m were approved (in addition to base budget savings of £11.012m). £4.255m of ear-marked General Fund balances were also used in balancing the 2024/2025 budget. Budget investment proposals of £6.640m were funded from earmarked reserves. The 2024/2025 Housing Revenue Account Budget was agreed at the meeting of the City Governance Committee on 22 January 2024 and it was agreed that rent levels would increase on average by 3.5%.

The City Governance Committee received regular revenue monitoring reports during 2024/2025 in order to keep elected members fully apprised as to the projected outturn position.

The Consolidated Income & Expenditure Statement (page 53) shows a deficit on the provision of services of £63.271m for 2024/2025, measured on an accounting basis. This deficit is carried forward to the Movement in Reserves Statement (page 54), where adjustments totalling £48.766m have been made to restate the accounting position to a funding basis. The overall net decrease in usable reserves is £14.505m 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 50) 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 £14.972m decrease to the General Fund and HRA balances for 2024/25, before transfers between reserves. The £14.972m is made up of a decrease to the General Fund of £10.848m and a deficit on the HRA of £4.124m. For further details please see the section on Management of Reserves below:

| 2024/25 Funding basis | Approved Revenue Budget £m | Adjusted Revenue Budget £m | Actual Net expenditure £m | Over/ (under) spend £m |
|---|-------------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| Children & Families | 213.996 | 217.055 | 219.882 | 2.827 |
| Dundee Health & Social Care Partnership | 110.180 | 110.851 | 111.301 | 0.450 |
| City Development | 16.916 | 18.644 | 21.508 | 2.864 |
| Neighbourhood Services | 28.439 | 20.350 | 20.907 | 0.557 |
| Chief Executive | 13.835 | 15.300 | 14.465 | (0.835) |
| Corporate Services | 33.568 | 35.795 | 33.630 | (2.165) |
| Construction Services* | 0.000 | 0.827 | 0.482 | (0.345) |
| Discretionary Non Domestic Rates (NDR) Relief | 0.392 | 0.392 | 0.493 | 0.101 |
| Tayside Valuation Joint Board | 0.945 | 0.945 | 1.028 | 0.083 |
| Miscellaneous items and contingencies | 13.721 | 6.590 | 3.188 | (3.402) |
| Corporate Fleet | (1.658) | 2.230 | 4.372 | 2.142 |
| On-street car parking and LEZ | 0.000 | 0.000 | (1.319) | (1.319) |
| Housing Revenue Account* | 0.000 | 0.000 | 4.124 | 4.124 |
| Cost of services | 430.334 | 428.979 | 434.061 | 5.082 |
| Financing and Investment Income and Expenditure | 18.174 | 37.373 | 38.964 | 1.591 |
| Total expenditure | 448.508 | 466.352 | 473.025 | 6.673 |
| <i>Funded by:</i> | | | | |
| General Revenue Funding | (304.267) | (317.928) | (318.015) | (0.087) |
| Contribution from National Non Domestic Rates (NNDR) Pool | (73.695) | (73.695) | (73.695) | 0.000 |
| Council Tax | (63.906) | (64.153) | (66.343) | (2.190) |
| Deficit/ (surplus) on provision of services | 6.640 | 10.576 | 14.972 | 4.396 |
| Use of earmarked reserves | (6.640) | (10.576) | (4.272) | 6.304 |
| Decrease/ (increase) in General Fund and HRA | 0.000 | 0.000 | 10.700 | 10.700 |

*Construction Services and the Housing Revenue Account are budgeted to break even

The most significant factors contributing towards the decrease to the General Fund and deficit on the HRA were:

Children & Families reported an overall overspend of £2.827m. The overspend primarily relates to additional staff costs totalling £2.207m for teachers and LGE staff, mainly as a result of increased use of supply cover and acting up allowance due to sickness absence and maternity, as well as the increased demand for Additional Supports Needs Staff. Other factors contributing to the overspend included increased property costs and overspends within supplies and services which were partly offset by additional income received for childcare fees, recharges and other funding.

City Development reported an overspend of £2.864m. The contributing factors include overspends in corporate property totalling £2.935m, mainly due to costs of unplanned and health and safety related repairs and increased energy costs. Also included are overspends of £0.614m in Third Party Payments relating to the winter maintenance programme and public safety works. The overspends were partly offset by savings in staff costs of £0.882m due to posts being held as vacant to meet these cost pressures within the overall budget.

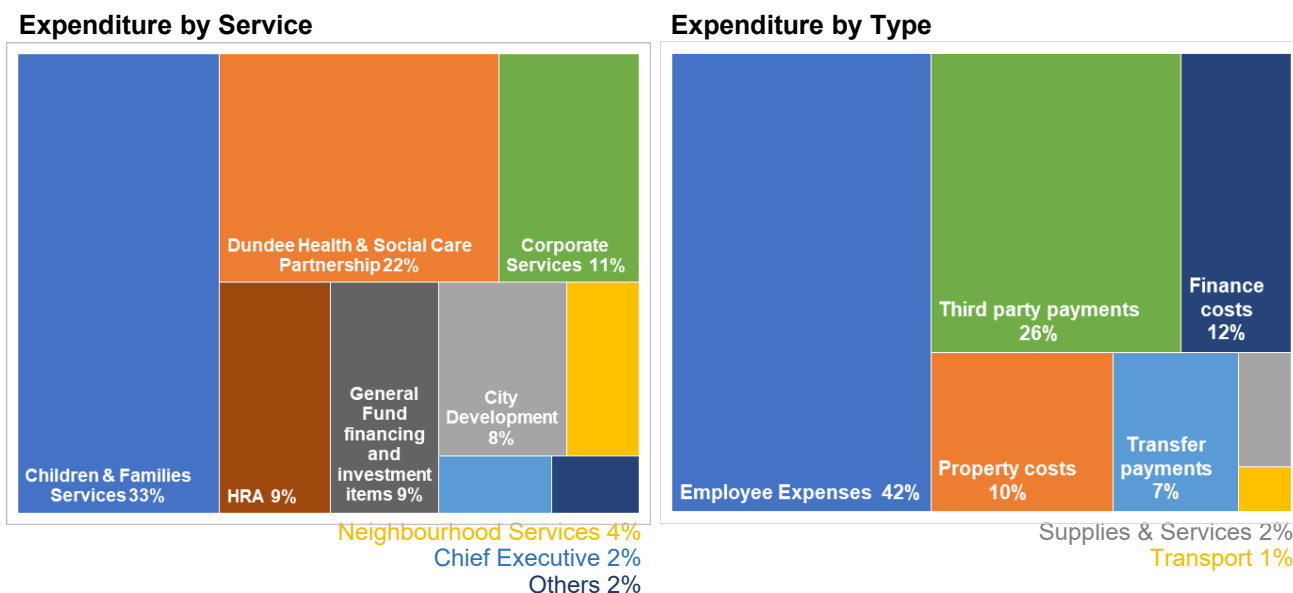
Corporate Services reported an overall underspend of (£2.165m). The underspend mainly relates to savings of £2.518m in staff costs reflecting unfilled posts during the year again being held to manage the overall budget overspend. These savings were partly offset by overspends in supplies and services expenditure and third party payments.

Miscellaneous items and contingencies reported a total underspend of (£3.402m), mainly relating to corporate provisions set aside for pay and cost pressures on Children Services which were not fully required.

Corporate Fleet reported an overspend of £2.142m, mainly due to increased repairs and materials costs. **On-street car parking and LEZ** reported (£1.319m) additional income as a result of increased penalty charge notices following the introduction of the Low Emissions Zone scheme.

The **Housing Revenue Account** reported an overspend of £4.124m. The contributing factors included overspends of £2.820m in property costs relating to additional repairs and planned maintenance, plus specialist works on damp and mould treatment. There were also various overspends totalling £1.543m relating to void properties, and costs associated with energy, health & safety, emergency repairs and cleaning. The overspend of £1.591m was mainly attributed to overspends in Capital Financing Costs due to continuation of short-term borrowing whilst interest rates remain greater than expected.

Revenue expenditure is graphically presented by Service and Type below:



The overall General Fund balance has decreased by £10.700m over the year, to £67.031m at 31 March 2025 of which £58.857m is earmarked for specific purposes. This can be analysed as follows:

| | 2023/24 £m | 2024/25 £m |
|---|---------------|---------------|
| Earmarked carry-forwards | 4.124 | 1.509 |
| Social Housing | 2.555 | 2.458 |
| Children Services | - | 1.033 |
| Service change initiatives | 5.000 | 5.000 |
| Roof remedial works | 2.702 | 1.875 |
| Change fund | 2.388 | 2.169 |
| Income Cost Pressures | 2.750 | 1.550 |
| Statutory on-street car parking reserve | 0.597 | 1.716 |
| Other earmarked funds | 1.387 | 1.774 |
| Contribution to budget setting | 6.640 | - |
| Service Concession flexibility | 39.773 | 39.773 |
| Total Earmarked Funds | 67.916 | 58.857 |
| Unallocated Balance | 9.815 | 8.174 |
| Total General Fund Balance | 77.731 | 67.031 |

Further details of the breakdown of the overall General Fund balance are shown in note 10 on page 78. The value of net assets shown in the Council's Balance Sheet (page 56) has decreased from £1,072.7m (at 31 March 2024) to £990.0m (at 31 March 2025) i.e. a decrease of £82.654m. The main reasons for this movement are increased levels of debt, partly due to the required adoption of IFRS16 which required a remeasurement of service concession debt, offset to some extent by increases in fixed assets notably the new Greenfield Academy. Please note that although service concession debt required remeasurement under IFRS16, the unitary charges payable have not changed. What has changed is how the unitary charge is split into its component parts. The adoption of IFRS16 requires that a bigger part of the unitary charge is allocated to debt servicing.

Please note that the figures in the Comprehensive Income and Expenditure Statement on page 53 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 50 explains how the accounts move from accounting to funding bases.

The Cash Flow Statement (page 57) shows that cash and cash equivalents have decreased by £7.983m over the period, with a closing cash and cash equivalents position of (£6.357m).

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 usable reserves during 2024/25:

| General Fund £m | HRA Balance £m | Renewal & Repair Fund £m | Insurance Fund £m | Capital Grants & Receipts | Capital Fund £m | Total £m |
|--------------------|----------------------|-----------------------------------|-------------------------|---------------------------------|-----------------------|-------------|
|--------------------|----------------------|-----------------------------------|-------------------------|---------------------------------|-----------------------|-------------|

| | Unapplied Account £m | | | | | | |
|--------------------------------------|----------------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Opening Balance 1 April 2024 | 77.731 | - | 10.826 | 1.192 | 0.354 | 2.147 | 92.250 |
| Surplus / (Deficit) for the Year | (10.848) | (4.124) | - | - | (0.013) | 0.480 | (14.505) |
| Transfer of HRA Surplus | - | 4.124 | (4.124) | - | - | - | 0.000 |
| Transfers Under Delegated Powers | 0.148 | - | (0.407) | 0.168 | - | 0.091 | 0.000 |
| Closing Balance 31 March 2025 | 67.031 | 0.000 | 6.295 | 1.360 | 0.341 | 2.718 | 77.745 |

The planned, earmarked, usage of the General Fund is set out in Note 10 on page 78.

HRA surpluses and deficits are transferred to the Renewal & Repair Fund. At 31 March 2025, £3.193m of the Renewal & Repair Fund balance related to the HRA (31 March 2024: £7.317m).

Review of the 2024/2025 Financial Year - Capital Budget

On 19 February 2024, the City Governance Committee approved a combined five-year Capital Plan for General Services and Housing HRA totalling £388.1m over the period 2024 to 2029. The gross capital budget for 2024/2025 totalled £162.008m. The City Governance Committee received capital monitoring reports during 2024/2025 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 £122.149m. 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 for a number of different reasons since the original capital budgets were prepared.

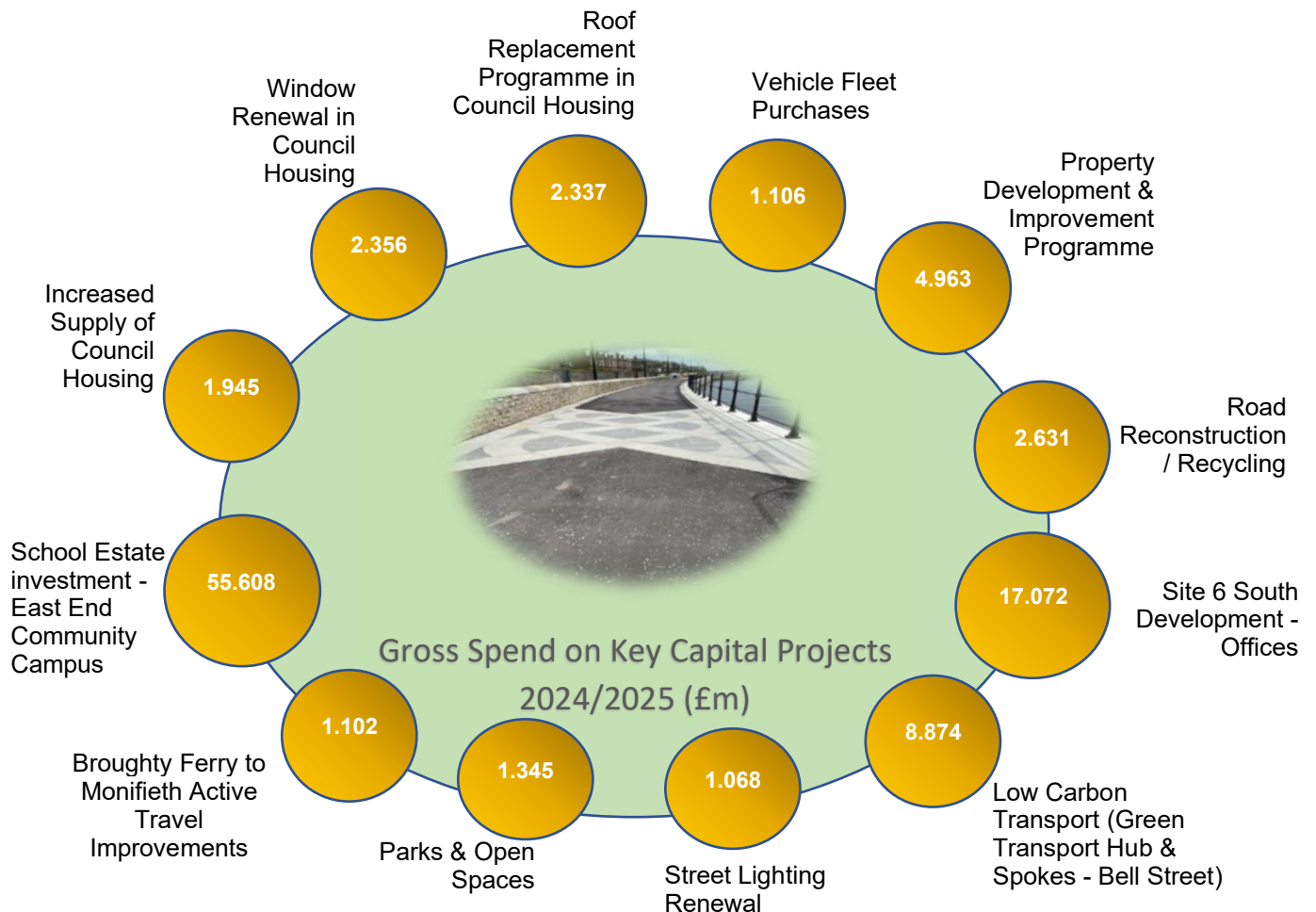
| | Budget £m | Actual £m | Variance £m |
|----------------------------------|----------------|----------------|-----------------|
| Gross Capital Expenditure | 162.008 | 122.149 | (39.859) |
| <i>Funded by:</i> | | | |
| Borrowing | 121.979 | 91.110 | (30.869) |
| Capital Grants & Receipts | 33.153 | 28.132 | (5.021) |
| Capital Fund | 0.426 | 0.767 | 0.341 |
| CFCR | 0.450 | 2.140 | 1.690 |
| Slippage Allowance | 6.000 | 0.000 | (6.000) |
| | 162.008 | 122.149 | (39.859) |

The main elements of slippage in the 2024/2025 capital programme were as follows:

| Project | Budget £000 | Actual £000 | Overspend/ (Underspend) £000 | Explanation |
|---|----------------|----------------|------------------------------------|--|
| Broughty Ferry to Monifieth Active Travel Improvements | 2,580 | 1,102 | (1,478) | The tenders for these awards were delayed pending confirmation of funding from Scottish Government. This has now been resolved the works commenced in May 2025. |
| East End Community Campus | 63,657 | 55,608 | (8,049) | The projected cashflow is updated on a monthly basis, the actual spend reflects the progress on site by the contractor. Factors that have influenced progress on site include design development, inclement weather along with delays in connecting utilities. |
| Site 6 South Development | 18,620 | 17,072 | (1,548) | The projected cashflow is updated on a monthly basis. The actual spend reflects the progress on site by the contractor that is reviewed regularly throughout the contract. Progress on the site has been impacted by contractor design development and building control issues. The project is now on track to be delivered within budget. |
| Low Carbon Transport - Green Transport Hub & Spokes - Bell Street | 12,170 | 8,874 | (3,296) | The budget was rephased to align with the contractor's updated programme of works. The project remains on schedule for completion by the end of 2025. |
| Vehicle Fleet & Infrastructure | 2,828 | 1,113 | (1,715) | Reflects supply chain delays experienced in the availability of new vehicles. |
| City Investment Fund | 1,115 | 61 | (1,054) | This project was delayed due to confirmation of funding, this has been resolved the projected is scheduled to be completed by March 2026. |
| Baldovie (Development) | 3,071 | 68 | (3,003) | The project has been delayed pending acquisition of the site. |
| Desktop Management Software | 1,500 | 0 | (1,500) | This budget was not required as a change in strategy meant cloud services were used instead and funded from revenue budget. |
| Property Development & Improvement Programme | 6,705 | 5,044 | (1,661) | Mainly reflects delays in the delivery of various projects due to resource and defining project brief resulting in the reprofiling of budgets to later years. |
| Contingency Capital Expenditure | 2,259 | 0 | (2,259) | Whilst payable as a capital grant this funding was subsequently utilised to fund the 2023/24 pay award and was therefore transferred to revenue. |
| Depot Rationalisation Programme | 2,092 | 70 | (2,022) | Delays in agreeing project scope with the client department have necessitated a reprofiling of budgets to suit the new programme. |

| Project | Budget £000 | Actual £000 | Overspend/ (Underspend) £000 | Explanation |
|-------------------------------------|----------------|----------------|------------------------------------|---|
| HRA - Energy Efficient | 9,683 | 1,705 | (7,978) | There was slippage in the programme due to complexities in the detailing of the External Wall Insulation system and how it interfaces with the specific dwelling types. This required further design input to ensure a robust tender package was delivered. |
| Increased Supply of Council Housing | 6,114 | 1,945 | (4,169) | Mainly reflects delays in Blackness Road development to enable this project to be retendered. |
| HRA Improvement Plan | 0 | 1,257 | 1,257 | Reflects additional works on kitchens, bathrooms, doors and windows agreed as part on an improvement plan after the budget was approved. |

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 2024/2025 the Council's Capital Financing Requirement (CFR) increased by £144.9m, from £846.4m to £991.2m (refer note 28 on page 102). 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 £922.1m at 31 March 2025 (£741.1m at 31 March 2024). 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 2024/2025, required by the Council's Treasury Policy Statement and the CIPFA Code of Practice on Treasury Management, stated that the 2024/2025 Revenue Budget had been set to include a provision of £22.429m for Capital Financing Costs, based on an average Loans Fund Interest rate of 3.85%. It identified a new net borrowing requirement in 2024/2025 of £102m which would be funded through phased borrowing during the year. During the financial year, there was £35m long-term borrowing undertaken and repayments of existing loans totalling £12.5m. 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 £28.4m as at 31 March 2025 (net pension liability of £32.2m at 31 March 2024). The net liability reduced due to changes in various actuarial estimates and assumptions.

Material Assets, Liabilities, Charges and Credits

There were no material transactions in relation to assets, liabilities, charges or credits out with the normal scale of activities of the Council during the 2024/2025 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. During 2024/2025 there were no significant changes in the accounting policies shown in note 1 other than the implementation of IFRS 16 Leases as advised by CIPFA LASAAC. The 2024/2025 Accounting Code of Practice now requires IFRS 16 implementation, on the transition date of 1 April 2024.

IFRS 16 has had a significant effect on the Council's Balance Sheet. The first effect of the implementation of IFRS 16 has resulted in the recognition on the Balance Sheet of leased assets, totalling some £2.293m. These are disclosed as Right of Use assets in Note 27 Property, Plant and Equipment, and the corresponding liability is disclosed in Note 23 Leases. In addition, the implementation of IFRS 16 has required the remeasurement of Service Concession liabilities (PFI and similar arrangements). This has resulted in an increase of these liabilities of £74.158m. This is disclosed in Note 29 Private Finance Initiatives and Similar arrangements. There is no corresponding increase to the Service Concession asset values since these are already disclosed at Fair Value.

Please note that although IFRS 16 has increased the Council's indebtedness by a total of £76.451m, it has not and will not affect the cost borne by the General Fund. This is due to statutory adjustments made in the Accounts that result in the General Fund cost being equal to the lease payment, or unitary charge in the case of Service Concessions.

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, cumulative budgeted savings occurred in scheduled debt repayments to 2024/25 of £4.255m. 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 | 2024/2025 |
|---|-----------|-----------|
| <i>Reserves</i> | | |
| Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure | 2.1% | 1.6% |
| Movement in the Uncommitted General Fund Balance | £0.585m | (£1.641m) |
| <i>Council Tax</i> | | |
| In-year collection rate | 94.9% | 93.5% |
| Ratio of Council Tax Income to Overall Level of Funding | 14.1% | 13.7% |
| <i>Financial Management</i> | | |
| Actual Outturn Net Service Expenditure compared to Budgeted Net Service Expenditure | 102.1% | 101.2% |
| Actual contribution to / (from) Unallocated General Fund Balance compared to Budget | £2.335m | £4.999m |
| <i>Debt / Long Term Borrowing</i> | | |
| Capital Financing Requirement for the current year | £846.4m | £991.2m |
| External Debt Levels for the current year | £741.1m | £922.1m |
| Ratio of financing costs to net revenue stream – General Services | 4.3% | 5.5% |
| Ratio of financing costs to net revenue stream – HRA | 36.6% | 36.7% |
| Impact of Capital Investment on Weekly Rents | -£0.31 | £0.35 |

PART 3 - KEY DEVELOPMENTS DURING 2024/2025

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.

Over 3500 people and organisations took part in the annual budget consultation, a huge increase on the previous year, and their responses helped to shape spending priorities.

The budget consultation is just one of the ways the Council makes sure that the views of citizens are heard.

Voting took place for the public to decide which projects should receive support in the third phase of the Dundee Climate Fund, the first Council-led green participatory budgeting initiative in Scotland. They were voting 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. Already 22 city projects have shared around £750,000 from the first and second rounds of the initiative.

Efforts to encourage people to take part in participatory budgeting have seen the percentage of the council budget allocated by these methods surpass targets.

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, the most recent report highlighted the commissioning of a mobile app by the environment waste team, the development of Dundee Women's Hub, support for people to make Council Tax payments and the installation of play areas.

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 included:

- Allocating the package of £500,000 investment agreed at last year's budget meeting to a range of projects tackling social inequality, such as advice services, food provision and places where people can get a warm welcome. A successful communications campaign raised awareness of support available for those affected by the cost-of-living crisis.
- Education is one of the keys to tackling inequality, and the Council's 'Every Dundee Learner Matters' strategy is proving a success. An increasing number of Dundee pupils are moving into positive destinations when they leave school. More young people aged 16-19 from the most deprived areas of the city are also now participating in positive destinations, reflecting work that has been undertaken to help them into better futures. The year 2024/25 also saw four youth groups receive a share of over £50,000 to develop the numeracy skills of younger people.
- A new employability approach for young people - A Step Change on Positive Destinations for Young Dundonians - was launched. The latest Skills Development Scotland data shows that Dundee achieved the greatest increase in the country in the national Annual Participation measure of local 16–19-year-olds in education, employment or training in the last year.
- Over £1 million was put into the pockets of Dundee pensioners, thanks to a city-wide campaign to encourage people to apply for Pension Credit. Council Advice Services launched the campaign with Dundee Citizens Advice Bureau and Brooksbank to maximise the income of as many citizens of Dundee as possible over the state pension age. The average Pension Credit award was £63.51 per week, making a real difference to the lives of the recipients.
- Dundee was among the top areas in Scotland for progress on implementing Medication Assisted Treatment standards to provide care for people affected by drug and alcohol use. There has been year-on-year improvement and consistency in standards of care across the city. People now have fast access to treatment, a choice of medication prescribed to them, alongside wraparound supports, and are also supported to remain in treatment for as long as required.
- Almost 1000 people either homeless or facing the prospect of losing their home were rehoused by Dundee City Council in the last year. The Council met its statutory duty in 100% of those cases, and it continues to work to tackle the ongoing challenges posed by homelessness. Those efforts including bringing over 130 empty homes back into use.
- The Living Wage movement continues to have a high profile in the city. During the annual Living Wage Week, it was revealed that there are over 125 Living Wage accredited employers headquartered in Dundee collectively employing over 42,000 workers.
- The Dundee Promise is having a positive impact in supporting vulnerable children and young people. And the Council helped to launch the Dundee Carer Involvement Framework, setting out how carers in Dundee will be supported to have their voices heard and influence decision making in the future.

On delivering **inclusive economic growth**, examples of progress include:

- Significant progress being made on James Thomson House, a £26million development in the Waterfront which will provide 52,600 square feet of Grade A office accommodation when completed this year. It is part of the 30-year Dundee Waterfront Masterplan which has transformed the area with projects already delivered including V&A Dundee, the new railway station, Waterfront Place and Slessor Gardens.
- Community wealth building is helping to bolster the Dundee economy and support local jobs. Efforts to encourage local contractor spend in capital programmes resulted in over £24 million subcontract activity being spent locally. The Council's Procurement Strategy and Meet the Buyer events helped to create opportunities and maximise the benefits for communities in the city.
- Dundee was last year the first city in Scotland to develop the use of the Loves Local gift card to create a product specifically for tourists. Although organised by the Council, it brought together the variety of businesses and organisations operating in the tourism sector to launch an innovative and exciting product.
- January saw the next stage in the evolution of the Michelin Scotland Innovation Parc. Since the closure of the tyre factory around five years ago, this ground-breaking partnership has delivered an innovation hub, a skills academy, an accelerator programme, a home for start-ups and numerous local job opportunities. The transition of ownership in January is set to deliver a potential increased workforce of up to 600 and also an estimated £50 million investment in cutting edge infrastructure, technology and development.
- Legacy funding from the Business Loans Scotland scheme was used to bolster the city's life sciences sector through a Proof of Concept programme. The opening of the Dundee Life Sciences Innovation Hub creates an imperative to maximise the pipeline of spinout companies and to remove barriers to translating innovative research into commercial opportunity and job creation.

On **tackling climate change**:

- The Council has continued the transformation of the Bell Street multi-storey car park into a green transport hub, to aid people's transition to sustainable forms of transport in the future. Other developments included the opening of the Broughty Ferry to Monifieth active travel corridor and the installation of cycle storage facilities as part of the Council's Sustainable Transport Delivery Plan.
- The Dundee Local Heat and Energy Efficiency Strategy identified the scale of the opportunity for heat networks to decarbonise heat and improve energy efficiency in the city's buildings, with five prioritised heat network zones identified. This is vital for the future of the city and will represent an important way of meeting the Council's climate and net zero commitments, while also reducing heating costs and improving health and wellbeing.
- Meanwhile, Dundee's first ever Local Area Energy Plan set out a vision of what a net zero carbon energy system could look like for Dundee and what actions could be taken to support the city in delivering its 2045 net-zero target. Working collaboratively with key employers and stakeholders across the city, the Council is one of the first local authorities in Scotland to produce such a plan.
- Air Quality in Dundee has met all of the targets set in the ten locations where it is continuously monitored across the city. To further improve air quality and reduce pollution levels, enforcement began on Dundee's Low Emission Zone. The measures taken through this scheme benefit children, older people, those with existing underlying health problems, and everyone who breathes in the cleaner air.
- Dundee City Council won a number of national awards for its use of electric vehicles and drive to net zero. These included recognition for van decarbonisation, infrastructure strategy, accessibility strategy and our public sector fleet.
- A focus on biodiversity saw the planting of trees, creation of grasslands and meadows and a range of other actions. The Council benefited from £171,000 from the Scottish Government's directly funded Nature Restoration Fund to halt biodiversity decline, with an increased allocation to improve nature networks.
- The Take Pride in your City campaign continued to make a difference to the environment in Dundee communities, including 130 litter picks, enforcement to tackle fly-tipping and a successful bid for nearly £700,000 from Scottish Government's Recycling Improvement Fund for upgrades to Baldovie and Riverside Recycling Centres.

The Capital Plan 2025-30 approved in February 2025 will see investment of nearly £300 million in the city over the next five years, including:

- Investment in the school estate, notably in the completion of the £100 million Drumgeith Community Campus, which opened on 22nd August 2025 in the East End of the city. The building was constructed to meet Passivhaus certification standard, creating a building that is highly insulated, air tight and well-ventilated - ensuring have a sustainable low carbon energy efficient community campus.
- Sustainability is a key focus for the Council, with the investment of £74m in tackling climate change to help deliver the Council's Net Zero ambitions making up nearly a quarter of the Capital Plan. This includes energy efficiency measures in Council housing.
- A further £51m aimed to support the delivery of modernising Council Services including significant investments in IT and property infrastructure, waste management depot replacement and planned upgrades to the Ice Arena.
- Resources to fund the completion of the new commercial office development in the central waterfront.
- A long-term investment programme for the Council's housing stock that will aim to ensure these properties are as energy efficient as possible delivering benefits for both tenants and the climate. This will be delivered by ensuring these homes meet government Energy Efficiency Standards.

The Council continues to work with partners on the long-term regeneration of the city, to stimulate growth and investment, and to maximise the impact of The Tay Cities Region Deal and emerging projects such as Eden Project Dundee, the Life Sciences Innovation District and the Abertay cyberQuarter.

Welfare Reform

The Council continues to respond proactively and positively to the many challenges presented by welfare reform. Throughout 2024/2025 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. Council Advice Services also continue to 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. The service has uncovered several significant issues with the migration programme that we have linked in with the local Department for Work and Pensions to correct. Money advice support was also 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).

In 2024/2025 Council Advice Services successfully claimed £17 million in benefits and additional income for customers, up from £12 million in 23/24.

This underlines the increasing need for support from Council Advice Services and this is backed up by the fact that Council Advice Services Advice line took 9004 calls in 2024/25 and the Scottish Welfare Fund took 15,483 calls in 2024/25.

The Scottish Welfare Fund continued to face exceptional pressure in relation to the high number of applications needing to be processed from vulnerable Dundee citizens. In 2024/25 the small team of 5 decision makers took 8114 Crisis Grant applications and 3973 Community Care Grant applications (Total 12,087 applications in 2024/25) and processed the vast majority in the 1 working day and 15 working day turnaround times respectively.

Fuel support continued to be offered with targeted support to mitigate against fuel cut off and fuel debt. The DEEAP team also continued to distribute 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 3346 energy interventions for customers in 2024/25. Council Advice Services and Customer Services also 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. The GP practice co-located Welfare Rights Officer service continues to provide advice in health care settings and is now available to 88188 patients in 12 GP practices across Dundee (8 from Council Advice Services, 4 from Brooksbank). A further practice is looking to come on board in 2025. In 2024/25 the 8 practices operated by Council Advice Services practices generated £3,542,244 in benefit gains. In addition, the Maternity and Health

Visitor benefits advice referral service has been offered to all new mothers in Dundee generating £595,673 in 2024/25.

The Connect Service is currently working alongside Dundee Schools to co-locate Connect officers in Secondary School locations. The Morgan Academy pilot was also expanded to Baldragon Academy, Craigie High and Braeview Academy. In total the 4 schools saw gains of £852,574 for families in 2024/25.

Connect, Welfare Rights and Citizens Advice Bureau embarked on a Pension Credit take up campaign in the last week in February 2024. In the year 2024/25 this take-up campaign was expanded and reached 598 households in Dundee generating £2,794,226 in gains for older people. The Macmillan benefit advisers working in partnership with oncology and cancer wards also helped claim £2,113,601 for 912 Dundee Citizens affected by cancer in 2024/25.

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.

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 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 2024/2025, DHSCP services continued to provide and develop health and social care services to meet the needs of Dundee's adult and older people population. The focus remains on the ongoing improvements 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. Early intervention and prevention continues to be a key strategic priority to continue to shift the balance of care. 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, drug and alcohol issues and increasing mental health problems.

Due to the increased cost and demand pressures in 2024/2025, Dundee City IJB was required to develop a Financial Recovery Plan at a result of the projected unplanned overspend position and insufficient reserves to fully support this. A variety of actions and controls were implemented to reduce the unplanned overspend which resulted in the financial position improving during the second half of the financial year. Looking ahead, the financial, demographic demand and cost pressures faced by DCIJB are mirrored in other IJBs across the country and the challenge to maintain spend within allocated resources may impact on the pace and scale of delivery of DCIJB's Strategic Commissioning Plan.

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 elements of the spirit of Our People Strategy realised within 24-25 are:

Policy Improvement and Updates

- Implementation of a Bereavement Leave policy to support staff during times of personal loss. This policy is designed to provide employees with the necessary time to grieve and manage their affairs without the added stress of work obligations. By allowing our staff to take the time they need to heal, we believe

this policy will contribute to their overall well-being and enable them to return to work feeling more supported and valued.

- The Council's Hybrid Working Policy was initially introduced in 2022 in response to the changing work environment necessitated by the Covid pandemic, and also to enable the workforce to deliver services in newly adopted ways of working. In recognising the positives of a better work/life balance, increased flexibility and a resilient workforce, further development of the policy was implemented in 2024. Workstyles were changed and a minimum of 2 days per week/onsite/office-based working cited to reinforce positive interactions with colleagues and ensure a strong team connection.

Work was undertaken in 2024/25 to propose and agree the approach to a Voluntary Severance/Early Retirement Scheme. The Council works in an environment of constant change, where achieving Best Value is a statutory requirement and where public accountability is necessary. There is a need to review and continually improve performance and service provision by undertaking work more efficiently and effectively. In recognising our responsibility to protect security of employment and the need to retain the skills and knowledge of our workforce, at times, however, changes will result where, on occasion, a need to reduce the size of the workforce will arise. This will be done through planned changes as far as possible by reaching outcomes through consultation and mutual consent.

Digital and Data Improvements

- Continued provision of high quality of the workforce data provided to all services to support the monitoring of employee absence and workforce planning.
- People Services has embraced the Council's Digital Strategy by continuing to digitally transform their processes using service design principles. People Services map processes using Engage Modeler software and obtain feedback from various stakeholders across the Council, involving them in developing and implementing new digital solutions. The aim is to streamline all People Processes making them easy to find and follow with clear help text, minimum input, or manual intervention using integrations to systems such as Resourcelink HR/Pay system to reduce input for managers, and to SharePoint to reduce manual filing. There are several processes already digitally transformed including, Establishment Change Note (ECN), Change to Employee Working Arrangements (CTEWA), Post to post reporting and location changes, Quality Conversations, Leaver's Process, Post List Audit, Post List Request and Employee File Access. There are several processes currently under development including, HR Case Management, Health and Safety Incidents, Projected End Dates and Recruitment Process. People Services will continue to improve their services for users.

Employee Health and Wellbeing

- A focus on employee wellbeing continues to be a key priority. 2024 saw the appointment of the Council's Employee Wellness Advisor. This innovative post continues to support a culture of wellbeing across the organisation with the additional ambition of supporting an overall reduction in absence and encouraging a timely return to work.
- Other wellbeing activity in 2024 included work to explore opportunities for improving our response to absence. Focused on our 3 highest absence areas, Construction, Early Years/Kingspark School, and Dundee Health & Social Care Home Care Teams, this work gave an opportunity for Employees, Managers and Trades Union Representatives to share their views on improvements, based on their experiences.
- In 2024 we undertook Wellbeing Roadshows to coincide with our annual flu vaccination programme. The Council also held Roadshows within Construction and Social Care. This introduced our Employee Health & Wellbeing supports to many individuals across the workforce who are deemed to be traditionally "hard to reach" due to the nature of their job role. On average we reached around 450 employees across the three locations.
- The Health and Wellbeing Framework was also updated in 2024 to acknowledge successes achieved, set new milestones targeted interventions.
- 2024 also saw the introduction of our new Employee Assistance Programme, which is a free to access resource, available 24/7, 365 days a year. This resource offers mental, physical, financial or personal health support and expert advice through a trained counsellor or support expert. This is a resource for all employees and is promoted widely as part of the range of wellbeing offers. The Council also continues to work closely with Able Futures, the Department of Work and Pensions Access to Mental Health Support Service.

Health and Safety

The Health and Safety Team have continued an improvement journey to ensure that:

- equitable levels of health and safety assistance are provided across the organisation by adjusting advisers' portfolios to more accurately reflect operational demands

- health and safety information is understandable and accessible to all by updating guidance and refreshing OneDundee content and health and safety training is relevant and targeted, providing services with the skills and knowledge they require; recently updated guidance and training includes CoSHH, ladder safety, fire safety, and a full review of risk assessment guidance and training is planned for 2025
- digital opportunities are identified and taken, where appropriate, to deliver efficiencies for the organisation and the team; a new digital incident reporting system is due to go live across the organisation in 2025

Employee Learning & Organisational Development

- In 2024 the new Learning Hub was launched. Utilising our Office 365 SharePoint features, this new “one stop shop” offers all employees access to information to support learning needs.
- The Leading Team Dundee network continued to flourish throughout 2024, with a relaunch event in May 2024, and new SharePoint site and MS Team, and additional events in August and December.
- The Council's e-learning platform offers a wide choice of leadership and development options for self-directed learning, to either build on and develop existing leadership, or to provide a foundation for learning for new and emerging leaders who want to strengthen their understanding of their leadership role.
- The new Managers' Induction Resource supports managers in their management function, and also to develop as leaders and grow their skills in leading teams.
- Building on the work as a Trauma-Informed organisation, a new suite of learning materials and workshops based on a trauma-informed understanding Human Behaviour was also introduced in 2024, embedded in the Leading Team Dundee offers. Our Workforce Lived Experience group continues to offer advice and guidance in offering a trauma informed view of new or amended policies and procedures implemented across the organisation.

Appraisal/Quality Conversations:

- The Council introduced annual quality conversations in 2023, replacing the Employee Personal Development Review (EPDR), to ensure all employees have formal time to reflect on their work and identify development needs. These conversations, which include annual, regular 1-2-1, and team check-ins, are recorded and monitored by the Corporate Leadership team. In 2024, the Council recorded 32,749 instances of training and development.

Employee Voice

- The 2024 employee satisfaction survey was issued to all council employees in May 2024. Four key themes emerged: Wellbeing, Recognition, Employee voice and Engagement and Learning, Development, promotion and Internal Movement. These themes were explored further using employee survey discussion groups held during January and February 2025.
- The results of the employee survey and discussion groups were reported to Council Leadership Team in April 2025 and an action plan is being developed.

Equality, Diversity and Inclusion in the Workplace

- The Council is committed to introducing measures to reduce our gender pay gap and any inequalities in specific areas. The council is developing SMART objectives to show how we intend close the gap and address inequalities.
- We continue to offer flexible working opportunities for all employees at all levels to accommodate diverse needs and responsibilities and continue to have quality developmental conversations with employees to encourage employees to develop into higher graded posts.
- Work continues to improve the existing non-disclosure rates aligned to equalities definitions
- The Council is committed to developing its workforce and providing job opportunities for the young people of Dundee. 62 young people in 2024 were undertaking apprenticeships within the Council ranging from traditional trades apprenticeships to Social Care, Business Administration and Information Technology, graduate apprenticeships, work experience graduates etc. The apprenticeships range in duration from one year to four years and the qualifications range from SVQ to degree level. On the successful completion of the apprenticeship, many of the young people will be placed in the post permanently, subject to a competency-based interviews.

Next Steps/Looking forward

The Council has been developing and will implement a Neonatal Care Leave and Pay Policy in April 25, in line with legislation to support parents of newborn babies who required neonatal care.

The Council's Promoting Health and Attendance Policy will be updated in May 25 to reflect changes in terminology and greater clarification of available supports, roles and responsibilities.

Work is underway to finalise a Death in Service Protocol in early 25/26. This details the different supports on offer to colleagues, in addition to how we appropriately and sensitively communicate with a next of kin. It also details the role of the line manager, Head of Service, and the relevant teams within Corporate Services, ensuring all parties are aware of their responsibilities.

Discussion is underway to implement a framework for negotiation and consultation with recognised trade unions. The spirit and intent of this agreement aligns with the Fair Work First principles and the parties to this agreement will continue to work and to promote and maintain a positive and constructive employment relationship between Dundee City Council and its workforce as well. In particular, the framework will specify our approach to Trade Union recognition and the collective bargaining relationship between the Council and its recognised Trade Unions.

Awards

During 2024/25, the Council was recognised nationally and locally for some outstanding achievements and innovations:

- Dundee City Council has received a number of awards over the year for its drive to net zero and use of electric vehicles (EVs). These included Logistics UK: Van Decarbonisation Winner; EVIES Awards: Public Sector Infrastructure Strategy of the Year; Solar & Energy Awards: Best Accessibility Strategy/Project; London EV Show Awards: Sustainability Award Winner; Greenfleet Awards: Public Sector Commercial Fleet of the Year & EV Champion 2024.
- Removing Barriers to Employability: DFN Project SEARCH Ninewells, a partnership project including the Council, received the SURF Award for Best Practice in Community Regeneration. This project supports young people with diverse additional needs into meaningful employment.
- A pair of Dundee City Council projects were recognised at the Dundee Institute of Architects awards. Derby Street won the Best Regeneration Award and Supreme Award, and Ellengowan Phase 1 scooped the Best Group Housing Award.
- Schools have been award-winning too. During 2024, both St Ninian's RC Primary School and Rowantree Primary School received Gold awards from UNICEF UK's Rights Respecting School Programme, while Craigiebarns Primary won the SportScotland Gold School Sport Award.
- In 2024 Dundee City Council won a prestigious national APSE (Association of Public Service Excellence) award for the Linlathen Fairness Initiative, in the Best Collaborative Working category. The award recognised efforts by the council and its partners in tackling poverty and inequalities in one of the most disadvantaged areas of the city. Residents of Linlathen have benefited from this partnership due improved access to advice and support, enhanced opportunities for families to participate in free activities, access to further education at Dundee and Angus College for young parents and access to free childcare to reduce barriers to employment.

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 |
| 2024/2025 | 15.32 |

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 increased from 37.38% to 39.70% for all employees. Moving forward, People Services in collaboration with services will concentrate efforts in supporting employees with Health and Wellbeing.

A focus on employee wellbeing continues to be a key priority for the Council. In addition to rebranding our front facing information to employees, a new post of Employee Wellness Advisor was created and recruited to, with our Advisor being in post since September 2024. The key focus of this role being on supporting wellbeing across all areas of the council, but in particular those areas where there are high levels of sickness absence.

Throughout the latter 6 months of 2024 a large-scale project focusing on the experiences of employees, managers, and Trades Union colleagues was undertaken. This project explored the reasons for sickness absence, where our policies and processes could be improved, and identified awareness of wellbeing supports and resources. This support was offered to nearly 1500 employees from 3 council areas with the highest level of sickness absence. This gave their managers and Trades Union representatives who support absence an opportunity to submit individual responses and/or attend a series of focus groups to share their views. The final report indicated a number of specific actions which are currently being progressed. Some of these actions include reviewing and revising the absence management policy and systems, promoting the resources delivered through the Council's Health and Wellbeing Support Services, having Support Wellbeing Ambassadors in all workplaces and further develop the promoting health and attendance training to increase awareness of the Occupational Health Services.

2024 also saw the introduction of our new Employee Assistance Programme, which is a free to access resource, available 24/7, 365 days a year. This resource offers mental, physical, financial or personal health support and expert advice through a trained counsellor or support expert. This is a resource for all employees and is promoted widely as part of the range of wellbeing offers. The Council also continues to work closely with Able Futures, the Department of Work and Pensions Access to Mental Health Support Service. This service is targeted at individuals in paid employment who are experiencing issues such as anxiety, depression or stress, or are struggling to deal with problems such as debt, disrupted sleep or relationship breakdowns that may be affecting their mental health. Able Futures offers support from a mental health professional who will support employees to make a plan to help optimise mental health and facilitate a timely return to work if an individual is absent from work.

Our Workforce Lived Experience group continues to offer advice and guidance in offering a trauma informed view of new or amended policies and procedures implemented across the organisation.

In 2024 we undertook Wellbeing Roadshows to coincide with our annual flu vaccination programme. The Council also held Roadshows within Construction and Social Care. This introduced our Employee Health & Wellbeing supports to many individuals across the workforce who are deemed to be traditionally "hard to reach" due to the nature of their job role. On average we reached around 450 employees across the three locations.

In December 2024, the Chief Executive hosted a corporate leadership conference, aimed at all senior leaders across the council and key partners such as Leisure and Culture Dundee and Dundee Health and Social Care Partnership. The theme of this event was "Leadership for Wellbeing", and participants had the opportunity to hear about council wellbeing initiatives, explore leadership to support wellbeing, and listen to input from our Occupational Health providers to continue to support health and wellbeing in their service area.

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 and reaching Net Zero is therefore one of the strategic priorities detailed in the Council Plan and in Dundee Partnership's City Plan.

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.

The Council is leading the transition across the city and over the past year, has developed its own organisational Net Zero Transition Plan with its seven Service Areas. The Plan was approved at Committee and published in 2023, with annual progress on the plan reported to committee in January 2025. This Plan outlines the Council's organisational approach and emissions reduction programmes to achieve its 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.

The Sustainability & Climate Change (S&CC) team has led on the development of the Council's statutory Local Heat and Energy Efficiency (LHEES) and the LHEES Delivery Plan, which were approved at committee and published in April and November 2024 respectively. These important statutory duties have set long term plans for energy efficiency and decarbonisation of heat in buildings to reduce emissions and tackle fuel poverty. In Dundee, LHEES was delivered as part of wider Local Area Energy Planning (LAEP) process – 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 was completed and approved at committee in September 2024. The outputs of the LHEES and the LAEP are visualised in an innovative web-based GIS tool – Lenza, developed through a 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.

A network of managers and officers has been established to form the Net Zero Transition Plan Officer Group, aimed at supporting the Council in achieving its Net Zero target. This group is committed to engaging and collaborating with colleagues, demonstrating best practices, sharing knowledge, and promoting the Council's actions against climate change. Additionally, the group will support the collaborative actions outlined in the LHEES Delivery Plan.

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 mandatory Public Bodies Climate Change Duties Report (PBCCDR) is available to view [here](#)

The S&CC team has 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 - Climate Ready Tayside, which launched in March 2025. Workshops were held across the region with various sectors to develop a vision and priorities for adaptation action. A business case, commissioned by Adaptation Scotland, outlines a 5-year route map for the partnership. Each Council has now completed a new or refreshed Climate Risk and Vulnerability Assessment, and synergies will be identified between them to develop cross regional adaptation projects.

The S&CC team also led on a Climate Data Literacy Capacity Building Programme during 2024, funded through a Scalable Cities Action Grant. The main aim of the project was 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 were 25 staff trained, a repository of training materials and data collaboration within departments leading to informed decision making for Net Zero.

In addition, the Sustainability and Climate Change (S&CC) Team have led three 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 11 projects were successful in securing a share of £375,190 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 £279,647 at the end of March 2024. The DCF Round 3 was completed in March 2025 awarding 5

projects a share of £106,762. An underspend of £15,509 has been reclaimed from Round 1, and will be reallocated to suitable DCF 3 projects.

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

In addition, the team coordinates the Sustainable Dundee Network, which was 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 and 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.

Underpinning the City Plan and Council Plan are Committee approved Service Plans covering all strategic service areas.

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. Regular discussions of the Corporate Risk Register are held.

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 considered in decision making and development of strategy, and the Corporate Risk Register is also reviewed by the Council Leadership Team on occasions throughout the year 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 2024/25 Risk Management Annual Report was presented to the City Governance Committee on 9 June 2025.

Performance

The Council's Performance Management Framework 2025-28 was approved by the City Governance Committee on 21st April 2025. This framework outlines how accountability is distributed throughout the Council, and establishes the standards required for balanced and effective public performance reporting and which underpins continuous improvement.

It has incorporated new requirements set out by the Statutory Performance Information Direction 2025, as well as recommendations from an internal audit of the performance management system. A key new part of this Framework is the development of formalised standards required for the key strategic plans of the City Plan, Council Plan, and Service Plans. This includes how our performance management system is to be used to monitor and analyse data, and track progress, and that performance reports must include specific data tables to show progress on actions and PIs and highlight key areas for improvement with improvement actions plans when these are reported to elected members and the public. As such, this Framework continues to effectively support the Council's delivery of the Council's Vision, Priorities and Outcomes.

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 2024/25 mid-year progress report was reported to City Governance Committee on 18th November 2024. This showed that 77% 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. The report outlined key positives for young people living in SIMD1 areas, including an improved overall total tariff for school leavers from 568 to 592 between the 2022/23 and 2023/24 academic years, and an increase in positive destinations for 16–19-year-olds from these areas, from 84.1% in 2022/23 to 87.3% in 2023/24. The report also noted the progress that has been made on the three recommendations from the Best Value Thematic Review 2023 for community asset transfer, participatory budgeting and long-term financial strategy. The report identified areas for improvement in relation to Council's energy consumption and carbon footprint, and town vacancy rates and updates on these areas for improvement will be included in the next progress report. The third annual progress report for 2024/25 will be reported to the City Governance Committee on 23 June 2025.

The second annual progress report on the City Plan for Dundee 2022-2032 went to the City Governance Committee on the 2nd December 2024. The summary of the City Plan performance showed that 57% of the performance indicators have improved when compared to the previous year. The 'reduce child poverty and inequality' theme has achieved improvement in 50% of its performance measures, 'deliver inclusive economic growth' has achieved 60%, and 'tackle climate change and reach net zero emissions by 2045' has achieved 67%. The Plan contains ambitious targets, and 15 of the 30 indicators met or are within 5% of the target.

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 Council's Performance Management Framework includes using benchmarking in this way as a key method of delivering Best Value. The latest report on the 2023/24 data compares Dundee's performance with those Local Authorities in its family group as well as comparisons across Scotland. There are 40 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 on 12 May 2025. It is based on the comparison with the family group of similar authorities and shows the percentage where Dundee is on target, which is defined as where Dundee is performing better or equivalent to the family group average. Using this method the Council obtained an overall performance rate of 45% of the 40 measures used where Dundee was on target. Two strategic priorities relating to Reduce Child poverty and inequalities in incomes, health and education (8 out of 14) and Creating Inclusive Growth and Community Wealth Building (6 out of 10) show Dundee comparing well in general in these areas compared to the other urban areas in Scotland.

This summary compares Dundee with its Family Group and shows where Dundee compares better than the family group average.

| PRIORITY | On Target | Total Measures | % |
|--|-----------|----------------|------------|
| Reduce Child poverty and inequalities in incomes health and education* | 8 | 14 | 57% |
| Create Inclusive Growth and Community Wealth Building | 6 | 10 | 60% |
| Tackle Climate Change and achieve net zero by 2045** | 1 | 4 | 25% |
| Build resilient and empowered communities | 1 | 4 | 25% |
| Design a modern Council | 2 | 8 | 25% |
| TOTAL | 18 | 40 | 45% |

*Two indicators within this priority are 2022/23.

**Two indicators within this priority are 2022/23. One indicator is 2021/22.

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.

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.

For Year 2 of the new approach, a Best Value Thematic Review of workforce innovation and how councils are responding to workforce challenges through building capacity, increasing productivity and innovation was undertaken. The report on Dundee City Council's workforce innovation was issued in August 2024 and confirmed that the council has a workforce plan to ensure it has a skilled, flexible, high performing, motivated and well managed workforce support the delivery of its strategic objectives, and that detailed service-level workforce data is provided to services to assist with workforce planning. However, this report also outlined that the Council needs to ensure that the Workforce Plan aligns with its service plans and digital strategy. As part of the review, 7 recommendations were agreed and are being implemented and monitored by colleagues in Corporate Services via their service plan:

- Alignment of Strategic Workforce Plan 2023-28 and service plans
- Impact of greater use of digital technology
- Establishment of Digital Leadership Board
- Digital skills survey
- Reliance on casual workers
- Joint working with partners
- Measuring the impact of workforce planning

PART 5 - LOOKING TO THE FUTURE

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

At the 2025/26 budget-setting meeting on 27 February 2025, 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 and again on 28 October 2024. 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.

The 2025/26 Revenue Budget and Council Tax was agreed by the City Governance Committee on 27 February 2025. 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 2025/26 to 2028/29, based on assumed flat cash grant settlements and no adjustment for the impact of distributional changes within the grant settlement process:

| | Cumulative £m |
|---------|------------------|
| 2025/26 | 9.5 |
| 2026/27 | 20.6 |
| 2027/28 | 32.8 |
| 2028/29 | 40.3 |

The most significant factors that influence budget projections are levels of Scottish Government funding and inflation, especially in relation to pay. The Council's budget is constrained by its statutory duties, Government policy, and contractual obligations. In recent years the Local Government Settlement has required Council's to maintain the level of funding for Health and Social and to protect teacher numbers. Taken with the statutory obligations in relation to Children's Services and the commitments the Council has in relation to loan charges and PFI contracts, some 64% of the Council's net budget is fixed (i.e. budget reductions are not possible).

This means that savings require to be made from the remaining 36% of the budget, or alternatively, through raising fees, charges and Council Tax.

In setting the 2025/26 Revenue Budget savings totalling £4.943m were agreed with a review of charges resulting in additional income of £652,000. The Council Tax was increased by 8% with Band D at £1,605.34 after agreeing a provision of 3.2% for Council Tax non-collection.

In the context of the Council having delivered savings of the order of £171m 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.

The Scottish Government most recently 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 a 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 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.

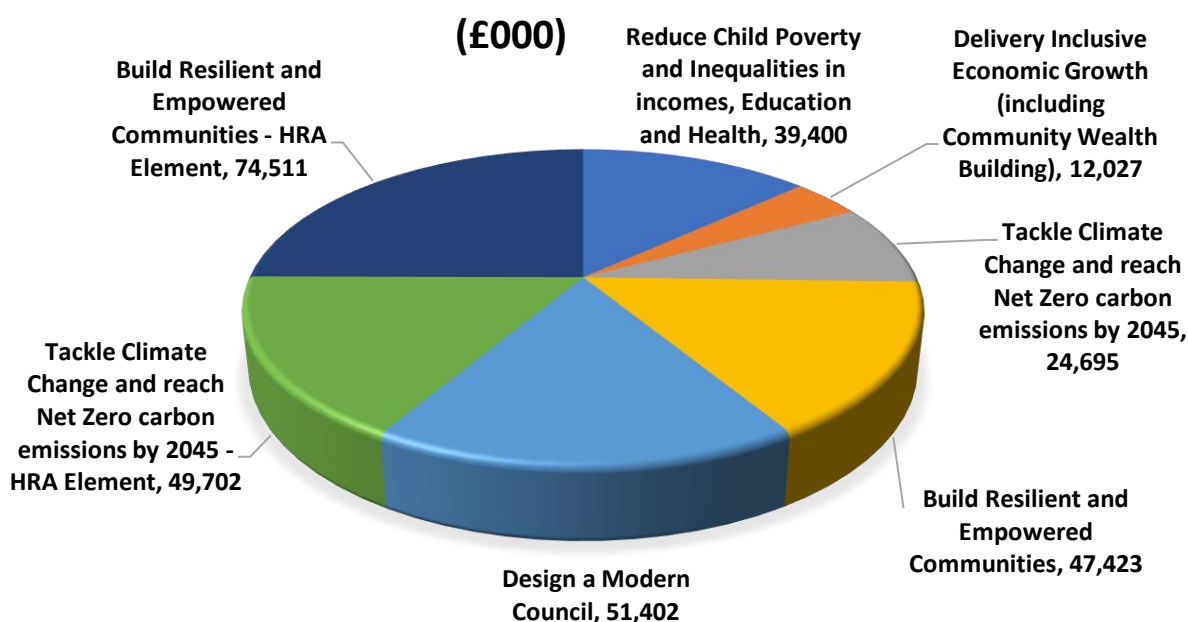
Officers will be exploring opportunities for savings over the summer period and will consider options including income generation, service redesign, partnership working and service reduction. As part of this process it is recommended that Officers engage with partners that work with Council on delivering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

A report on Transformation published by the Accounts Commission on 1 October 2024 ([Transformation in councils | Audit Scotland](#)) highlights the need for faster reform and the need for collaborative work across the public sector if Councils are to remain financially sustainable.

Future Developments – Capital Plan

In February 2025, the City Governance Committee approved a combined five year Capital Plan for General Services and Housing totalling £299m over the period 2025 to 2030. 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 2025-2030 BY THEME



Our Capital Plan for 2025-2030 sets out a £299 million building programme for the next five years for General Services & Housing HRA. The Capital Plan 2025-30 has been prepared in the context of decreasing resources.

Sustainability is a key focus for the Council with the investment of £74m 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. The largest project in the capital programme is the East End Community Campus, which opened on 22nd August 2025 and was delivered in partnership with the Scottish Government.

The HRA Capital Plan is committed to tackling climate change and reaching Net Zero carbon emissions by 2045. The plan aims to deliver larger area-based projects, improving multiple measures within the asset so that it improves energy efficiency and reduces fuel poverty for our tenants.

In respect of other planned investments, the Council will ensure these take cognisance of our net zero ambitions by ensuring that these works are completed using sustainable materials and low or zero carbon heating solutions wherever possible. Whilst recognising the longer-term benefits this can offer this will need to be balanced with affordability.

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 2024/2025 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 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. Robert Emmott, Executive Director of Corporate Services, left the Council on 28 March 2025. We particularly acknowledge his contributions in managing the Council finances. 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 2024/2025 Annual Accounts.



**Paul Thomson CPFA
Executive Director of Corporate
Services
Dundee City Council
24 September 2025**



**Gregory Colgan BAcc (Hons),
ACMA, CGMA
Chief Executive
Dundee City Council
24 September 2025**



**Councillor Mark Flynn
Leader of the Council
Dundee City Council
June 2025
24 September 2025**

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.

An annual self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption confirms that the Council has adopted a response that is appropriate for its fraud and corruption risks. This is reported to the Scrutiny Committee in September each year.

The purpose of the Scrutiny committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

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 2024/2025 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 99% (2023/2024: 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 76-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 93% for 2024/2025 (2023/2024: 92%).

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 2025.

The Annual Internal Audit review assessed a number of areas as having limited assurance including Staff Wellbeing & Absence Management, Microsoft Office 365, User Access Management, Corporate Debt Recovery Arrangements and Safety Alarm Response Centre. There were no reviews providing no assurance. Of those reviews considered as being limited assurance, a total of 19 actions were agreed of which as at 2 June 2025, 12 actions have now been fully completed.

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 2024/2025 is detailed at Appendix 1. Several items are still in progress and have been carried forward to be actioned in 2025/2026. 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, at Appendix 2 and form the Continuous Improvement Action Plan for 2025/2026. 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 shown at Appendix 3.

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 City Governance Committee is responsible for the 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 2024/2025 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 2024/2025. It is proposed over 2025/2026 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**

24 September 2025



**Councillor Mark Flynn
Leader of the Council
Dundee City Council**

24 September 2025

CONTINUOUS IMPROVEMENT AGENDA FOR 2024/2025 - WITH PROGRESS UPDATES

The Council's Corporate Governance working group identified the following areas for improvement to be taken forward during 2024/2025. Full details are included in the Council's Local Code of Corporate Governance ([Report 162-2024](#)) and the 2023/2024 Annual Governance Statement ([Report 292-2024](#)) updated for final version in 2023/2024 Audited Accounts to Scrutiny Committee on 29 September 2024 ([Report 264-2024](#)).

TABLE 1:

| ORIGINAL IMPROVEMENT AGENDA ON 2024/2025 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 2023/2024. In progress. | Service Manager - Community Safety and Resilience. | 31/03/2025 | N/a | Policy statement has been drafted and submitted with report to Senior Management Team. |
| 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 | N/a | 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. Progress has paused pending review of Housing system implementation. |

| | Improvement | Source | Details | Responsible Officer | Target Completion Date | Actual Completion Date | Comments (e.g. Estimated Completion Date, Reasons for delays, etc.) |
|---|---|--|---|--|------------------------|------------------------|--|
| 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 | N/a | Meeting held with IT leadership to explore the best way forward to progress with the implementation of this software upgrade. Resourcing strategy now being reviewed with potential to apply for Transformation funding. |
| 4 | Mandatory Data Protection Impact Assessment (DPIA) training for appropriate officers. | Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section). | Carried forward from 2023/2024. In progress | Head of Democratic and Legal Services. | 31/03/2025 | 10/01/2025 | Action Complete |
| 5 | Review the Council's Standing Orders. | Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section). | Carried forward from 2023/2024. In progress | Head of Democratic and Legal Services. | 30/09/2024 | N/a | Proposed revised Standing Orders were reported to the Council Leadership Team in May for consultation purposes and will be carried forward to be submitted to the City Governance Committee final approval in 2025/26. |
| 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 | N/a | Initial discussions held with Senior Manager - Internal Audit. To consider options for provision of this training including seeking external support for any assistance they can offer. |

| | Improvement | Source | Details | Responsible Officer | Target Completion Date | Actual Completion Date | Comments (e.g. Estimated Completion Date, Reasons for delays, etc.) |
|---|---------------------------------------|---|--------------------|---------------------|------------------------|------------------------|--|
| 7 | Fully roll-out Quality Conversations. | Annual Governance Statement 2023/2024. (SelfAssessment Checklist (SAC): Internal Control Environment. | New for 2024/2025. | Head of People | 31/03/2025 | 03/03/2025 | Action Complete - Quality Conversation scheme is fully rolled out and the next phase of the project is under way in terms of reviewing effectiveness and evaluating adoption levels. |

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

CONTINUOUS IMPROVEMENT AGENDA FOR 2025/2026

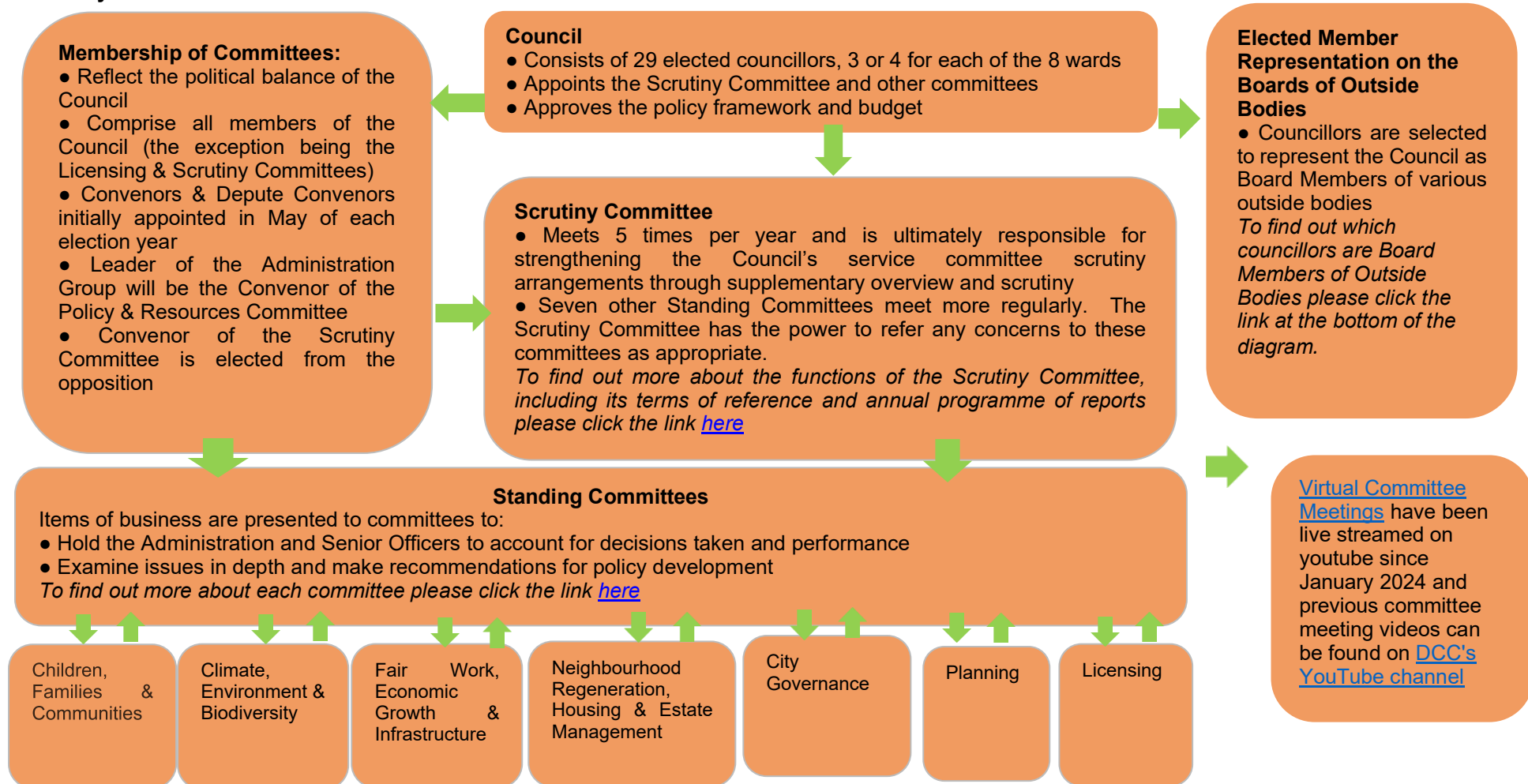
The Council's Corporate Governance working group has identified the following areas for improvement, full details are included in the Council's Local Code of Corporate Governance, to be taken forward during 2025/2026:

TABLE 2

| | Improvement | Source | Details | Responsible Officer | Target Completion Date |
|---|---|---|--|--|------------------------|
| 1 | Continue to develop Business Continuity Strategy. | Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). <u>Report 223-2017</u> | Carried forward from 2024/2025. In progress. | Service Manager - Community Safety and Resilience. | 31/03/2026 |
| 2 | Replace Construction Services' Costing System. | | Carried forward from 2024/2025. In progress. | Head of Construction and Head of Customer Services and IT. | 31/03/2026 |
| 3 | Implementation of Corporate Property Management system. | Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section). | Carried forward from 2024/2025. In progress. | Head of Design and Property Services. | 31/03/2027 |

| | Improvement | Source | Details | Responsible Officer | Target Completion Date |
|---|---|--|---|--|------------------------|
| 4 | Review the Council's Standing Orders. | Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section). | Carried forward from 2024/2025 Proposed revised Standing Orders will be reported to the Council Leadership Team in May 25 for consultation purposes and to the City Governance Committee in September 25 for final approval | Head of Democratic and Legal Services. | 22/09/2025 |
| 5 | Roll-out advanced risk management training module for senior officers. | Corporate Governance Assurance Statement Group. | Carried forward from 2024/2025. In progress. | Head of Corporate Finance | 31/10/2025 |
| 6 | Ensure basic financial ledger mandatory training for all budget holders. | Annual Governance Statement 2024/2025. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section). | New for 2025/2026. | Head of Corporate Finance | 31/03/2026 |
| 7 | Procurement Strategy, - Implementation of Sourcing Strategies in respect of procurement thresholds and any other changes includes in the review of Standing Orders. | Annual Governance Statement 2024/2025. (Self-Assessment Checklist (SAC): Budgeting, Accounting and Financial Control section). | New for 2025/2026. | Head of Corporate Finance | 31/03/2026 |

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 statements.

REMUNERATION ARRANGEMENTS

Senior Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2024 (Scottish Statutory Instrument No. 2024/24) 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 2024/2025 the salary for the Leader of Dundee City Council was £42,698. 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 (£32,024). The Regulations allow the Civic Head to incur expenditure of up to £3,000 on expenses associated with the position. During 2024/2025, the Council's Lord Provost incurred expenditure of £2,109 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.

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 £391,705, incorporating the effect of 0.4%, 2.8%, 2.2%, 4.2%, 5.2%, 2.7% and 6.2% pay increases from 1 April 2018, 1 April 2019, 1 April 2020, 1 April 2021, 1 April 2022, 1 April 2023 and 1 April 2024 respectively. The actual remuneration paid to Senior Councillors in 2024/25 was £391,705. 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 on page 43. The salaries, allowances and expenses for all Councillors (including Senior Councillors) are set out below.

Remuneration paid to Councillors (subject to audit)

| | 2023/2024 £ | 2024/2025 £ |
|-----------------------------------|----------------|----------------|
| Salaries | 689,150 | 720,468 |
| Mileage, Travel & Subsistence etc | 6,283 | 2,524 |
| Training & Conferences | - | 90 |
| Telephone Expenses | 2,147 | 1,532 |
| Other Allowances | 521 | 596 |
| | 698,101 | 725,210 |
| Provision of Council Cars | 46,030 | 50,426 |
| Total | 744,131 | 775,636 |

The full Annual Return of Councillors Salaries & Expenses for 2024/2025 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 Scottish Negotiating Committee for Teachers (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:

- 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;
- 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
- 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 2024/2025, 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 on page 44.

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 2024/2025 |
|-------------------|------------------------------|------------------------------|
| £50,000 - £54,999 | 210 | 337 |
| £55,000 - £59,999 | 192 | 147 |
| £60,000 - £64,999 | 74 | 155 |
| £65,000 - £69,999 | 62 | 67 |
| £70,000 - £74,999 | 44 | 40 |
| £75,000 - £79,999 | 45 | 44 |
| £80,000 - £84,999 | 12 | 36 |
| £85,000 - £89,999 | 7 | 10 |

| | | |
|---------------------|------------|------------|
| £90,000 - £94,999 | 3 | 2 |
| £95,000 - £99,999 | 2 | 4 |
| £100,000 - £104,999 | 5 | 2 |
| £105,000 - £109,999 | 11 | 3 |
| £110,000 - £114,999 | 0 | 10 |
| £120,000 - £124,999 | 1 | 0 |
| £125,000 - £129,999 | 0 | 1 |
| £130,000 - £134,999 | 0 | 1 |
| £135,000 - £139,999 | 4 | 0 |
| £140,000 - £144,999 | 0 | 3 |
| £170,000 - £174,999 | 1 | 0 |
| £175,000 - £179,999 | 0 | 1 |
| Total | 673 | 863 |

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 2024/2025 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 2024/2025 |
|---|--|
| On earnings up to and including £27,000 | 5.5% |
| On earnings above £27,001 and up to £33,000 | 7.25% |
| On earnings above £33,001 and up to £45,300 | 8.5% |
| On earnings above £45,301 and up to £60,400 | 9.5% |
| On earnings of £60,401 and above | 12% |

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

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate under the new CARE Scheme guarantees a pension based on 1/49th of pensionable salary, calculated separately for each year of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service.

Senior Councillors

The accrued pension benefits for Senior Councillors are set out in Table 3 on page 45, 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 on page 47, 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 2024/2025, the scheme member contribution rate for Senior Councillors was in the range of 5.5% to 6.4% (2023/2024 5.5% to 6.4%) of pensionable pay and for Senior Employees was in the range of 9.4% to 10.3% (2023/2024 9.4% to 10.3%) of pensionable pay. In 2024/2025, the employer contribution rate was 15.7% (2023/2024 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 on page 48 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. During 2024/2025, the Council obtained numbers for the 2023/2024 and 2024/2025 financial years:

| Trade Union (Facility Time Publication Requirements) Regulations 2017 disclosure requirement | 2024/25 | 2023/24 | 2022/23 |
|--|---------------|---------------|---------------|
| Number of employees who were relevant union officials during the relevant period | 40 | 39 | 37 |
| How many employees who were relevant union officials during the relevant period spent | | | |
| a) 0 -1% of their working hours on facility time: | 5 | 6 | 7 |
| b) 1 – 50% of their working hours on facility time: | 32 | 30 | 28 |
| c) 51-99% of their working hours on facility time: | 3 | 3 | 1 |
| d) 100% of their working hours on facility time: | 0 | 0 | 1 |
| Percentage of the total pay bill spent on facility time | 0.075% | 0.072% | 0.061% |
| Time spent on paid trade union activities as a percentage of total paid facility time hours | Not available | Not available | Not available |



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Dundee City Council

24 September 2025



Councillor Mark Flynn
Leader of the Council
Dundee City Council

24 September 2025

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

| Councillor Name | Responsibility | Salary, Fees & Allowances £ | Taxable Expenses £ | Other Payments £ | Total Remuneration 2024/2025 £ | Total Remuneration 2023/2024 £ |
|-------------------|---|--------------------------------|-----------------------|---------------------|-----------------------------------|-----------------------------------|
| Bill Campbell | Lord Provost | 32,024 | - | - | 32,024 | 30,154 |
| Christina Roberts | Depute Convener of Planning Committee | 24,015 | - | - | 24,015 | 23,733 |
| Heather Anderson | Convener of Climate, Environment and Biodiversity Committee | 28,352 | - | - | 28,352 | 26,697 |
| John Alexander | Leader (to 31 August 2024) | 17,561 | - | - | 17,561 | 40,205 |
| Kevin Cordell | Depute Lord Provost, Convener of Neighbourhood Regeneration, Housing and Estate Management Committee (note 1) | 27,398 | - | - | 27,398 | 25,128 |
| Kevin Keenan | Convener of Scrutiny Committee, Leader of the Major Opposition Group | 28,352 | - | - | 28,352 | 26,697 |
| Lynne Short | Depute Convener of Neighbourhood Regeneration, Housing and Estate Management Committee (note 2) | 29,314 | - | 5,299 | 34,613 | 24,573 |
| Mark Flynn | Leader (from 1 September 2024), Convener of City Governance Committee | 36,797 | - | - | 36,797 | 26,697 |
| Nadia El-Nakla | Depute Convener of Climate, Environment and Biodiversity Committee | 24,015 | - | - | 24,015 | 22,613 |
| Roisin Smith | Convener of Licensing Committee | 24,015 | - | - | 24,015 | 22,613 |
| Siobhan Tolland | Depute Convener of Fair Work, Economic Growth and Infrastructure Committee | 24,015 | - | - | 24,015 | 22,613 |
| Steven Rome | Convener of Fair Work, Economic Growth and Infrastructure Committee | 28,352 | - | - | 28,352 | 25,577 |
| Stewart Hunter | Convener of Children, Families and Communities Committee | 28,352 | - | - | 28,352 | 26,697 |
| Will Dawson | Convener of Planning Committee | 28,352 | - | - | 28,352 | 26,697 |
| Willie Sawers | Depute Convener of City Governance Committee | 28,352 | - | - | 28,352 | 26,697 |
| Total | | 409,266 | - | 5,299 | 414,565 | 397,391 |

1. The figures for Salary, Fees and Allowances represents total remuneration for the year including payment for being a Councillor, together with the additional payment for being the Convener of the Tayside Valuation Joint Board.
2. The figures for Other Payments relate to remuneration as the Scottish Vice-Chair for the Association for Public Service Excellence (APSE) in Scotland.

Note

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

| | 2024/2025 £ | 2023/2024 £ |
|-------------------------------|----------------|----------------|
| Tay Road Bridge Joint Board | 2,969 | 3,773 |
| Tayside Valuation Joint Board | 6,053 | 5,029 |
| Total | 9,022 | 8,802 |

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 2024/2025 £ | Total Remuneration 2023/2024 £ |
|-----------------|---|--------------------------------|--------------------------------|---------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Gregory Colgan | Chief Executive (see note 1) | 177,218 | - | 2,748 | - | - | 179,966 | 170,049 |
| Robert Emmott | Executive Director of Corporate Services and S95 Officer (see note 2) | 140,895 | - | - | - | - | 140,895 | 135,763 |
| Audrey May | Executive Director of Children and Families | 140,644 | - | - | - | - | 140,644 | 135,763 |
| Robin Presswood | Executive Director of City Development | 140,644 | - | - | - | - | 140,644 | 135,763 |
| Tony Boyle | Executive Director of Neighbourhood Services (see note 3) | 132,696 | - | - | - | - | 132,696 | - |
| Judy Dobbie | Director of Leisure and Culture Dundee | 125,210 | - | - | - | - | 125,210 | 120,850 |

| | | | | | | | | |
|--------------|--|----------------|----------|--------------|----------|----------|----------------|----------------|
| Glyn Lloyd | Head of Children's and Community Justice Service | 111,474 | - | - | - | - | 111,474 | 8,966 |
| Total | | 968,781 | - | 2,748 | - | - | 971,529 | 707,154 |

TABLE 2 NOTES

1. The remuneration for Gregory Colgan, Chief Executive, includes £2,748 fees for election duties.
2. Robert Emmott retired on 28 March 2025. Paul Thomson took over as Executive Director of Corporate Services and S95 Officer from 30 March 2025.
3. Tony Boyle took over as Executive Director of Neighbourhood Services on 1 April 2024, from Elaine Zwirlein who retired on 31 March 2024.

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

| Councillor Name | Responsibility | Pension as at 31 March 2025 | Pension Difference from 31 March 2024 | Lump Sum as at 31 March 2025 | Lump Sum Difference from 31 March 2024 | Pension Contribution 2024/2025 | Pension Contribution 2023/2024 |
|-----------------------|--|--------------------------------|--|------------------------------------|---|--------------------------------------|--------------------------------------|
| | | £000 | £000 | £000 | £000 | £ | £ |
| Bill Campbell | Lord Provost | 7.4 | 1.3 | - | - | 5,027 | 5,126 |
| Christina Roberts | Depute Convener of Planning Committee | 8.7 | 0.9 | 2.0 | 0.0 | 3,770 | 4,034 |
| Heather Anderson | Convener of Climate, Environment and Biodiversity Committee | 4.0 | 0.8 | - | - | 4,451 | 4,538 |
| John Alexander | Leader (to 31 August 2024) | 7.8 | 0.9 | | | 2,757 | 6,834 |
| Kevin Cordell | Depute Lord Provost, Convener of Neighbourhood Regeneration, Housing and Estate Management Committee | 7.0 | 0.9 | - | - | 4,301 | 4,271 |
| Kevin Keenan | Convener of Scrutiny Committee, Leader of the Major Opposition Group | 10.6 | 1.3 | 2.5 | 0.1 | 4,451 | 4,538 |
| Lynne Short | Depute Convener of Neighbourhood Regeneration, Housing and Estate Management Committee | 4.9 | 0.9 | - | - | 4,602 | 4,177 |

| Councillor Name | Responsibility | Pension as at 31 March 2025 | Pension Difference from 31 March 2024 | Lump Sum as at 31 March 2025 | Lump Sum Difference from 31 March 2024 | Pension Contribution 2024/2025 | Pension Contribution 2023/2024 |
|-----------------|--|-----------------------------|---------------------------------------|------------------------------|--|--------------------------------|--------------------------------|
| | | £000 | £000 | £000 | £000 | £ | £ |
| Mark Flynn | Leader, Convener of City Governance Committee (from 1 September 2024) | 4.6 | 1.0 | - | - | 5,777 | 4,538 |
| Nadia El-Nakla | Depute Convener of Climate, Environment and Biodiversity Committee | 1.4 | 0.6 | - | - | 3,770 | 3,844 |
| Roisin Smith | Convener of Licensing Committee | 4.0 | 0.7 | - | - | 3,770 | 3,844 |
| Siobhan Tolland | Depute Convener of Fair Work, Economic Growth and Infrastructure Committee | 1.5 | 0.6 | - | - | 3,770 | 3,844 |
| Steven Rome | Convener of Fair Work, Economic Growth and Infrastructure Committee | 3.1 | 0.7 | - | - | 4,451 | 4,348 |
| Stewart Hunter | Convener of Children, Families and Communities Committee | 9.7 | 1.0 | 2.2 | 0.0 | 3,770 | 4,538 |
| Will Dawson | Convener of Planning Committee | 9.9 | 1.0 | 2.3 | 0.0 | 3,770 | 4,538 |
| Willie Sawers | Depute Convener of City Governance Committee | 9.9 | 1.0 | 2.3 | 0.0 | 3,770 | 4,538 |
| Total | | 94.5 | 13.6 | 11.3 | 0.1 | 62,207 | 67,550 |

TABLE 3 NOTES

1. The Pension Contribution figures relate to the remuneration shown for the relevant persons in Table 1a.

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

| Employee Name | Post Title | Pension as at 31 March 2025 | Pension Difference from 31 March 2024 | Lump Sum as at 31 March 2025 | Lump Sum Difference from 31 March 2024 | Pension Contribution 2024/2025 | Pension Contribution 2023/2024 |
|-----------------|--|-----------------------------------|--|------------------------------------|--|--------------------------------------|--------------------------------------|
| | | £000 | £000 | £000 | £000 | £ | £ |
| Gregory Colgan | Chief Executive | 46.8 | 5.9 | - | - | 27,823 | 28,908 |
| Robert Emmott | Executive Director of Corporate Services and S95 Officer (see note 2) | 66.2 | 5.7 | 81.8 | 2.8 | 21,993 | 23,079 |
| Robin Presswood | Executive Director of City Development | 59.0 | 0.5 | 67.2 | 2.3 | 22,081 | 23,079 |
| Tony Boyle | Executive Director of Neighbourhood Services | 66.3 | - | 91.9 | - | 20,833 | 23,079 |
| Judy Dobbie | Director of Leisure and Culture Dundee | 65.0 | 5.2 | 94.4 | 3.3 | 19,658 | 20,554 |
| Glyn Lloyd | Head of Children's and Community Justice Service | 47.7 | 4.5 | 51.0 | 1.8 | 17,501 | 18,291 |
| Total | | 351 | 21.8 | 386.3 | 10.2 | 129,889 | 155,281 |

TABLE 4 NOTES

1. Audrey May, Executive Director of Children and Families, has opted out of the Local Government Pension Scheme.
2. Robert Emmott retired on 28 March 2025. Paul Thomson took over as Executive Director of Corporate Services and S95 Officer from 30 March 2025.

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) | |
|------------------------|-----------------------------------|-----------|-----------------------------------|-----------|--|-----------|---|------------|
| | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 |
| £0 - £20,000 | - | - | 1 | 4 | 1 | 4 | 12 | 25 |
| £20,001 - £40,000 | - | - | - | - | - | - | - | - |
| £40,001 - £60,000 | - | - | - | - | - | - | - | - |
| £60,001 - £80,000 | - | - | - | - | - | - | - | - |
| £80,001 - £100,000 | - | - | - | 1 | - | 1 | - | 81 |
| £100,001 - £120,000 | - | - | - | 1 | - | 1 | - | 114 |
| Total | - | - | 1 | 6 | 1 | 6 | 12 | 220 |

TABLE 5 NOTES

1. The above table represents the actual costs incurred of termination benefits associated with voluntary redundancy payments to employees who left during 2024/2025 and 2023/2024. Under the terms of the Council's severance schemes for non-teaching staff, employees can elect to receive a voluntary redundancy payment. During 2024/2025, 6 employee received voluntary redundancy payments (2023/2024: 1 employees) for which the Council incurred one-off redundancy costs of £0.220 m (2023/2024 £0.012m).

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 June 2025.

Signed on behalf of Dundee City Council

Councillor Mark Flynn
Leader of the Council
24 September 2025



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 2025.

Paul Thomson CPFA
Executive Director of Corporate Services

Dundee City Council
24 September 2025



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.

| 2023/2024 | | | 2024/2025 | | | |
|--|--|--|---|--|--|--|
| 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 |
| 196,928 | 926 | 197,854 | Children & Families Services | 219,882 | 998 | 220,880 |
| 103,862 | (168) | 103,694 | Dundee Health & Social Care Partnership | 111,301 | 609 | 111,910 |
| 25,861 | 50,465 | 76,326 | City Development | 24,561 | 56,269 | 80,830 |
| 25,806 | 1,550 | 27,356 | Neighbourhood Services | 20,907 | 6,872 | 27,779 |
| 15,700 | 27 | 15,727 | Chief Executive | 14,465 | 60 | 14,525 |
| 32,709 | 3,117 | 35,826 | Corporate Services | 33,630 | 2,778 | 36,408 |
| 73 | (168) | (95) | Construction | 482 | (35) | 447 |
| 4,075 | 16,180 | 20,255 | Housing Revenue Account | 4,124 | 13,024 | 17,148 |
| 497 | - | 497 | Discretionary NDR Relief | 493 | - | 493 |
| 802 | - | 802 | Tayside Valuation Joint Board | 1,028 | - | 1,028 |
| 4,170 | (338) | 3,832 | Miscellaneous Items | 3,188 | 477 | 3,665 |
| 410,483 | 71,591 | 482,074 | Cost Of Services | 434,061 | 81,052 | 515,113 |
| (428,296) | 4,184 | (424,112) | Other Income and Expenditure | (419,089) | (32,753) | (451,842) |
| (17,813) | 75,775 | 57,962 | (Surplus) or Deficit on Provision of Services | 14,972 | 48,299 | 63,271 |
| (56,647) | | | Opening General Fund and HRA Balance | (77,731) | | |
| (17,813) | | | Add (Surplus) / Deficit on General Fund and HRA Balance in Year | 14,972 | | |
| (3,271) | | | Transfers to / (from) Other Reserves | (4,272) | | |
| (77,731) | | | Closing General Fund and HRA Balance at 31 March * | (67,031) | | |

* 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

| 2023/2024 | | | | 2024/2025 | | | | |
|--|--|--|------------------------------|--|--|--|--|------------------------------|
| 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 |
| - | 651 | 275 | 926 | Children & Families Services | (1) | 1,443 | (444) | 998 |
| - | 489 | (657) | (168) | Dundee Health & Social Care Partnership | - | 959 | (350) | 609 |
| 52,354 | 208 | (2,097) | 50,465 | City Development | 64,065 | 405 | (8,201) | 56,269 |
| 1,364 | 333 | (147) | 1,550 | Neighbourhood Services | 1,415 | 757 | 4,700 | 6,872 |
| - | 34 | (7) | 27 | Chief Executive | - | 64 | (4) | 60 |
| 2,622 | 503 | (8) | 3,117 | Corporate Services | 2,508 | 365 | (95) | 2,778 |
| - | 203 | (371) | (168) | Construction | - | 405 | (440) | (35) |
| 22,880 | 75 | (6,775) | 16,180 | Housing Revenue Account | 21,183 | 16 | (8,175) | 13,024 |
| - | (2,585) | 2,247 | (338) | Miscellaneous Items | - | (2,452) | 2,929 | 477 |
| 79,220 | (89) | (7,540) | 71,591 | Cost Of Services | 89,170 | 1,962 | (10,080) | 81,052 |
| (1,739) | (1,499) | 7,422 | 4,184 | Other income and expenditure from the Expenditure and Funding Analysis | (41,455) | (501) | 9,203 | (32,753) |
| 77,481 | (1,588) | (118) | 75,775 | Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 47,715 | 1,461 | (877) | 48,299 |

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.

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

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

| 2023/2024 | | | | 2024/2025 | | |
|----------------------|----------------------|-------------------------------|--|----------------------|----------------------|-------------------------------|
| Gross Expend £000 | Gross Income £000 | Net Expend / (Income) £000 | | Gross Expend £000 | Gross Income £000 | Net Expend / (Income) £000 |
| 238,568 | (40,714) | 197,854 | Children & Families Services | 242,788 | (21,908) | 220,880 |
| 258,180 | (154,486) | 103,694 | Dundee Health & Social Care Partnership | 279,750 | (167,840) | 111,910 |
| 103,803 | (27,477) | 76,326 | City Development | 113,928 | (33,098) | 80,830 |
| 39,426 | (12,070) | 27,356 | Neighbourhood Services | 39,693 | (11,914) | 27,779 |
| 17,920 | (2,193) | 15,727 | Chief Executive | 16,931 | (2,406) | 14,525 |
| 87,483 | (51,657) | 35,826 | Corporate Services | 86,206 | (49,798) | 36,408 |
| 6,458 | (6,553) | (95) | Construction | 8,456 | (8,009) | 447 |
| 78,024 | (57,769) | 20,255 | Housing Revenue Account | 79,090 | (61,942) | 17,148 |
| 497 | - | 497 | Discretionary NDR Relief | 493 | - | 493 |
| 802 | - | 802 | Tayside Valuation Joint Board | 1,028 | - | 1,028 |
| 5,222 | (1,390) | 3,832 | Miscellaneous Items | 3,443 | 222 | 3,665 |
| 836,383 | (354,309) | 482,074 | Cost Of Services | 871,806 | (356,693) | 515,113 |
| | | (289) | Other Operating Expenditure (note 5) | | | (3,046) |
| | | 30,006 | Financing and Investment Income and Expenditure (note 6) | | | 35,361 |
| | | (453,829) | Taxation and Non-Specific Grant Income (note 7) | | | (484,157) |
| | | 57,962 | Deficit on Provision of Services | | | 63,271 |
| | | (76,629) | (Surplus) or Deficit on revaluation of non-current assets | | | 24,585 |
| | | 1,978 | Impairment losses on non-current assets charged to the Revaluation Reserve | | | 317 |
| | | (120) | (Surplus) or Deficit on financial assets measured at fair value through other comprehensive income | | | 2 |
| | | - | Notional gain on adoption of IFRS 16 | | | (230) |
| | | 2,606 | Remeasurements of the net defined benefit liability (asset) | | | (5,291) |
| | | (72,165) | Other Comprehensive (Income) / Expenditure | | | 19,383 |
| | | (14,203) | Total Comprehensive (Income) / Expenditure | | | 82,654 |

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.

| 2023/2024 | <u>Revenue Reserves</u> | | | | <u>Capital Reserves</u> | | Total Usable Reserves £000 | Unusable Reserves £000 | Total Authority Reserves £000 |
|---|---------------------------|------------------|----------------------------|---------------------|--|-------------------|----------------------------|------------------------|-------------------------------|
| | General Fund Balance £000 | HRA Balance £000 | Renewal & Repair Fund £000 | Insurance Fund £000 | Capital Grants & Receipts Unapplied Account £000 | Capital Fund £000 | | | |
| Balance at 31 March 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 | 32,405 | 25,557 | - | - | - | - | 57,962 | (72,165) | (14,203) |
| Adjustments to Usable Reserves Permitted by Accounting Standards | (20,784) | (13,831) | - | - | - | - | (34,615) | 34,615 | - |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9) | (33,509) | (7,651) | - | - | 1,021 | 657 | (39,482) | 39,482 | - |
| Net (Increase)/ Decrease before Transfers to Earmarked Reserves | (21,888) | 4,075 | - | - | 1,021 | 657 | (16,135) | 1,932 | (14,203) |
| 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) | 1,932 | (14,203) |
| Balance at 31 March 2024 carried forward | (77,731) | - | (10,826) | (1,192) | (354) | (2,147) | (92,250) | (980,432) | (1,072,682) |

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

| 2024/2025 | 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 2024 brought forward | (77,731) | - | (10,826) | (1,192) | (354) | (2,147) | (92,250) | (980,432) | (1,072,682) |
| Movement in Reserves during 2024/2025 | | | | | | | | | |
| Total Comprehensive Income & Expenditure | 38,959 | 24,312 | - | - | - | - | 63,271 | 19,383 | 82,654 |
| Adjustments to Usable Reserves Permitted by Accounting Standards | (21,840) | (18,347) | - | - | - | - | (40,187) | 40,187 | - |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9) | (6,271) | (1,841) | - | - | 13 | (480) | (8,579) | 8,579 | - |
| Net (Increase)/ Decrease before Transfers to Earmarked Reserves | 10,848 | 4,124 | - | - | 13 | (480) | 14,505 | 68,149 | 82,654 |
| Transfers to/(from) Other Statutory Reserves | (148) | (4,124) | 4,531 | (168) | - | (91) | - | - | - |
| (Increase)/ Decrease in 2024/2025 | 10,700 | - | 4,531 | (168) | 13 | (571) | 14,505 | 68,149 | 82,654 |
| Balance at 31 March 2025 carried forward | (67,031) | - | (6,295) | (1,360) | (341) | (2,718) | (77,745) | (912,283) | (990,028) |

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 2024 £000 | | | 31 March 2025 £000 |
|-----------------------------------|------------------------------|-------|-----------------------------------|
| 1,841,102 | Property, Plant & Equipment | 27 | 1,913,186 |
| 20,792 | Heritage Assets | 41 | 20,855 |
| 13,073 | Investment Property | 24 | 13,073 |
| 2,759 | Intangible Assets | 25 | 2,675 |
| 29 | Long Term Investments | 37 | 29 |
| 11,095 | Long Term Debtors | 37/44 | 11,942 |
| 1,888,850 | Long Term Assets | | 1,961,760 |
| 3,252 | Short Term Investments | 37 | 3,156 |
| 1,102 | Inventories | - | 1,114 |
| 58,378 | Short Term Debtors | 31 | 67,287 |
| 1,626 | Cash and Cash Equivalents | 16 | - |
| 4,493 | Assets held for sale | 30 | 4,448 |
| 68,851 | Current Assets | | 76,005 |
| (95,097) | Short Term Borrowing | 37 | (183,872) |
| (98,861) | Short Term Creditors | 32/37 | (77,375) |
| - | Cash and Cash Equivalents | 16 | (6,357) |
| (193,958) | Current Liabilities | | (267,604) |
| (4,297) | Provisions | 33 | (3,170) |
| (494,522) | Long Term Borrowing | 37 | (518,204) |
| (32,221) | Pension Liability | 12/20 | (28,391) |
| (153,479) | Other Long Term Liabilities | 43 | (218,824) |
| (6,542) | Grants Receipts in Advance | 36 | (11,544) |
| (691,061) | Long Term Liabilities | | (780,133) |
| 1,072,682 | Net Assets | | 990,028 |
| 92,250 | Usable Reserves | 11 | 77,745 |
| 980,432 | Unusable Reserves | 12 | 912,283 |
| 1,072,682 | Total Reserves | | 990,028 |

The unaudited accounts were authorised for issue on 25 June 2025 and the audited accounts were authorised for issue on 24 September 2025 and signed on their behalf by:-



Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

The notes on pages 58 to 126 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.

| 2023/2024 £000 | | 2024/2025 £000 |
|---------------------------------|--|---------------------------------|
| 57,963 | Net deficit on the provision of services | 63,271 |
| (70,514) | Adjust net (surplus) on the provision of services for non-cash movements | (71,848) |
| 2,356 | Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities | 3,323 |
| (10,195) | Net cash flows from Operating Activities | (5,254) |
| 82,125 | Investing Activities (note 14) | 117,626 |
| (60,867) | Financing Activities (note 15) | (104,389) |
| 11,063 | Net (increase)/decrease in cash and cash equivalents | 7,983 |
| 12,689 | Cash and cash equivalents at the beginning of the reporting period | 1,626 |
| 1,626 | Cash and cash equivalents at the end of the reporting period (note 16) | (6,357) |

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1 Accounting Policies

A. General Principles

The Annual Accounts summarise the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. 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 2024/25 and the Service Reporting Code of Practice 2024/25, 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 (i.e. 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. 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.

P. 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.

Right of Use Assets

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 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 now included on the balance sheet from 1 April 2024. The Council has elected to apply recognition exemptions to low value assets (below £6,000 when new) and to short term leases i.e. existing leases that expire on or before 31 March 2026, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As noted under policy R below, with effect from 1 April 2024 IFRS16 also applies to Service Concession Agreements and recognition of the resultant remeasurement of the lease liability.

Any leases that are exempted from Right of Use Asset recognition are accounted for as leases as per policy Q below.

Q. Leases

Leases that are exempted from IFRS16 Right of Use Assets accounting as per policy P above are classified as operating leases. These are leases where the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

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.

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, forms part of Service Concession debt as remeasured under IFRS16 and amortised between finance costs and debt repayments over the remaining term of service concession contracts
- 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 Agreements are accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. The Standard recognises that the Council is in control of services provided under the PPP scheme. As ownership of the long-term assets will pass to the Council at the end of the contract for no

additional charge, the Council carries the assets on the Balance Sheet. With effect from 1 April 2024, IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments.

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 increased the Capital Financing Requirement (CFR) from 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 up to 31 March 2023 resulted 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 than 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 His 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 2025/2026 Code:

- changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

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 £155m as at 31 March 2025) 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 2025) 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 £57m as at 31 March 2025) 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.

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 2025 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 £0.7m. However, the assumptions interact in complex ways. During 2024/2025, the Council's actuaries advised that the net pensions liability had decreased by £3.8m. The decrease was due to a number of factors: changes in actuarial financial assumptions, experience losses on the defined benefit obligation, return on plan assets and the difference between Current Service Cost and the employer's pension contributions to the scheme for the year. |
| Debtors /Non-collection Provisions | At 31 March 2025, the Council has a gross balance for short-term sundry debtors of £110.956m, including local taxation and housing rent debtors. A review of the different categories of debt has concluded that an overall allowance for impairment of £43.669m 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

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| (539) | (Gains) / losses on the disposal of non current assets | (3,046) |
| 250 | Impairment of Assets Held for Sale | - |

(289) Total**(3,046)****6 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure**

| 2023/2024 | | 2024/2025 |
|------------------|--|------------------|
| £000 | | £000 |
| 34,063 | Interest payable and similar charges | 39,019 |
| (1,499) | Net interest on the net defined benefit liability (asset) | (501) |
| (1,521) | Interest receivable and similar income | (1,358) |
| 0 | Changes in the fair value of investment properties | 0 |
| (1,169) | Net income from investment properties | (1,142) |
| 379 | Share of Tayside Contracts surplus | (160) |
| (1,062) | Scottish Government contribution to DBFM interest costs | (1,065) |
| (864) | SG contribution to DBFM loan repayment costs | (852) |
| 0 | Dovetail loans write off costs less Studio Dundee recovery | 50 |
| 1,679 | Trade Debtors Impairment Allowance | 1,370 |
| 30,006 | Total | 35,361 |

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

| 2023/2024 | | 2024/2025 |
|------------------|--|------------------|
| £000 | | £000 |
| (64,124) | Council Tax Income | (66,343) |
| (73,704) | Contribution from national non domestic rates pool | (73,695) |
| (277,744) | Non-ring-fenced government grants | (318,014) |
| (38,257) | Capital grants and contributions | (26,042) |
| 0 | Donated asset | (63) |
| (453,829) | Total | (484,157) |

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 2024 | 31 March 2025 |
|--|----------------------|----------------------|
| | £000 | £000 |
| Distribution from non-domestic rate pool | 73,704 | 73,695 |
| Non-domestic rate income retained by authority (BRIS) | - | - |
| Non-domestic rate income credited to the comprehensive income and expenditure statement | 73,704 | 73,695 |

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

| 2023/2024 | | 2024/2025 |
|------------------|---------------------------|------------------|
| £000 | | £000 |
| 303,255 | Employee benefit expenses | 312,342 |
| 72,869 | Property costs | 75,676 |
| 10,734 | Supplies & services | 11,148 |
| 5,869 | Transport | 6,095 |
| 50,234 | Transfer payments | 52,169 |

| | | |
|------------------|--|------------------|
| 297,664 | Third party payments | 309,131 |
| 3,095 | Support service recharges | 3,271 |
| 92,290 | Depreciation, amortisation and impairment | 101,789 |
| 34,063 | Interest payments | 39,019 |
| 802 | Precepts and levies | 1,029 |
| 870,875 | Total Expenditure | 911,669 |
| (206,340) | Fees, charges and other service income | (218,425) |
| (2,690) | Interest and investment income | (2,500) |
| (64,124) | Income from Council Tax | (66,343) |
| (539,219) | Government grants and contributions | (558,085) |
| (539) | Gain on disposal of non-current assets | (3,045) |
| (812,912) | Total Income | (848,398) |
| 57,963 | (Surplus) or Deficit on the Provision of Services | 63,271 |

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.

| 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 | 36,718 | 1,531 | (5,701) | - | (32,548) | - |
| Revenue expenditure funded from capital under statute | (507) | - | | | 507 | - |
| 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: | | | | | | |

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 | | | |
| 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 to fund qualifying expenditure on service transformation or service redesign projects in 2022/2023 | - | - | (1,011) | - | 1,011 | - |
| Capital Fund applied to finance new capital expenditure | - | - | 1,995 | - | (1,995) | |
| Adjustments primarily involving the Capital Grants Unapplied Account: | | | | | | |
| Capital grants and contributions unapplied credited to CIES | 7 | - | (327) | 1,021 | (701) | - |
| 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 | (33,509) | (7,651) | 657 | 1,021 | 39,482 | - |

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

| 2024/2025 | Usable Reserves | | | Capital Grants & Receipts Unapplied Account £000 | Movement in Unusable Reserves £000 | Total 2024/2025 £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 | (45,874) | (15,453) | - | - | 61,327 | - |
| Long term debtor financed through capital write off | (102) | - | - | - | 102 | - |
| Donated assets | 63 | - | - | - | (63) | - |
| Capital grants and contributions that have been applied to capital financing | 25,347 | 695 | - | - | (26,042) | - |
| Revenue expenditure funded from capital under statute | (272) | - | | | 272 | - |
| 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 | 2,824 | 222 | (1,247) | - | (1,799) | - |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u> | | | | | | |
| Statutory provision for the financing of capital investment | 14,420 | 12,616 | - | - | (27,036) | - |
| Capital expenditure charged against the General Fund and HRA balances | 2,140 | - | - | - | (2,140) | - |
| Statutory repayment of debt (PPP) flexibility adjustment | (4,255) | - | - | - | 4,255 | - |
| Adjustments involving the Capital Fund: | | | | | | |
| Capital Fund applied to finance new capital expenditure | - | - | 767 | - | (767) | - |
| Adjustments primarily involving the Capital Grants Unapplied Account: | | | | | | |
| Capital grants and contributions applied to finance new capital expenditure | - | - | - | 13 | (13) | - |

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

| 2024/2025 (continued) | Usable Reserves | | | Capital Grants & Receipts Unapplied Account £000 | Movement in Unusable Reserves £000 | Total 2024/2025 £000 |
|---|------------------------------------|------------------------|-------------------------|--|---|----------------------------|
| | General Fund Balance £000 | HRA Balance £000 | Capital Fund £000 | | | |
| 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 | 232 | 83 | - | - | (315) | - |
| 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) | (27,904) | (867) | - | - | 28,771 | - |
| Employer's pensions contributions & direct payments to pensioners payable in the year | 26,459 | 851 | - | - | (27,310) | - |
| 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 | 651 | 12 | - | - | (663) | - |
| Total Adjustments 2024/2025 | (6,271) | (1,841) | (480) | 13 | 8,579 | - |

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.

| 2024/2025 | Balance at 1 April 2024 £000 | Transfers Out 2024/2025 £000 | Transfers In 2024/2025 £000 | Balance at 31 March 2025 £000 | Purpose of the Earmarked Reserve |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--|---|
| General Fund | | | | | |
| On-street Car Parking Balances | (597) | 200 | (1,319) | (1,716) | Statutory on-street car parking reserve |
| Second Homes etc Discount Reduction* | (2,555) | 450 | (353) | (2,458) | To fund new social housing |
| Organisational Change Fund | (2,388) | 219 | - | (2,169) | To fund service transformation initiatives |
| Budget Carry Forwards | (4,124) | 2,615 | - | (1,509) | To fund underspends carried forward from previous year |
| Covid Costs | (2,750) | 1,200 | - | (1,550) | To fund Covid-related costs and income shortfalls |
| Covid Recovery Fund | (405) | - | - | (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 | (320) | - | (64) | (384) | To fund asset replacements |
| Roof maintenance cost pressures | (2,702) | 827 | - | (1,875) | To fund additional roof maintenance cost pressures |
| Cost of Living pressures | (200) | 65 | - | (135) | To fund Cost of Living pressures |
| Employability | - | - | (650) | (650) | To fund employability cost commitments |
| Service concessions flexibility | (39,773) | 4,255 | (4,255) | (39,773) | To fund cost of unwinding service concessions flexibility over the life of the assets |
| Contribution to budget setting | (6,640) | 6,640 | - | - | To fund a contribution to 2024/25 revenue budget |
| Children Services pressures | - | - | (1,033) | (1,033) | Funded cost pressures in third party payments |
| Ash dieback | (384) | 184 | - | (200) | To fund removal of infected and dangerous ash trees |
| Total - Earmarked Balances | (67,916) | 16,733 | (7,674) | (58,857) | |
| Uncommitted General Fund Balances | (9,815) | 1,641 | - | (8,174) | To fund unforeseen / emergency expenditure |
| Total - General Fund Balances | (77,731) | 18,374 | (7,674) | (67,031) | |

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.

| 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 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) | |

Earmarked reserve for PFI Service Concession Arrangement Flexibilities

In accordance with Accounting Policy R on page 67 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, budgeted saving occurred in scheduled debt repayments for years commencing 2023/24. 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 | 0 | (39,773) | 0 | (39,773) |
| Paid to 2024/25 | (39,773) | (7,855) | 7,855 | (39,773) |
| Payable 2025/26 | (39,773) | (4,376) | 4,376 | (39,773) |
| Payable 2-5 years | (39,773) | (18,832) | 15,573 | (43,032) |
| Payable 6-10 years | (43,032) | (26,875) | 15,120 | (54,787) |
| Payable 11-15 years | (54,787) | (26,439) | 10,290 | (70,936) |
| Payable 16-20 years | (70,936) | (9,696) | 5,460 | (75,172) |
| Payable 21-25 years | (75,172) | 17,245 | 631 | (57,296) |
| Payable 26-30 years | (57,296) | 28,311 | (4,199) | (33,184) |
| Payable 31-35 years | (33,184) | 38,768 | (9,029) | (3,445) |
| Payable 36-40 years | (3,445) | 26,873 | (13,858) | 9,570 |
| Payable 41-45 years | 9,570 | 18,096 | (18,688) | 8,978 |
| Payable 46-48 years | 8,978 | 4,553 | (13,531) | 0 |
| 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 2024 £000 | | 31 March 2025 £000 |
|-------------------------------|---|-------------------------------|
| (822,620) | Revaluation Reserve | (757,465) |
| 296 | Financial Instruments Revaluation Reserve | 299 |
| (215,219) | Capital Adjustment Account | (207,420) |
| 11,444 | Financial Instruments Adjustment Account | 11,129 |
| 32,221 | Pensions Reserve | 28,391 |
| 13,446 | Employee Statutory Adjustment Account | 12,783 |
| (980,432) | Total Unusable Reserves | (912,283) |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| (784,139) | Balance at 1 April | (822,620) |
| (135,719) | Upward revaluation of assets | (59,418) |
| 61,074 | Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services | 84,321 |
| (74,645) | Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services | 24,903 |
| 34,616 | Difference between fair value depreciation and historical cost depreciation | 40,187 |
| 1,548 | Accumulated gains on assets sold or scrapped | 65 |
| (822,620) | Balance at 31 March | (757,465) |

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

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---|-------------------|
| 416 | Balance at 1 April | 296 |
| (120) | Upward revaluation of investments | - |
| - | Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services | 3 |
| (120) | | 3 |
| 296 | Balance at 31 March | 299 |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---|-------------------|
| (254,858) | Balance at 1 April | (215,219) |
| | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement: | |
| 56,916 | Charges for depreciation and impairment of non current assets | 61,326 |
| 507 | Revenue expenditure funded from capital under statute | 272 |
| (539) | 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 | (1,799) |
| 56,884 | | 59,799 |
| (1,548) | Adjusting amounts written out of the Revaluation Reserve | (66) |
| - | Other adjustments relating to IFRS 16 adoption, donated assets and long term debt write off | (191) |
| 55,336 | Net written out amount of the cost of non-current assets consumed in the year | 59,542 |
| | Capital financing applied in the year: | |
| (1,995) | Use of the Capital Fund to finance new capital expenditure | (767) |
| (32,548) | Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | (26,042) |
| (701) | Application of grants to capital financing from the Capital Grants Unapplied Account | (13) |
| 43,373 | Statutory repayment of debt (PPP) flexibility adjustment | 4,255 |
| (22,251) | Statutory provision for the financing of capital investment charged against the General Fund and HRA balances | (27,036) |
| 1,011 | 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 | - |
| (2,836) | Capital expenditure charged against the General Fund and HRA balances | (2,140) |
| (15,947) | | (51,743) |
| 250 | Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement | - |
| (215,219) | Balance at 31 March | (207,420) |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---------------------------|-------------------|
| 12,243 | Balance at 1 April | 11,444 |

| | | |
|---------------|---|---------------|
| (783) | Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements | (305) |
| (16) | Difference in interest on stepped rate loans (existing 31 March 2007) | (10) |
| (799) | 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 | (315) |
| 11,444 | Balance at 31 March | 11,129 |

The balance on the Financial Instruments Adjustment Account relates to:

| 31 March 2024 £000 | | 31 March 2025 £000 |
|-----------------------------------|---|-------------------------------|
| 10,469 | Premiums and discounts associated with the refinancing of loans | 10,163 |
| 975 | Borrowing where the loan is a stepped interest rate loan | 966 |
| - | Loans to third parties granted at less than market interest rates | - |
| 11,444 | | 11,129 |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|---------------------------|--|---------------------------|
| 31,203 | Balance at 1 April | 32,221 |
| 2,478 | Actuarial (gains) or losses on pensions assets and liabilities | (5,368) |
| 128 | Difference between actuarial pensions contribution figure and actual pensions contribution figure | 77 |
| 26,818 | 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 | 28,771 |
| (28,406) | Employer's pensions contributions and direct payments to pensioners payable in the year | (27,310) |
| 32,221 | Balance at 31 March | 28,391 |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---|-------------------|
| 12,771 | Balance at 1 April | 13,446 |
| (12,771) | Settlement or cancellation of accrual made at the end of the preceding year | (13,446) |
| 13,446 | Amounts accrued at the end of the current year | 12,783 |
| 675 | 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 | (663) |
| 13,446 | Balance at 31 March | 12,783 |

The above balance relates entirely to untaken holidays.

13 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--------------------|-------------------|
| (1,521) | Interest received | (1,358) |
| 34,063 | Interest paid | 39,019 |
| (138) | Dividends received | (182) |

14 Cash Flow Statement – Investing Activities

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| 83,534 | Purchase of property, plant and equipment, investment property and intangible assets | 119,686 |
| 2,628 | Other payments for investing activities | 3,094 |
| (2,356) | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | (3,323) |
| (1,681) | Other receipts from investing activities | (1,831) |
| 82,125 | Net cash flows from investing activities | 117,626 |

15 Cash Flow Statement – Financing Activities

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| (10,000) | Cash receipts of short and long-term borrowing | (123,775) |
| - | Other Receipts from Financing Activities - Financing Arrangement | - |
| 4,992 | Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts | 8,068 |
| (55,859) | Repayments of short- and long-term borrowing | 11,318 |
| (60,867) | Net cash flows from financing activities | (104,389) |

Reconciliation of Liabilities Arising from Financing Activities

| | 1 April 2024 £000 | Financing Cash Flows £000 | Non-cash Acquisition £000 | Changes Other £000 | 31 March 2025 £000 |
|---|-------------------------|---------------------------------|---------------------------------|--------------------------|--------------------------|
| Long-term Borrowings | (494,522) | (23,682) | - | - | (518,204) |
| Short-term Borrowings | (95,097) | (88,775) | - | - | (183,872) |
| Financing Arrangement Liabilities | (22,154) | 376 | - | - | (21,778) |
| Right of Use assets | - | 614 | (2,386) | - | (1,772) |
| On Balance Sheet PFI Liabilities | (136,949) | 7,078 | - | (74,158) | (204,029) |
| Total Liabilities from Financing | (748,722) | (104,389) | (2,386) | (74,158) | (929,655) |

16 Cash Flow Statement – Cash and Cash Equivalents

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

| 31 March 2024 £000 | | 31 March 2025 £000 |
|-----------------------|---|-----------------------|
| 249 | Cash held by the Council | 254 |
| (13,958) | Bank current accounts | (11,455) |
| 15,335 | Short-term deposits with banks and building societies | 4,844 |
| 1,626 | Total cash and cash equivalents | (6,357) |

17 Agency Services

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

| | 2023/2024 (Income) £000 | 2023/2024 Expenditure £000 | 2024/2025 (Income) £000 | 2024/2025 Expenditure £000 |
|--|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| <u>The main items of income and related expenditure which are included in the Comprehensive Income and Expenditure Accounts are:</u> | | | | |
| Special Education services to Various Local Authorities | (1,309) | 1,309 | (1,274) | 1,274 |
| Scottish Water Income | (627) | - | (650) | - |
| Improvement Service - Implementation of National Entitlement Card | (1,572) | 1,572 | (1,667) | 1,667 |
| 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> | | | | |
| Tay Cities Region Deal | (42,473) | 42,473 | (14,048) | 14,048 |
| | (46,202) | 45,529 | (17,639) | 16,989 |

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:

| | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|
| Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year | 444 | 456 |
| Total | 444 | 456 |

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 2024/25, the Council paid £27.1m to Teachers' Pensions in respect of teachers' retirement benefits, representing 34.9% of pensionable pay. The figures for 2023/24 were £24.2m and 31.8%. 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 2026 are £27.4m.

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 2025 were as follows –

Scheduled Bodies (11)

| | |
|--------------------------|---------------------------------------|
| 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 |
| | Tayside Valuation Joint Board |

Admitted Bodies (28)

| | |
|--------------------------------------|---------------------------------------|
| 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 |
| Duncan of Jordanstone College of Art | Perth & Kinross Countryside Trust |
| Dundee Citizens' Advice Bureau | Perth & Kinross Society for the Blind |
| Dundee Contemporary Arts Ltd | Perth Citizens' Advice Bureau |
| Dundee Science Centre | Perth Theatre Co Ltd |
| Dundee Voluntary Action | Robertsons Facilities Management |
| Forfar Day Care Committee | Rossie Secure Accommodation Services |
| Highlands & Islands Airports Ltd | Scottish Social Services Council |
| idverde | Sodexo |
| | 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 | |
|--|---|-------------------|
| | 2023/2024 £000 | 2024/2025 £000 |
| Cost of Services: | | |
| Service cost comprising: | | |
| • current service cost | 28,167 | 28,877 |
| • past service costs | - | - |
| • (Gains)/Losses on settlements and curtailments | 150 | 395 |
| Financing and Investment Income and Expenditure | | |
| • net interest on the defined liability | (1,955) | (1,046) |
| • administration expenses | 456 | 545 |
| Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services | 26,818 | 28,771 |
| Other Post Employment Benefit Charged to the CIES | | |
| Remeasurement gains or (losses) against net defined benefit liability comprising: | | |
| • Return on plan assets (excluding the amount included in the net interest expense) | (136,993) | 30,867 |
| • Other actuarial gains / (losses) on assets: impact of asset ceiling | 77,381 | 145,308 |
| • Changes in demographic assumptions | (22,977) | (3,664) |

| | | |
|---|---------------|---------------|
| • Changes in financial assumptions | (8,135) | (175,083) |
| • Experience loss / (gain) on defined benefit obligation | 93,202 | (2,796) |
| • Difference between actuarial pensions contribution figure and actual pensions contribution figure | 128 | 77 |
| Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement | 29,424 | 23,480 |

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 | (26,818) | (28,771) |
| <i>Actual amount charged against the General Fund Balance for pensions in the year:</i> | | |
| • employers' contributions payable to scheme | 28,406 | 27,310 |

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

| | Year to 31 March 2024 £000 | Year to 31 March 2025 £000 |
|--|---|---|
| Present value of defined benefit obligation | (1,283,527) | (1,143,235) |
| Fair value of plan assets | 1,765,033 | 1,794,264 |
| Sub total | 481,506 | 651,029 |
| IFRIC14 adjustment: effect of asset ceiling | (481,506) | (651,029) |
| Discretionary benefits arrangements | (32,221) | (28,391) |
| Net asset/(liability) arising from defined benefit obligation | (32,221) | (28,391) |

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

| | Year to 31 March 2024 £000 | Year to 31 March 2025 £000 |
|--|---|---|
| Opening defined benefit obligation | 1,213,478 | 1,315,748 |
| Current service cost | 28,167 | 28,877 |
| Interest cost | 58,115 | 62,811 |
| Contributions by scheme participants | 10,040 | 9,638 |
| Remeasurement (gains) and losses: | | |
| • Changes in financial assumptions | (8,135) | (175,083) |
| • Changes in demographic assumptions | (22,977) | (3,664) |
| • Experience loss / (gain) on defined benefit obligation | 93,202 | (2,796) |
| Curtailments | 150 | 395 |
| Benefits paid | (53,557) | (61,463) |
| Past service costs | - | - |
| Unfunded pension payments | (2,735) | (2,837) |
| Closing defined benefit obligation | 1,315,748 | 1,171,626 |

The Closing defined benefit obligation includes liabilities relating to discretionary benefits arrangements of £28.391m (31 March 2024: £32.221m).

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

| | Year to 31 March 2024 £000 | Year to 31 March 2025 £000 |
|-----------------------------------|---|---|
| Opening fair value of fund assets | 1,573,600 | 1,765,033 |

| | | |
|--|------------------|------------------|
| Interest | 80,108 | 88,072 |
| Remeasurement gains and (losses): | | |
| • Return on plan assets, excluding the amount included in the net interest expense | 136,993 | (30,867) |
| • Other actuarial gains / (losses) | (7,238) | - |
| Employer contributions | 28,278 | 27,233 |
| Administration Expenses | (456) | (545) |
| Contributions by scheme participants | 10,040 | 9,638 |
| Benefits paid | (56,292) | (64,300) |
| Closing fair value of fund assets | 1,765,033 | 1,794,264 |
| Effect of asset ceiling | (481,506) | (651,029) |
| Adjusted closing fair value of fund assets | 1,283,527 | 1,143,235 |

IFRIC14 adjustment: effect of asset ceiling

| | Year to 31 March 2024 £000 | Year to 31 March 2025 £000 |
|------------------------------------|----------------------------------|----------------------------------|
| Opening balance at 1 April | 391,325 | 481,506 |
| Effect of asset ceiling | 90,181 | 169,523 |
| Closing balance at 31 March | 481,506 | 651,029 |

IAS19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of reductions in future contributions to the plan. As there is no unconditional right to a refund, the actuaries have calculated whether there are economic benefits in the form of reductions in future contributions, in accordance with IFRIC14. The economic benefits were calculated as £651.029m. Therefore, an adjustment to the defined benefit plan asset has been required in accordance with IAS19 and IFRIC14.

Local Government Pension Scheme Assets

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

| | 31 March 2024 £000 | % | 31 March 2025 £000 | % |
|------------------------------------|-----------------------|-----------|-----------------------|-----------|
| Equities | | | | |
| Consumer | 145,917 | 8 | 136,193 | 7 |
| Manufacturing | 145,917 | 8 | 120,065 | 7 |
| Energy and Utilities | 36,919 | 2 | 39,424 | 2 |
| Financial Institutions | 147,675 | 8 | 141,569 | 8 |
| Health and Care | 96,692 | 6 | 87,809 | 5 |
| Information Technology | 131,853 | 8 | 177,409 | 10 |
| Investment Funds Unit Trusts | 476,429 | 27 | 482,050 | 27 |
| Others | 91,418 | 5 | 7,168 | - |
| | 1,272,820 | 72 | 1,191,687 | 66 |
| Gilts | | | | |
| Government Bonds | 111,366 | 6 | 114,442 | 6 |
| | 111,366 | 6 | 114,442 | 6 |
| Other Bonds | | | | |
| Corporate Bonds (Investment Grade) | 75,552 | 4 | 47,051 | 3 |
| Investment Funds Unit Trusts | 31,627 | 2 | 65,871 | 4 |
| Others | 8,785 | 1 | 5,228 | 1 |
| | 115,964 | 7 | 118,150 | 8 |
| Property | | | | |

| | | | | |
|---------------------------|------------------|------------|------------------|------------|
| UK Property | 151,240 | 9 | 272,254 | 15 |
| Overseas Property | 5,215 | - | - | - |
| | 156,455 | 9 | 272,254 | 15 |
| Cash | | | | |
| Cash and Cash Equivalents | 108,428 | 6 | 97,731 | 5 |
| Foreign Exchange | - | - | - | - |
| | 108,428 | 6 | 97,731 | 5 |
| Total | 1,765,033 | 100 | 1,794,264 | 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 2024 | | | 31 March 2025 | | |
|--------------------|---------------|------------|------------|---------------|------------|------------|
| | Quoted % | Unquoted % | Total % | Quoted % | Unquoted % | Total % |
| Equities | 43 | 29 | 72 | 39 | 27 | 66 |
| Gilts | 6 | - | 6 | 6 | - | 6 |
| Other Bonds | 7 | - | 7 | 8 | - | 8 |
| Property | 9 | - | 9 | 15 | - | 15 |
| Cash etc | 6 | - | 6 | 5 | - | 5 |
| Total | 71 | 29 | 100 | 73 | 27 | 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 2023, 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 2024 | 31 March 2025 |
|---|---------------|---------------|
| Life expectancy (years) from age 65 for current pensioners i.e. those retiring today: | | |
| Men | 18.9 | 18.8 |
| Women | 21.6 | 21.7 |
| Life expectancy (years) from age 65 for future pensioners i.e. those retiring in 20 years time: | | |
| Men | 20.2 | 20.2 |
| Women | 23.1 | 23.2 |
| Rate of inflation (RPI) | 3.3% | 3.2% |
| Rate of increase in salaries | 3.9% | 3.9% |
| Rate of increase in pensions | 2.9% | 2.9% |
| Rate for discounting scheme liabilities | 4.85% | 5.80% |
| 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 projected service cost as follows:

| | Increase in Assumption £000 | Decrease in Assumption £000 |
|--|-----------------------------------|-----------------------------------|
| Life expectancy (increase or decrease by 1 year) | 799 | (780) |
| Rate of increase in salaries (increase or decrease by 0.1%) | - | - |
| Rate of increase in pensions (increase or decrease by 0.1%) | 753 | (731) |
| Rate for discounting scheme liabilities (increase or decrease by 0.1%) | (700) | 721 |

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 2024 and will set contributions for the period from 1 April 2025 and 31 March 2028. 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 2026 are £24.201m. The actuarial assumption for the duration of past service liabilities is 14 years (2023/24: 16 years).

Expected contributions for the Discretionary Benefit Scheme in the year to 31 March 2026 are £3.241m.

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 2025 and 24 September 2025 that would require adjustments to the 2024/2025 Annual Accounts (i.e. no adjusting events). The latter date is the date on which the audited accounts were authorised for issue.

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 2023/2024 | | As at 31 March 2024 | | | During 2024/2025 | | As at 31 March 2025 | |
|-----------------------|-------------------------|-----------------------------|---------------------------|----------------------|-----------------------|-------------------------|-----------------------------|---------------------------|
| 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 |
| 1,542 | - | - | 437 | Tayside Pension Fund | 1,604 | - | - | 1,906 |

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

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

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 2023/2024 | | As at 31 March 2024 | | | During 2024/2025 | | As at 31 March 2025 | |
|-----------------------|-------------------------|-----------------------------|---------------------------|---|-----------------------|-------------------------|-----------------------------|---------------------------|
| 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 |
| 48 | 1 | - | - | Ardler Village Trust Comp | 59 | - | 50 | - |
| - | 15,369 | - | - | Discovery Education PLC | - | 16,021 | - | - |
| 23 | 881 | 140 | 2 | Dovetail Enterprises (1993) Ltd | 127 | 841 | 29 | - |
| 22 | 1 | 21 | 19 | Dundee Contemporary Arts Ltd | 12 | - | - | - |
| 136,782 | 104,333 | - | 9,678 | Dundee Health & Social Care Integration Joint Board | 148,431 | 112,278 | - | 1,426 |
| - | 469 | - | - | Dundee Rep Theatre | - | 540 | - | - |
| 4 | 329 | - | 29 | Dundee Science Centre Enterprises Ltd | 5 | 325 | - | - |
| 26 | 2,819 | 262 | 2 | Hub East Central (Baldragon) Ltd | 26 | 2,851 | 259 | - |
| 542 | 12,278 | 684 | 437 | Leisure and Culture Dundee | 402 | 11,797 | 535 | 5 |
| 16 | 30 | - | - | Michelin Scotland Innovation Parc Limited | 15 | 13 | - | - |
| - | - | - | - | Studio Dundee Joint Venture Company Limited | - | 14 | - | - |
| - | - | - | 290 | Tay Cities Deal Joint Committee | - | - | 121 | - |
| 246 | - | 1 | 347 | Tay Road Bridge Joint Board | 212 | - | 102 | 163 |
| 2,970 | 33,960 | 14,965 | 434 | Tayside Contracts Joint Committee | 2,761 | 35,966 | 18,190 | 1,000 |
| 85 | 902 | 188 | 28 | Tayside Valuation Joint Board | 106 | 956 | 192 | 132 |
| - | 351 | 173 | - | V&A Dundee | - | 352 | - | - |

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 2024 £000 | 31 March 2025 £000 |
|----------------------|-----------------------|-----------------------|
| Operational Building | 21,623 | 20,609 |
| Land | 670 | 670 |
| Total | 22,293 | 21,279 |

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

| | 31 March 2024 £000 | 31 March 2025 £000 |
|--|-----------------------|-----------------------|
| Financing Arrangement Liabilities (net present value of minimum financing arrangement payments): | | |
| Current | 376 | 388 |
| Non-Current | 1,625 | 1,675 |
| Finance Costs payable in future years | 20,154 | 19,716 |
| Total Minimum Financing Arrangement Payments | 22,155 | 21,779 |

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

| | Minimum Financing Arrangement Payments | | Financing Arrangement Liabilities | |
|---|--|-----------------------|-----------------------------------|-----------------------|
| | 31 March 2024 £000 | 31 March 2025 £000 | 31 March 2024 £000 | 31 March 2025 £000 |
| Not later than one year | 747 | 753 | 371 | 365 |
| Later than one year and not later than five years | 3,046 | 3,069 | 1,421 | 1,394 |
| Later than five years | 26,133 | 25,357 | 5,979 | 5,641 |
| | 29,926 | 29,179 | 7,771 | 7,400 |

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 2025 the minimum payments expected to be received under non-cancellable sub-leases was £2.530m (£2.530m at 31 March 2024).

Right of Use Assets

The Council adopted IFRS 16 from 1 April 2024, to recognise right of use assets, which meant that the majority of vehicle leases where the Council acts as lessee came onto the balance sheet. Right-of-use assets and lease liabilities have calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The Consolidated Loans Fund Borrowing rate applicable at lease inception has been applied to calculate lease liabilities. The rates used were:

| Year of inception | % |
|-------------------|---|
|-------------------|---|

| | |
|-----------|-------|
| 2020/2021 | 3.54% |
| 2021/2022 | 3.52% |
| 2022/2023 | 3.34% |
| 2023/2024 | 3.47% |
| 2024/2025 | 3.84% |

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 Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

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. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

| | 31 March 2024 £000 | 31 March 2025 £000 |
|--|-----------------------|-----------------------|
| Value at 1 April | - | - |
| Initial recognition on adoption of IFRS 16 | - | 2,293 |
| Additions in year | - | 93 |
| Principal repaid in year | - | (614) |
| Value at 31 March | - | 1,772 |

| | 31 March 2024 £000 | 31 March 2025 £000 |
|-------------------------------|-----------------------|-----------------------|
| Analysed by: | | |
| Other land and buildings | - | 323 |
| Vehicles, plant and equipment | - | 1,449 |
| Value at 31 March | - | 1,772 |

| | 31 March 2024 £000 | 31 March 2025 £000 |
|----------------------------------|-----------------------|-----------------------|
| Finance Lease Liabilities | | |
| Within one year | - | 571 |
| Between 2 and 5 years | - | 1,009 |
| Over 5 years | - | 192 |
| Total liabilities | - | 1,772 |

The amount charged to the Council Comprehensive Income and Expenditure amounted to £83k in 2024/2025, related to interest expense on the lease liabilities.

Other Leases

The Council adopted IFRS 16 from 1 April 2024. Properties and other vehicles, plant and equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. The disclosures below relate to low value (below £6k assets) and leases that have less than 12 months to run. 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 a -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 2024 £000 | 31 March 2025 £000 |
|-------------------------|-----------------------|-----------------------|
| Not later than one year | 720 | 162 |

| | | |
|---|--------------|------------|
| Later than one year and not later than five years | 1,711 | 55 |
| Later than five years | 333 | 142 |
| | 2,764 | 359 |

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

| | 2023/2024 | 2024/2025 |
|-----------------------------|------------------|------------------|
| | £000 | £000 |
| Minimum lease payments | 901 | 274 |
| Less Employee Contributions | (66) | (33) |
| | 835 | 241 |

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 2024/2025.

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:

| | 2023/2024 | 2024/2025 |
|---|------------------|------------------|
| | £000 | £000 |
| Not later than one year | 7,175 | 7,467 |
| Later than one year and not later than five years | 24,055 | 23,726 |
| Later than five years | 96,848 | 93,456 |
| | 128,078 | 124,649 |

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:

| | 2023/2024 | 2024/2025 |
|--|------------------|------------------|
| | £000 | £000 |
| Rental income from investment property | 1,331 | 1,404 |
| Direct operating expenses arising from investment property | (162) | (262) |
| Net gain/(loss) | 1,169 | 1,142 |

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:

| | 2023/2024 | 2024/2025 |
|------------------------------|------------------|------------------|
| | £000 | £000 |
| Balance at start of the year | 13,073 | 13,073 |
| Disposals | - | - |

| | | |
|--|---------------|---------------|
| Net gains/(losses) from fair value adjustments | - | - |
| 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 2025 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 2025 £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 |

2024 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 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 |

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.

| | 2023/2024 | 2024/2025 |
|---|------------------|------------------|
| | £000 | £000 |
| Opening Gross Book Value | 4,924 | 5,882 |
| Additions | 958 | 824 |
| Closing Gross Book Value | 5,882 | 6,706 |
| Opening Accumulated Amortisation | 2,384 | 3,123 |
| Amortisation Charge for the Year | 739 | 908 |
| Closing Accumulated Amortisation | 3,123 | 4,031 |
| Closing Net Book Value | 2,759 | 2,675 |

26 Impairment Losses

Impairment losses charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement during 2024/2025 totalled £20.364(2023/2024 £18.6m).

Of this total, £20.412m (2023/2024 £18.29m) relates to expenditure in the year which did not add value to assets. £14.724m (2023/2024 £8.619m) relates to expenditure on Council Houses, £2.691m (2023/2024 £3.639m) relates to expenditure on schools and the remaining £2.997m (2023/2024 £6.032m) relates to expenditure on other Council land & buildings.

The remaining (£0.048m) (2023/2024 £0.310m) 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 2024/2025:

| | Council Dwellings £000 | Other Land & Buildings £000 | Vehicles, Plant & Equipment £000 | Infra- structure Assets £000 | Right of Use £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 2024 | 507,962 | 1,060,728 | 118,620 | - | - | 6,493 | 6,539 | 40,738 | 1,741,080 | 156,101 | 40,991 | 60,348 |
| Initial Recognition of Asset | - | - | - | - | 2,523 | - | - | - | 2,523 | - | - | - |
| Additions | 16,386 | 83,090 | 3,724 | 10,585 | 93 | - | - | 81,698 | 195,576 | 13 | - | 68 |
| Revaluation inc/(dec) recognised in the Revaluation Reserve | (472) | (80,177) | - | - | - | - | 82 | - | (80,567) | (132) | (36) | (68) |
| Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services | (15,568) | (6,418) | - | (510) | - | - | - | - | (22,496) | - | - | - |
| Disposals | - | (62) | (1,438) | - | - | - | - | - | (1,500) | - | - | - |
| Reclassification within PPE | - | - | - | - | - | - | - | - | - | - | - | - |
| At 31 March 2025 | 508,308 | 1,057,161 | 120,906 | - | 2,616 | 6,493 | 6,621 | 122,436 | 1,834,616 | 155,982 | 40,955 | 60,348 |
| Accumulated Depreciation and Impairment | | | | | | | | | | | | |
| At 1 April 2024 | - | (17,512) | (100,627) | - | - | - | - | - | (118,139) | - | - | (1,536) |
| Depreciation charge | (17,756) | (45,310) | (3,763) | (11,612) | (619) | - | - | - | (79,060) | (7,005) | (1,443) | (1,536) |
| Depreciation written out to the Revaluation Reserve | 17,756 | 34,556 | - | - | - | - | - | - | 52,312 | 6,009 | 1,443 | - |
| Depreciation written out to the Surplus/Deficit on the Provision of Services | - | 4,029 | - | - | - | - | - | - | 4,029 | - | - | - |
| Disposals | - | - | 1,267 | - | - | - | - | - | 1,267 | - | - | - |
| At 31 March 2025 | - | (24,237) | (103,123) | - | (619) | - | - | - | (127,979) | (996) | - | (3,072) |
| Net Book Value: | | | | | | | | | | | | |
| At 31 March 2025 | 508,308 | 1,032,924 | 17,783 | 216,624 | 1,997 | 6,493 | 6,621 | 122,436 | 1,913,186 | 154,986 | 40,955 | 57,276 |
| At 31 March 2024 | 507,962 | 1,043,216 | 17,993 | 218,161 | - | 6,493 | 6,539 | 40,738 | 1,841,102 | 156,101 | 40,991 | 58,812 |

Comparative 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 | - | 6,493 | 5,599 | 22,750 | 1,675,875 | 138,191 | 33,157 | 60,348 |
| Additions | 11,882 | 10,777 | 3,038 | 21,623 | - | - | 37,352 | 84,672 | 120 | - | 11 |
| Revaluation inc/(dec) recognised in the Revaluation Reserve | (39,391) | 62,263 | - | - | - | 916 | - | 23,788 | 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 | - | - | - | - | (19,364) | 0 | - | - | - |
| At 31 March 2024 | 507,962 | 1,060,728 | 118,620 | - | 6,493 | 6,539 | 40,738 | 1,741,080 | 156,101 | 40,991 | 60,348 |
| Accumulated Depreciation and Impairment | | | | | | | | | | | |
| At 1 April 2023 | - | (13,428) | (97,360) | - | - | - | - | (110,788) | - | - | - |
| 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 | 0 | (17,512) | (100,627) | - | - | - | - | (118,139) | - | - | (1,633) |
| Net Book Value: | | | | | | | | | | | |
| At 31 March 2024 | 507,962 | 1,043,216 | 17,993 | 218,161 | 6,493 | 6,539 | 40,738 | 1,841,102 | 156,101 | 40,991 | 58,812 |

Right of Use assets

Right of Use assets comprise Other Land & Buildings £0.313m and Vehicles, Plant & Equipment £1.684m as at 31 March 2025.

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 2025, 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 £44m. Similar commitments at 31 March 2024 were £109m. The major commitments are:

- East End Community Campus - £15.2m
- Green Transport Hub & Spokes Pre-construction and Enabling Works - £8.2m
- Vehicle Fleet Purchases - £2.9m
- Site 6 South Development - Offices- £2.7m
- Dryburgh Flat Roofing Replacement Phase 3 - £1.2m
- Schools Connectivity – £1.1m

This gross expenditure of £44m will be funded from a combination of Council Borrowing, Grants and Contributions.

Effects of Changes in Estimates

In 2024/2025, 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 2025, 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 2025, 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 2024/2025 revaluations is 31 March 2025.

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 | - | - | 210 | - | 210 |
| Valued at fair value as at: | | | | | |
| 31 March 2025 | (473) | 31,642 | | 82 | 31,251 |
| 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) |
| Total Cost or Valuation | 39,959 | 155,427 | 210 | 1,906 | 197,502 |

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.

| | 2023/2024 £000 | 2024/2025 £000 |
|--|-------------------|-------------------|
| <i>Opening Capital Financing Requirement</i> | 779,043 | 846,362 |
| <i>Capital investment</i> | | |
| Property, Plant and Equipment | 84,165 | 121,146 |
| Intangible Assets | 958 | 824 |
| Revenue Expenditure Funded from Capital under Statute | 506 | 272 |
| <i>Sources of finance:</i> | | |
| Capital receipts | (1,345) | (2,076) |
| Government grants and other contributions | (32,555) | (26,042) |
| Transfer from Capital Fund & Grants Unapplied Account | (2,696) | (780) |
| Increase in debt on adoption of IFRS 16 (see note below) | - | 76,450 |
| Application of PFI retrospective flexibility | 39,773 | - |
| Application of PFI in-year flexibility | 3,600 | 4,255 |
| <i>Sums set aside from revenue:</i> | | |
| • Direct revenue contributions | (2,836) | (2,140) |
| • Loans fund principal | (22,251) | (27,036) |
| <i>Closing Capital Financing Requirement</i> | 846,362 | 991,235 |
| <i>Explanation of movements in year</i> | | |
| Increase / (Decrease) in underlying need to borrowing (unsupported by government financial assistance) | 28,944 | 72,142 |
| Increase/ (Decrease) in PFI debt repayment flexibility | 43,373 | 4,255 |
| Increase/ (Decrease) in PFI/PPP obligation | (2,582) | 61,035 |
| Increase/ (Decrease) in DBFM obligation | (947) | 3,870 |
| Increase/ (Decrease) in Service Concession Arrangement | (1,099) | 2,175 |
| Increase/ (Decrease) in Financing Arrangement | (364) | (376) |
| Increase/ (Decrease) in Right of Use liability | - | 1,772 |

| | | |
|---|---------------|----------------|
| Increase/(decrease) in Capital Financing Requirement | 67,325 | 144,873 |
|---|---------------|----------------|

Note: The Council adopted IFRS 16 from 1 April 2024 which:

- gave rise to the recognition of “Right of Use” assets for certain items that used to be disclosed as operating leases (leased vehicles mainly). The corresponding liabilities arising were calculated on 1 April 2024 as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures. The effect of this can be seen in Note 23.
- also applied to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes. Service concession liabilities were recalculated on 1 April 2024 as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures. The effect of this can be seen in Note 29 i-iii.

29 Private Finance Initiatives and Similar Contracts

i) Education Services PFI Scheme

2024/25 was the 17th 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 2025 (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 2025/26 | 4,602 | 5,520 | 5,526 | 1,365 | 17,013 |
| Payable within 2-5 years | 19,588 | 26,041 | 19,287 | 7,497 | 72,413 |
| Payable within 6 - 10 years | 27,369 | 44,589 | 16,495 | 12,724 | 101,177 |
| Payable within 11 - 15 years | 18,350 | 41,542 | 4,109 | 3,845 | 67,846 |
| TOTAL | 69,909 | 117,692 | 45,417 | 25,431 | 258,449 |

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 Council adopted IFRS 16 from 1 April 2024 which also applied to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes. Service concession liabilities were recalculated on 1 April 2024 as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

| | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|
| Balance at the start of the year | 59,240 | 56,657 |
| Debt remeasurement on adoption of IFRS 16 | - | 65,988 |
| Payments during the year | (2,583) | (4,953) |
| Balance at year-end | 56,657 | 117,692 |

ii) Baldragon DBFM Project

2024/25 was the 8th year of a 25 year DBFM contract with Hub East Central (Baldragon) Ltd to design, construct, maintain and facilities-manage a new secondary school 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 2025 (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 2025/26 | 321 | 975 | 1,306 | 245 | 2,847 |
| Payable within 2-5 years | 1,365 | 4,334 | 4,736 | 1,156 | 11,591 |
| Payable within 6 - 10 years | 1,908 | 6,643 | 4,627 | 1,802 | 14,980 |
| Payable within 11 - 15 years | 2,159 | 8,198 | 2,883 | 2,353 | 15,593 |
| Payable within 16 - 20 years | 1,282 | 6,843 | 704 | 856 | 9,685 |
| TOTAL | 7,035 | 26,993 | 14,256 | 6,412 | 54,696 |

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 Council adopted IFRS 16 from 1 April 2024 which also applied to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes. Service concession liabilities were recalculated on 1 April 2024 as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

| | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|
| Balance at the start of the year | 24,070 | 23,123 |
| Debt remeasurement on adoption of IFRS 16 | - | 4,818 |
| Payments during the year | (947) | (948) |
| Balance at year-end | 23,123 | 26,993 |

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 2025 (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 2025/26 | 4,707 | 1,301 | 4,718 | - | 10,726 |
| Payable within 2-5 years | 18,733 | 6,251 | 17,781 | 323 | 43,088 |
| Payable within 6 - 10 years | 24,034 | 9,255 | 19,372 | 1,969 | 54,630 |
| Payable within 11 - 15 years | 23,888 | 15,039 | 14,425 | 1,960 | 55,312 |
| Payable within 16 - 20 years | 23,965 | 23,615 | 7,498 | 473 | 55,551 |
| Payable within 21 - 25 Years | 3,477 | 3,883 | 309 | - | 7,669 |
| TOTAL | 98,804 | 59,344 | 64,103 | 4,725 | 226,976 |

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 Council adopted IFRS 16 from 1 April 2024 which also applied to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes. Service concession liabilities were recalculated on 1 April 2024 as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

| | 2023/2024 £000 | 2024/2025 £000 |
|---|---------------------------|---------------------------|
| Balance at the start of the year | 58,268 | 57,169 |
| Debt remeasurement on adoption of IFRS 16 | - | 3,352 |
| Repayments during the year | (1,099) | (1,177) |
| Balance at year-end | 57,169 | 59,344 |

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, 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.

Impact on Reserves and Balance Sheet

The reprofiling of the debt liability repayments increased the Capital Financing Requirement (CFR) by £47.628m as at 31 March 2025 as can be seen in Note 28. After each SCA contract has expired, the amounts on the CFR will reduce to £nil until the end of the revised period. The statutory adjustments up to 31 March 2025 had the following impact on the 2024/25 Balance sheet (Capital Adjustment Account) and Movement in Reserves statement:

| | Prior years £000 | In-year £000 | Total £000 |
|---|---------------------|-----------------|---------------|
| Capital Adjustment Account (note 12) | 43,373 | 4,255 | 47,628 |
| Movement in Reserves Statement (Note 9) | (43,373) | (4,255) | (47,628) |

30 Assets Held for Sale

| | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|
| Balance at start of year | 5,893 | 4,493 |
| Assets newly classified as held for sale: | | |
| • Property, Plant and Equipment | - | - |
| Revaluation gains/(losses) | (251) | - |
| Assets sold | (1,149) | (45) |
| Balance at year-end | 4,493 | 4,448 |

31 Short Term Debtors

| | 31 March 2024 £000 | 31 March 2025 £000 |
|---------------------------------------|-----------------------|-----------------------|
| Central government bodies | 19,203 | 24,171 |
| Other local authorities | 7,184 | 7,938 |
| NHS bodies | 1,239 | 1,399 |
| Public corporations and trading funds | 116 | 165 |
| Other entities and individuals | 30,636 | 33,614 |
| Total | 58,378 | 67,287 |

32 Short Term Creditors

| | 31 March 2024 £000 | 31 March 2025 £000 |
|---------------------------------------|-----------------------|-----------------------|
| Central government bodies | 25,458 | 15,469 |
| Other local authorities | 12,241 | 3,539 |
| NHS bodies | 296 | 366 |
| Public corporations and trading funds | 1,120 | 719 |
| Other entities and individuals | 59,746 | 57,282 |
| Total | 98,861 | 77,375 |

33 Provisions

| Self-Insured / Uninsured Losses | | | | | |
|--|---|--------------------------------------|---|--|-----------------------|
| | Dundee City Council £000 | ex-TRC/DDC Funds £000 | Construction Services £000 | Corporate Services £000 | Total £000 |
| Balance at 1 April 2024 | 3,757 | 349 | 191 | - | 4,297 |
| Additional provisions made in year | 2,211 | - | 108 | 277 | 2,596 |
| Amounts used in year | (2,234) | (182) | (135) | - | (2,551) |
| Unused amounts reversed in year | (1,172) | - | - | - | (1,172) |
| Balance at 31 March 2025 | 2,562 | 167 | 164 | 277 | 3,170 |

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.

Corporate Services

A provision has been made for possible future losses on the underwriting of administration and liquidation costs associated with Dovetail Enterprises (1993) Limited. This charitable company, after many years of support from the Council unfortunately entered into administration on 31 March 2025.

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 2025, these are as follows:

- Council Tax - the allowance of £25.795m (31 March 2024: £25.482m) 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 £5.752m (31 March 2024: £5.557m) 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 £6.069m (31 March 2024: £6.989m) has been calculated by applying non-collection rates to an aged debt analysis. The percentage increases according to the age of the debt. Higher percentages are also applied to types of debt which have proven difficult to collect.
- Housing Rents - the impairment allowance of £5.214m (31 March 2024: £4.854m) 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 £0.840m (31 March 2024: £1.069m) 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 2024.

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 2024.

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 2024.

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.

The above Contingent Liability was also disclosed at 31 March 2024.

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 2024.

35 Contingent Assets

There were no Contingent Assets at 31 March 2025 (31 March 2024: 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 | 2023/2024 £000 | 2024/2025 £000 |
|--|-------------------|-------------------|
| RSG & Non-Specific Grants | (277,744) | (318,014) |
| Contribution from NNDR Pool | (73,704) | (73,695) |
| Capital Grants | (38,257) | (26,042) |
| Council Tax | (64,124) | (66,343) |
| Total | (453,829) | (484,094) |

| Credited to Services: | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|
| UK Government: Levelling-Up Fund, Multiply grant | (442) | (356) |
| Private Sector Housing Grant | (541) | (649) |
| Scottish Government - Homes Energy Efficiency | - | (582) |
| Contributions to Dundee Digital from Tay Cities Deal | - | (531) |
| UK Government: UK Shared Prosperity Fund | (661) | (2,642) |
| Contribution toward Dundee to London flight | (2,491) | (1,354) |
| Various: Contributions to BBC Radio 1 Big Weekender | (216) | - |
| Scottish Government: Smarter Choices Smarter Places | (143) | - |
| UK and Scottish Governments: Employability | (2,075) | (5,292) |
| Scottish Government: Growth Accelerator Model | (2,040) | (2,898) |
| Scottish Government: Flexible Childcare Services Scotland | (509) | - |
| Various: Contribution to 5G Testbed | (890) | - |
| Scottish Government: Air Quality Grant | (152) | - |
| NHS Tayside: Contribution to The Crescent | (230) | (679) |

| | | |
|---|------------------|------------------|
| Low Emission Zones Support Fund | - | (230) |
| Scottish Government: Bus Partnership Fund | (336) | - |
| TACTRAN / SESTRAN: Active Travel Infrastructure Fund | (689) | (329) |
| NHS Tayside: Community Equipment | (371) | (371) |
| NHS Tayside: Alcohol & Drugs Project Team | (2,464) | (1,575) |
| CORRA Funding | - | (416) |
| Angus Council: Contribution to Joint Equipment Service | (904) | (976) |
| 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) |
| NHS Tayside: Integration Funding | (2,941) | (12,859) |
| Macmillan Cancer Care: Local Authority Partnership | (345) | (445) |
| UK Government, Home Office: Syrian Refugees | (222) | (237) |
| Various: Ukrainian Refugees | (2,852) | (1,106) |
| Dundee City Integration Joint Board | - | (884) |
| Scottish & UK Governments: Opportunities for All Grant | (191) | - |
| Sports Council Contribution to Sports Co-ordinators | (328) | (332) |
| UK Government - Unaccompanied Asylum Seekers | - | (1,303) |
| Arts Council Grants: Youth Music | (275) | - |
| Scottish Government: Attainment Challenge - Primary | (2,896) | (1,650) |
| Scottish Government: Attainment Challenge - Secondary | (1,081) | (803) |
| Scottish Government: Pupil Equity Fund | (6,393) | (4,899) |
| Scottish Government: Early Learning Childcare (ELC) Delivery Model Grant | (16,111) | - |
| Scottish Government: Community Mental Health and Wellbeing | (460) | (425) |
| Scottish Government: Milk and Healthy Snack Scheme | (316) | (280) |
| Scottish Government: School Aged Childcare Early Adopters project | (275) | (672) |
| Scottish Government: Tayside Regional Improvement Collaborative (TRIC) | (797) | (396) |
| Other Local Authorities: Early Years Cross Border payments. | (341) | - |
| Scottish Futures Trust: Share of Service Cost element for Baldrigon Academy | (315) | (327) |
| Scottish Government: Care Experienced Children & Young People funding | (311) | (307) |
| Various Covid 19 Grants | (590) | (515) |
| UK Home Office: Refugee Social Care costs | (601) | - |
| Angus Council: Contribution to Out of Hours Service | (212) | (211) |
| Criminal Justice Grant | (4,847) | (4,929) |
| Angus and Perth and Kinross Councils: Contribution to Tay Project | (212) | (218) |
| Improvement Service: National Entitlement Card | (1,623) | (1,666) |
| Scottish Government: Scottish Cities Alliance | (563) | (477) |
| DWP: Rent Allowances/Rebate Subsidies (previously Housing Benefit Subsidy) | (46,465) | (44,640) |
| DWP: Housing Benefit / Council Tax Benefit Administration | (777) | (769) |
| Scottish Government: Educational Maintenance Allowance | - | (252) |
| Scottish Government: Child Poverty Pathfinder | (302) | - |
| Other Miscellaneous Grants | (2,376) | (4,035) |
| Total | (122,688) | (116,033) |

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 2024 £000 | 31 March 2025 £000 |
|--|-------------------------------|-------------------------------|
| Section 75 Contributions | (3,765) | (4,171) |
| Scottish Government: Children & Families Hub | - | (210) |
| Scottish Government: Low Carbon Transport - JIVE | (13) | (13) |
| UK Government: UK Shared Prosperity Fund | (96) | - |
| Scottish Government: Low Emission Zone | (282) | (204) |
| Cycling Scotland: Various Grants | - | (12) |

| | | |
|--|----------------|-----------------|
| UK Govt: Department for Transport: Green Transport (Bell St) | (2,106) | (6,304) |
| EU: LCTT Waterfront Place Active Travel HUB ERDF Grant | (105) | (105) |
| SEPA - Dighty Burn Restoration Project | - | (525) |
| Other Miscellaneous Capital Grants Receipts in Advance | (175) | - |
| Total | (6,542) | (11,544) |

| Revenue Grants Receipts in Advance: | 31 March 2024 £000 | 31 March 2025 £000 |
|---|-------------------------------|-------------------------------|
| Improvement Service: National Entitlement Card | (679) | (737) |
| Northwood Trust: Cost of Living Funding | (150) | - |
| Scottish Govt/EU: Employability / PESF | (1,056) | - |
| UK Government: Levelling Up | (647) | - |
| Scottish Government: Pupil Equity Fund | (700) | (908) |
| UK Government, Home Office: Refugees | (571) | (459) |
| Scottish & UK Government: Home Office: Ukrainian Refugees | (3,774) | (3,528) |
| Scottish Government: Home Energy Efficiency Programmes | (582) | - |
| Other Miscellaneous Grants | (1,210) | - |
| Total | (9,369) | (5,632) |

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 2024 £000 | 31 March 2025 £000 | 31 March 2024 £000 | 31 March 2025 £000 |
| Investments | | | | |
| Equity Instruments Designated at Fair Value Through Other Comprehensive Income & Expenditure | - | - | 3,252 | 3,156 |
| Unquoted equity investment at cost | 29 | 29 | - | - |
| Total investments | 29 | 29 | 3,252 | 3,156 |
| Debtors | | | | |
| Loans and receivables: | | | | |
| Cash and Bank | - | - | 249 | 254 |
| Other Short Term Deposits | - | - | 15,336 | 4,844 |
| Soft Loans | 100 | - | - | - |
| Other Loans at Market Rates | 10,995 | 11,942 | - | - |
| Financial assets carried at contract amounts: | | | | |
| Sundry Debtors including trade receivables | - | - | 58,378 | 67,287 |
| Total Debtors | 11,095 | 11,942 | 73,963 | 72,385 |
| Borrowings | | | | |
| Financial liabilities at amortised cost: | | | | |
| Borrowing Repayable: | | | | |
| Public Works Loan Board | (463,528) | (487,220) | (17,083) | (16,271) |
| Lender Option/Borrower Option | (30,975) | (30,965) | (417) | (411) |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Other | (19) | (19) | (75,952) | (165,566) |
| Temporary Advances from Other Accounts | - | - | (1,645) | (1,624) |
| Bank Overdraft | - | - | (13,958) | (11,455) |
| Total borrowings | (494,522) | (518,204) | (109,055) | (195,327) |
| Creditors | | | | |
| Financial liabilities carried at contract amount: | | | | |
| Sundry creditors including trade payables | - | - | (98,861) | (77,375) |
| Total Creditors | - | - | (98,861) | (77,375) |

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:

| 2023/2024 £000 | | Financial | 2024/2025 | Financial | 2024/2025 Total £000 |
|-------------------|--|---|---|-------------------------------|----------------------------|
| | | Liabilities measured at amortised cost £000 | Financial Assets Loans and receivables £000 | Assets Investments £000 | |
| 34,063 | Interest Expense | 39,019 | - | - | 39,019 |
| 34,063 | Total expense in Surplus or Deficit on the Provision of Services | 39,019 | - | - | 39,019 |
| (1,521) | Interest Income | - | (1,358) | - | (1,358) |
| (1,521) | Total income in Surplus or Deficit on the Provision of Services | - | (1,358) | - | (1,358) |
| (120) | (Gains) or Losses on revaluation | - | - | 2 | 2 |
| (120) | (Gains) or Losses in Other Comprehensive Income & Expenditure | - | - | 2 | 2 |
| 32,422 | Net (gain)/loss for the year | 39,019 | (1,358) | 2 | 37,663 |

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 2025 of 1.26% to 9.13% for loans from PWLB and 4.75% to 5.80% 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 2024 | | | 31 March 2025 | | | |
|--|------|-------------------------|--------------------|---|---------------------------------------|---------------------------------|-------------------------|--------------------|
| | 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 Lender Option/Borrower Option (LOBO) | | | | | | | | |
| | i | (480,611) | (387,646) | (498,330) | - | (4,583) | (502,913) | (376,569) |
| | i | (31,392) | (25,188) | (30,000) | (965) | (411) | (31,376) | (22,001) |
| | i | (75,952) | (75,952) | (165,566) | - | - | (165,566) | (165,566) |
| Temporary Advances from Other Accounts | | | | | | | | |
| | ii | (1,665) | (1,665) | (1,624) | - | - | (1,624) | (1,624) |
| Bank Overdraft | | | | | | | | |
| | iii | (13,958) | (13,958) | - | - | - | (11,455) | (11,455) |

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 2025, 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.

| Borrower's bank: | | | | | |
|-----------------------------|------|-------------------------|--------------------|-------------------------|--------------------|
| | | 31 March 2024 | | 31 March 2025 | |
| | Note | Carrying Amount £000 | Fair Value £000 | Carrying Amount £000 | Fair Value £000 |
| Loans and receivables: | | | | | |
| Cash and Bank | i | 249 | 249 | 254 | 254 |
| Other Short term Deposits | i | 15,336 | 15,336 | 4,844 | 4,844 |
| Short-term debtors: | | | | | |
| Soft Loans | ii | - | - | - | - |
| Long-term debtors: | | | | | |
| Other Loans at Market rates | iii | 12,765 | 12,765 | 11,942 | 11,942 |

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 2025 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 2025 £000 | Historical experience of default % | Historical experience adjusted for market conditions at 31 March 2025 % | Estimated maximum exposure to default and uncollectability at 31 March 2025 £000 | Estimated maximum exposure at 31 March 2024 £000 |
|-----------------------------|--|---|---|---|--|
| | A | B | C | (A x C) | |
| Financial Institutions (F1) | 4,844 | - | - | - | - |
| | | | | - | - |

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 2024 £000 | 31 March 2025 £000 |
|---------------------------|-----------------------|-----------------------|
| Less than one year | 88,188 | 174,089 |
| Between one and two years | 10,010 | 22,511 |

| | | |
|----------------------------|----------------|----------------|
| Between two and five years | 27,536 | 42,539 |
| Between five and ten years | 15,014 | 17,500 |
| More than ten years | 441,270 | 436,270 |
| | 582,018 | 692,909 |

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 2025, 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 | 1,641 |
| Increase in interest receivable on variable rate investments | Nil |
| Impact on Surplus or Deficit on the Provision of Services | 1,641 |
| Share of overall impact debited to the HRA | 432 |
| 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) | 42,348 |

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 2024/2025, the Council acted as sole Trustee for 5 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: 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.

| 2023/2024 Total £000 | Income and Expenditure | A £000 | B £000 | C £000 | D £000 | E £000 | 2024/2025 Total £000 |
|----------------------------|-----------------------------------|-------------|-----------|-----------|-------------|--------------|----------------------------|
| (479) | Rental income | (8) | - | - | (41) | (458) | (507) |
| (126) | Interest on investments | (8) | - | - | (35) | (32) | (75) |
| (605) | Total income | (16) | 0 | 0 | (76) | (490) | (582) |
| 309 | Expenditure | 16 | - | - | 40 | 296 | 352 |
| (296) | Net (income) / expenditure | 0 | 0 | 0 | (36) | (194) | (230) |

| 2023/2024 Total £000 | Balance Sheet | A £000 | B £000 | C £000 | D £000 | E £000 | 2024/2025 Total £000 |
|----------------------------|-------------------------------------|--------------|--------------|------------|--------------|--------------|----------------------------|
| | Fixed Assets | | | | | | |
| 11,648 | Operational Land and Buildings | 2,276 | 3,079 | 189 | 1 | 7,838 | 13,383 |
| 2,229 | Investment Properties | - | - | - | 384 | - | 384 |
| 13,877 | Total Fixed Assets | 2,276 | 3,078 | 189 | 385 | 7,838 | 13,767 |
| 407 | Cash at Bank | - | - | - | - | 393 | 393 |
| 57 | Debtors | - | - | - | - | 83 | 83 |
| 1,318 | Funds deposited with DCC Loans Fund | 185 | 3 | 7 | 851 | 708 | 1,754 |
| 1,782 | Total Current Assets | 185 | 3 | 7 | 851 | 1,184 | 2,230 |
| (83) | Creditors | - | - | - | - | (90) | (90) |
| 1,699 | Net Current Assets | 185 | 3 | 7 | 851 | 1,094 | 2,140 |
| 15,576 | Net Assets | 2,461 | 3,081 | 196 | 1,236 | 8,932 | 15,907 |

| | Analysis of Fund Balances | A £000 | B £000 | C £000 | D £000 | E £000 | |
|---------------|---------------------------|--------------|--------------|------------|--------------|--------------|---------------|
| 5,827 | Revaluation Reserve | 2,276 | 3,078 | 189 | 385 | - | 5,928 |
| 9,749 | Revenue Reserve | 185 | 3 | 7 | 851 | 8,932 | 9,978 |
| 15,576 | Total reserves | 2,461 | 3,081 | 196 | 1,236 | 8,932 | 15,906 |

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 £2.461m as at 31 March 2025 (31 March 2024: £2.395m).

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 £3.081m as at 31 March 2025 (31 March 2024: £3.047m).

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 2025 (31 March 2024: £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 £1.236m as at 31 March 2025 (31 March 2024: £1.200m).

E: 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 £8.932m as at 31 March 2025 (31 March 2024: £8.738m).

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 | | |
|--|------------------------------|-----------------------------|
| 2023/2024 (restated) Total £000 | | 2024/20245 Total £000 |
| (22) Income | | (23) |
| - Expenditure | | - |
| (22) Net (income) / expenditure | | (23) |
| | | |
| 2024 (restated) £000 | Balance Sheet as at 31 March | 2025 £000 |
| Current Assets | | |
| 535 Funds deposited with DCC Loans Fund | | 557 |
| 535 Net Assets | | 557 |
| | | |
| Financed By Fund Balances and Reserves Available for Use: | | |
| 535 Fund Balances | | 557 |
| 535 | | 557 |

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 2024 | 18,519 | 2,273 | 20,792 |
| Additions | 63 | - | 63 |
| Revaluations | - | - | - |
| 31 March 2025 | 18,582 | 2,273 | 20,855 |

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 2024/2025- £63k (2023/2024- £Nil)

There were no disposals in 2024/2025 (2023/2024- 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 2024 £000 | 31 March 2025 £000 |
|--|-----------------------|-----------------------|
| PPP Schools Liability | 53,467 | 112,171 |
| DBFM School Liability (Baldragon) | 22,159 | 26,018 |
| Service Concession Arrangement Liability (Waste Project) | 55,981 | 58,043 |
| Financing Arrangement (Dundee House) | 21,778 | 21,391 |
| Right Of Use Liability | - | 1,201 |
| Burial Grounds Perpetuity Fund | 93 | - |
| Total | 153,478 | 218,824 |

Please note that Service Concession debt was remeasured during 2024/2025 to comply with the requirements of IFRS16. For more information on this, please refer to Note 28.

44 Long Term Debtors

| | 31 March 2024 £000 | 31 March 2025 £000 |
|---|-----------------------|-----------------------|
| Advances to Tayside Contracts for capital expenditure | 9,229 | 10,438 |
| Loans to other organisations | 462 | 259 |
| Housing loans / mortgages | 1,404 | 1,245 |
| Total | 11,095 | 11,942 |

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:

| 2024/2025 | | | | |
|---|------------------------------|-------------------------|--|---------------------------------------|
| | Gross Expenditure £000 | Gross Income £000 | Net Expenditure / (Income) £000 | Internal Recharging Adj £000 |
| Children & Families Services | 242,788 | (21,908) | 220,880 | - |
| Budgets Delegated to Dundee Health & Social Care Partnership | 279,750 | (167,840) | 111,910 | - |
| City Development | 120,403 | (41,190) | 79,213 | 8,092 |
| Neighbourhood Services | 46,206 | (18,265) | 27,941 | 6,351 |
| Chief Executive | 18,488 | (3,963) | 14,525 | 1,557 |
| Corporate Services | 97,065 | (60,657) | 36,408 | 10,859 |
| Construction | 31,138 | (30,692) | 446 | 22,683 |
| Housing Revenue Account | 79,675 | (62,527) | 17,148 | 585 |
| Discretionary NDR Relief | 493 | - | 493 | - |
| Tayside Valuation Joint Board | 1,028 | - | 1,028 | - |
| Miscellaneous Items | 4,422 | (756) | 3,666 | 978 |
| Cost Of Services | 921,456 | (407,798) | 513,658 | 51,105 |

| 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 |

46 Revenue from Contracts with Service Recipients

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

| 2023/2024 £000 | Revenue from contracts with service recipients: | 2024/2025 £000 |
|-------------------|---|-------------------|
| 53,671 | Housing Rents | 56,671 |
| 2,968 | Sheltered Housing Charge | 3,260 |
| 2,994 | Temporary Accommodation Properties | 3,190 |
| 6,505 | Residential Care | 6,123 |
| 679 | Non Residential Care | 772 |
| 1,072 | School Meals | 1,239 |
| 547 | Social Care Meals | 612 |
| 3,279 | Off Street Parking | 3,410 |
| 2,459 | On Street Parking | 2,411 |
| 636 | Building Warrants | 980 |
| 840 | Planning Applications | 601 |
| 855 | Trade Waste | 839 |
| 537 | Special Collections | 629 |
| 900 | Garden Waste Collections | 940 |

| | | |
|---------------|---|---------------|
| 598 | Licensing | 533 |
| 633 | Burial Ground Charges | 760 |
| 2,078 | Miscellaneous | 2,033 |
| 81,251 | Total Included in Comprehensive Income and Expenditure | 85,003 |

47 Capital Grants & Receipts Unapplied Account

| | 31 March 2024 £000 | 31 March 2025 £000 |
|----------------|-------------------------------------|-------------------------------------|
| Capital Grants | 354 | 341 |
| Total | 354 | 341 |

48 Debtors for Local Taxation

| | 31 March 2024 Restated £000 | 31 March 2025 £000 |
|------------------------|--|-------------------------------------|
| Up to One Year: | | |
| Council Tax | 1,529 | 1,714 |
| NDRI | 3,731 | 3,246 |
| Total | 5,260 | 4,960 |
| Over One Year: | | |
| Council Tax | 522 | 956 |
| NDRI | 2,598 | 2,928 |
| Total | 3,120 | 3,884 |
| Total | | |
| Council Tax | 2,051 | 2,670 |
| NDRI | 6,329 | 6,174 |
| Total | 8,380 | 8,844 |

The 2023/24 categorisation of NDRI Debtors for Local Taxation has been restated to increase the NDRI Debtors Up to One Year by £3,595,000 and to decrease the Debtors Over One Year by £3,595,000. There is no effect on the total NDRI Debtors for Local Taxation at 31 March 2024.

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 2024/2025, no 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. This presents a risk to the Partnership.

During 2024/2025, £11.597m drawdown of government grant had been made successfully. This is the first year that the Partnership requested a reduction of £18.054m against awarded profile. At the 31st March 2025, Grant due from Scottish Government was £2.451m and Grant payments due to projects were £2.451m. 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 | 2024/25 Approved Allocation £000 | 2024/25 Grant Claimed £000 | 2024/25 Grant Approved during year £000 | Grant Claims and Payments Outstanding as at 31 March 2025 £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 | - | 57 | 57 | 57 | - |
| Advanced Manufacturing Programme | 8,000 | 8,000 | - | - | - | - | - |
| Advanced Plant Growth Centre | 27,000 | 7,000 | 20,000 | - | - | - | - |
| International Barley Hub | 35,000 | 10,000 | 25,000 | - | - | - | - |
| Angus Fund | 26,500 | - | 26,500 | 140 | 205 | 205 | 205 |
| CyberQuarter | 11,700 | 6,000 | 5,700 | 943 | 938 | 938 | 672 |
| Eden Campus | 26,500 | 2,000 | 24,500 | - | - | - | - |
| Just Tech | 15,000 | - | 15,000 | - | - | - | - |
| Growing the Tay Cities BioMedical Cluster | 25,000 | 25,000 | - | 8,925 | 8,925 | 8,925 | - |
| Perth Cultural Transformation (Perth Museum) | 10,000 | - | 10,000 | - | - | - | - |
| Pitlochry Festival Theatre | 10,000 | 10,000 | - | 613 | 613 | 613 | - |

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

| Project | Grant Award £000 | Funded By SG £000 | Funded By UKG £000 | 2024/25 Approved Allocation £000 | 2024/25 Grant Claimed £000 | 2024/25 Grant Approved during year £000 | Grant Claims and Payments Outstanding as at 31 March 2025 £000 |
|--|---------------------|----------------------|-----------------------|--|----------------------------------|---|--|
| Project Beacon | 5,200 | - | 5,200 | - | - | - | - |
| Perth Innovation Highway | 5,000 | - | 5,000 | - | - | - | - |
| Regional Culture and Tourism Programme | 27,000 | 27,000 | - | 415 | 415 | 415 | 72 |
| Studio Dundee | 3,000 | 3,000 | - | - | - | - | - |
| Aviation Academy for Scotland | 8,100 | - | 8,100 | - | - | - | - |
| Rural Angus & Rural Perth and Kinross | 2,000 | - | 2,000 | - | - | - | - |
| Highspeed Broadband | | | | | | | |
| 5G Digital Testbeds | 2,000 | 2,000 | - | 726 | 601 | 601 | 447 |
| Tay Cities Engineering Partnership | 1,401 | 1,401 | - | 231 | 86 | 86 | 82 |
| 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 | 12,050 | 11,840 | 11,840 | 1,478 |
| Regional Skills and Employability Investment Programme | 20,000 | 20,000 | - | 1,741 | 1,682 | 1,682 | 788 |
| Tay Cities Engineering Partnership | 599 | 599 | - | 198 | 68 | 68 | 31 |
| Dundee Airport Investment | 600 | 600 | - | 458 | 458 | 458 | 154 |
| Total Revenue Grant | 21,199 | 21,199 | - | 2,397 | 2,208 | 2,208 | 973 |
| TOTAL | 300,000 | 150,000 | 150,000 | 14,447 | 14,048 | 14,048 | 2,451 |

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:

| | 2023/2024 £000 | 2024/2025 £000 |
|------------------------|-------------------|-------------------|
| Expenditure | 399 | 409 |
| Income | (465) | (473) |
| Net Expenditure | (66) | (64) |

The PMO is funded from partner local authorities, Higher and Further Education and Research partners. A combined underspend of £87,000 was carried forward to 2025/2026.

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

50 Low Emission Zone Statement of Account

Dundee City Council introduced a Low Emission Zone (LEZ) within Dundee city centre on 30th May 2022, with a two year grace period. This means that between 30th May 2022 and 29th May 2024 drivers were not fined for entering the LEZ with a non-compliant vehicle. Enforcement started on Thursday 30th May 2024. All costs incurred to date were incurred as a result of planning, designing and implementing the LEZ. These were funded by various grants as detailed below.

The Dundee City LEZ was introduced to address air pollution in the city centre, mainly nitrogen dioxide (NO2) caused by road traffic. An LEZ is an area where only certain vehicles are allowed to enter based on their emissions standards. Low emission zones have now been introduced in the four biggest cities in Scotland - Aberdeen, Edinburgh, Glasgow and Dundee in line with the legislation issued by the Scottish Government - The Low Emission Zones (Scotland) Regulations 2021.

| | 2019/2020 £000 | 2020/2021 £000 | 2021/2022 £000 | 2022/2023 £000 | 2023/2024 £000 | 2024/2025 £000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenditure | | | | | | |
| Signage | | | | 7 | 89 | 79 |
| IT Consultancy for Enforcement Software | | | 2 | 2 | | |
| Planning | | | 150 | 341 | 122 | |
| Computer Software | | | | | 101 | 33 |
| Consultancy Support (Revenue) | 1 | | | | | |
| Equipment | | | 1 | | | |
| Communications | | | | | | |
| Design/Development | | | 2 | | | |
| Postages | | | | | | 56 |
| Other Revenue | | | | | | 16 |
| Staff Costs | | | | | | 125 |
| Provision for Doubtful Debts | | | | | | 547 |

| | | | | | | |
|---|----------|----------|------------|------------|------------|--------------|
| Office Improvements | | | | | | 58 |
| Total Expenditure | 1 | - | 155 | 350 | 312 | 914 |
| Income | | | | | | |
| Transport Scotland (LEZ) Revenue | 1 | | 3 | | | 230 |
| Transport Scotland (LEZ) Capital | | | 152 | 350 | 312 | 123 |
| PCN Income (Including outstanding income) | | | | | | 1,388 |
| Total Income | 1 | - | 155 | 350 | 312 | 1,741 |

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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| 99,974 | Gross Council Tax levied and contributions in lieu | 100,791 |
| (77) | Adjustments for prior years Council Tax | (92) |
| 99,897 | | 100,699 |
| | Adjusted for: | |
| (20,616) | Other discounts and reductions | (19,718) |
| (13,666) | Council Tax Reduction Scheme | (13,617) |
| (1,491) | Provision for Non-collection | (1,021) |
| 64,124 | Net Council Tax Income per the Comprehensive Income and Expenditure Account | 66,343 |

The calculation of the Council Tax Base 2024/25:

| | No of Dwellings | No of Exemptions | Disabled Relief | Discounts 25% | Discounts 50% | Total Equivalent Dwellings | Ratio to Band D | Band D Equivalents |
|--|--------------------|---------------------|--------------------|------------------|------------------|----------------------------------|--------------------|-----------------------|
| Band A | 28,078 | 2,973 | 32 | 16,463 | 581 | 20,727 | 240/360 | 13,833 |
| Band B | 17,415 | 1,497 | 60 | 7,969 | 279 | 13,795 | 280/360 | 10,729 |
| Band C | 9,922 | 944 | 69 | 3,769 | 119 | 7,979 | 320/360 | 7,092 |
| Band D | 9,761 | 514 | 72 | 2,945 | 113 | 8,457 | 360/360 | 8,457 |
| Band E | 7,800 | 756 | 75 | 1,773 | 77 | 6,515 | 473/360 | 8,560 |
| Band F | 2,601 | 73 | 28 | 491 | 31 | 2,372 | 585/360 | 3,855 |
| Band G | 1,163 | 31 | 10 | 183 | 19 | 1,067 | 705/360 | 2,090 |
| Band H | 40 | 5 | - | 8 | 5 | 31 | 882/360 | 76 |
| TOTAL | | | | | | | | 54,692 |
| Provision for non-collection (3.2%) | | | | | | | | (1,750) |
| Council Tax Base | | | | | | | | 52,942 |

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 2024/2025 was £1,486.

Dundee City Council £ per year for 2024/2025:

| | |
|---------------|-----------|
| 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.

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---|-------------------|
| 100,334 | Gross rates levied and contributions in lieu | 104,958 |
| | Less: | |
| (27,599) | Reliefs and other deductions | (30,918) |
| - | Payments of interest | (101) |
| (6,907) | Write Off of uncollectable debt and allowance for impairment | (5,092) |
| 65,828 | Net Non Domestic Rate Income | 68,847 |
| 8,528 | Adjustment to Previous Years' Non-Domestic Rates | (1,450) |
| 74,356 | Total Non Domestic Rate Income (before local authority retentions) | 67,397 |
| - | Non Domestic Rates Retained by Authority | - |
| 74,356 | Contribution to Non-Domestic Rate Pool | 67,397 |

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 2024/2025 was £0.498, the intermediate property rate was £0.545, payable when rateable value is between £51,000 and £100,000, and the higher property rate was £0.559, payable when rateable value exceeds £100,000.

| | 2024/2025 £ |
|--|--------------------|
| Analyses of Rateable Values: | |
| Rateable Value at 1/04/2024 | 191,898,000 |
| Running Roll (Full Year Rateable Value) | - |
| Rateable Value at 31/03/2025 | 187,686,000 |
| Less: Wholly Exempt | (1,411,000) |
| Net Rateable Value at 31/03/2025 | 186,275,000 |
| Dundee City Council's Rateable Values at 1 April 2025 | £000 |
| Commercial | 83,891 |
| Industrial and Freight Transport | 33,088 |
| Public Undertakings | 9,334 |
| Others | 61,373 |
| Total | 187,686 |

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.

| 2023/2024 £000 | Notes | 2024/2025 £000 |
|---|-------|-------------------|
| Income | | |
| 53,671 Dwelling Rents | | 56,671 |
| 844 Non-dwelling Rents | | 851 |
| 3,717 Any Other Income | | 4,944 |
| 58,232 Total Income | | 62,466 |
| Expenditure | | |
| (25,708) Repairs and Maintenance | | (28,185) |
| (14,811) Supervision and Management | | (14,395) |
| (274) Rent, rates, taxes and other charges | | (148) |
| (35,700) Depreciation and Impairment on Non-Current Assets | | (33,800) |
| (1,994) Movement in the Impairment Allowance for Non-Trade Debtors | | (3,086) |
| (78,487) Total Expenditure | | (79,614) |
| (20,255) Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement | | (17,148) |
| (459) HRA Services' Share of Corporate and Democratic Core | | (489) |
| (20,714) Net Cost for HRA Services | | (17,637) |
| HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement: | | |
| 107 Gain or (Loss) on Sale of HRA Non-Current Assets | | 222 |
| (7,059) Interest Payable and Similar Charges | | (8,108) |
| (92) Impairment of Assets Held for Sale | | - |
| 754 Interest and Investment Income | | 458 |
| 46 Pension Interest Cost and Expected Return on Pension Assets | | 15 |
| - Change in Fair Value of Investment Property | | - |
| 1,531 Capital Grants and Contributions Receivable | | 695 |
| (130) Movement in the Impairment Allowance for Trade Debtors | | 43 |
| (25,557) Surplus or (Deficit) for the Year on HRA Services | | (24,312) |

Housing Revenue Account - Movement in Reserves Statement

| 2023/2024 £000 | Notes | 2024/2025 £000 |
|--|-------|-------------------|
| (25,557) Surplus or (Deficit) for the Year on HRA Income and Expenditure Statement | | (24,312) |
| 21,482 Adjustments between Accounting Basis and Funding Basis Under Statute | 1 | 20,188 |
| (4,075) Net Increase or (Decrease) Before Transfers to or from Reserves | | (4,124) |
| 4,075 Transfers (to) or from Reserves | 2 | 4,124 |
| - 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**

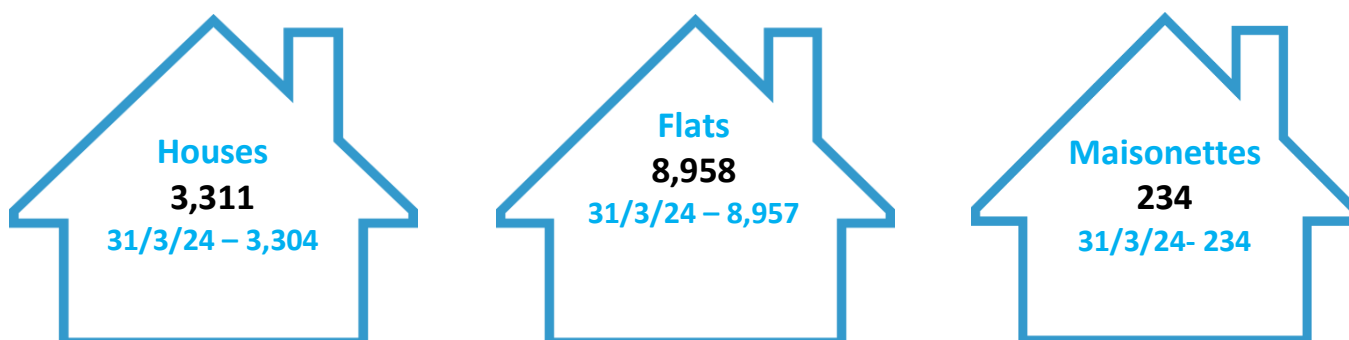
| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|--|-------------------|
| (107) | Gain or loss on sale of HRA non-current assets | (222) |
| 92 | Impairment of Assets Held for Sale | - |
| | Transfer to/from Revaluation Reserve: | |
| 13,831 | * Current Value Element of Depreciation Charge | 18,347 |
| | Transfer to/from Capital Adjustment Account: | |
| 21,869 | * Depreciation and Impairment - Housing Revenue Account Assets | 15,453 |
| (1,531) | * Capital Grants and Contributions | (695) |
| (12,370) | * Repayment of Debt | (12,616) |
| - | * Capital Financed from Current Revenue (CFCR) | - |
| - | Change in Fair Value of Investment Property | - |
| 6 | Short Term Accumulating Absences | (12) |
| (77) | HRA share of contributions to or from the Pensions Reserve | 16 |
| (231) | HRA Share of Transfer to/from the Financial Instruments Adjustment Account | (83) |
| 21,482 | Total | 20,188 |

2 Transfers (to) or from Reserves

| 2023/2024 £000 | | 2024/2025 £000 |
|-------------------|---|-------------------|
| 4,525 | Transfer (to)/from the Renewal & Repair Fund | 4,574 |
| (450) | Transfer from General Fund (Funding for CFCR from Reduced Council Tax Discounts on long-term Empty Properties and Second Homes) | (450) |
| 4,075 | Total | 4,124 |

3 Housing Stock

The Council's housing stock at 31 March 2025 was as follows:

**4 Rent Arrears**

Rent Arrears at 31 March 2025 were £4,637,736.14 (£4,622,774.26 at 31 March 2024).

5 Impairment of Debtors

In 2024/2025 an impairment of £5,213,862 has been provided in the Balance Sheet for irrecoverable rents, a net increase of £359,334 from the provision in 2023/2024.

6 Voids

The total value of uncollectable void rents was £2,076,547 (2023/2024 £1,620,791). This has been netted against rental income.

7 Accumulated Housing Revenue Account Balance

The Renewal & Repair Fund balance at 31 March 2025 was £6.295m, of which £3.193m was earmarked for the Housing Revenue Account.

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

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

| 2023/2024 | | | 2024/2025 | | |
|---------------------------|----------------------|---------------------------------------|---------------------------|----------------------|---------------------------------------|
| Gross Expenditure £000 | Gross Income £000 | Net Expenditure / (Income) £000 | Gross Expenditure £000 | Gross Income £000 | Net Expenditure / (Income) £000 |
| 238,568 | (40,714) | 197,854 | 242,788 | (21,908) | 220,880 |
| 258,180 | (154,486) | 103,694 | 279,750 | (167,840) | 111,910 |
| 103,803 | (27,477) | 76,326 | 113,928 | (33,098) | 80,830 |
| 39,692 | (12,493) | 27,199 | 39,989 | (12,372) | 27,617 |
| 5,642 | (1,651) | 3,991 | 5,134 | (2,004) | 3,130 |
| 87,483 | (51,657) | 35,826 | 86,206 | (49,798) | 36,408 |
| 6,458 | (6,553) | (95) | 8,456 | (8,009) | 447 |
| 78,024 | (57,769) | 20,255 | 79,090 | (61,942) | 17,148 |
| 497 | - | 497 | 493 | - | 493 |
| 802 | - | 802 | 1,028 | - | 1,028 |
| 5,222 | (1,390) | 3,832 | 3,443 | 222 | 3,665 |
| 123 | - | 123 | 142 | - | 142 |
| 18,603 | (6,774) | 11,829 | 19,510 | (8,166) | 11,344 |
| 843,097 | (360,964) | 482,133 | 879,957 | (364,915) | 515,042 |
| | | (515) | | | (3,405) |
| | | 29,749 | | | 35,160 |
| | | (453,828) | | | (484,157) |
| | | 57,539 | | | 62,640 |
| | | 3,088 | | | 3,039 |
| | | 60,627 | | | 65,679 |
| | | (76,629) | | | 24,585 |
| | | 1,977 | | | 317 |
| | | (120) | | | 2 |
| | | | | | (230) |
| | | 2,606 | | | (5,291) |
| | | - | | | - |
| | | (72,166) | | | 19,383 |
| | | (11,539) | | | 85,062 |

THE GROUP ACCOUNTS & THEIR NOTES | Group Movement in Reserves Statement

The Group Movement in Reserves Statement shows the movement in the year on the different reserves held by the council, together with the movement in the Council's shares of those entities in which it has a financial interest.

| | <u>Revenue Reserves</u> | | | | <u>Capital Reserves</u> | | | | |
|--|------------------------------------|------------------------|--|---------------------------|---|-------------------------|---|------------------------------|------------------------------------|
| | 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 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 | 35,070 | 25,557 | - | - | - | - | 60,627 | (72,166) | (11,539) |
| Adjustments to Usable Reserves Permitted by Accounting Standards | (20,785) | (13,831) | - | - | - | - | (34,616) | 34,616 | - |
| Adjustments between Group Accounts and Council Accounts | (1,381) | - | - | - | - | - | (1,381) | 1,809 | 428 |
| Net (Increase)/Decrease before Transfers | 12,904 | 11,726 | - | - | - | - | 24,630 | (35,741) | (11,111) |
| Adjustments between Accounting Basis and Funding Basis Under Regulations | (33,509) | (7,651) | - | - | 1,021 | 657 | (39,482) | 39,482 | - |
| Net (Increase)/Decrease before Transfers to Earmarked Reserves | (20,605) | 4,075 | - | - | 1,021 | 657 | (14,852) | 3,741 | (11,111) |
| 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) | 3,741 | (11,111) |
| Balance at 31 March 2024 | (96,953) | - | (10,826) | (1,192) | (354) | (2,147) | (111,472) | (979,844) | (1,091,316) |

| | 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 2024 | (96,953) | - | (10,826) | (1,192) | (354) | (2,147) | (111,472) | (979,844) | (1,091,316) |
| Movement in reserves during 2024/2025 | | | | | | | | | |
| Total Comprehensive Expenditure and Income | 41,367 | 24,312 | - | - | - | - | 65,679 | 19,383 | 85,062 |
| Adjustments to Usable Reserves Permitted by Accounting Standards | (21,841) | (18,347) | - | - | - | - | (40,188) | 40,188 | - |
| Adjustments between Group Accounts and Council Accounts | (5,878) | - | - | - | - | - | (5,878) | (3,324) | (9,202) |
| Net (Increase)/Decrease before Transfers | 13,648 | 5,965 | - | - | - | - | 19,613 | 56,247 | 75,860 |
| Adjustments between Accounting Basis and Funding Basis Under Regulations | (6,271) | (1,841) | - | - | 13 | (480) | (8,579) | 8,579 | - |
| Net (Increase)/Decrease before Transfers to Earmarked Reserves | 7,377 | 4,124 | - | - | 13 | (480) | 11,034 | 64,826 | 75,860 |
| Transfers to/(from) Other Statutory Reserves | (148) | (4,124) | 4,531 | (168) | - | (91) | - | - | - |
| (Increase)/Decrease in 2024/2025 | 7,229 | - | 4,531 | (168) | 13 | (571) | 11,034 | 64,826 | 75,860 |
| Balance at 31 March 2025 | (89,724) | - | (6,295) | (1,360) | (341) | (2,718) | (100,438) | (915,018) | (1,015,456) |

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 2024 £000 | | 31 March 2025 £000 |
|-----------------------|------------------------------------|-----------------------|
| 1,849,187 | Property, Plant & Equipment | 1,921,042 |
| 20,792 | Heritage Assets | 20,855 |
| 13,073 | Investment Property | 13,073 |
| 2,759 | Intangible Assets | 2,675 |
| 29 | Long Term Investments | 29 |
| 7,942 | Investments in Associates | 12,332 |
| 8,234 | Long Term Debtors | 7,718 |
| 1,902,016 | Long Term Assets | 1,977,724 |
| 7,455 | Short Term Investments | 9,676 |
| 1,153 | Inventories | 1,175 |
| 56,463 | Short Term Debtors | 67,102 |
| 2,033 | Cash and Cash Equivalents | - |
| 4,493 | Assets Held for Sale | 4,448 |
| 71,597 | Current Assets | 82,401 |
| (94,789) | Short Term Borrowing | (183,164) |
| (96,109) | Short Term Creditors | (75,110) |
| - | Cash and Cash Equivalents | (5,964) |
| (190,898) | Current Liabilities | (264,238) |
| (4,297) | Provisions | (3,170) |
| (494,522) | Long Term Borrowing | (518,204) |
| (32,559) | Pension Liability | (28,689) |
| (153,479) | Other Long Term Liabilities | (218,824) |
| (6,542) | Capital Grants Receipts in Advance | (11,544) |
| (691,399) | Long Term Liabilities | (780,431) |
| 1,091,316 | Net Assets | 1,015,456 |
| 111,472 | Usable reserves | 100,438 |
| 979,844 | Unusable Reserves | 915,018 |
| 1,091,316 | Total Reserves | 1,015,456 |

The unaudited accounts were authorised for issue on 25 June 2025 and the audited accounts were authorised for issue on 24 September 2025 and signed on their behalf by:-



Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

The notes on pages 136 to 140 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.

| 2023/2024 £000 | | 2024/2025 £000 |
|---------------------------------|--|---------------------------------|
| 60,517 | Net (Surplus) or Deficit on the provision of services | 62,640 |
| (73,031) | Adjust net (Surplus) or Deficit on the provision of services for non cash movements | (71,203) |
| 2,356 | Adjust for items included in the net (Surplus) or Deficit on the provision of services that are investing and financing activities | 3,323 |
| (10,158) | Net cash flows from Operating Activities | (5,240) |
| 82,125 | Investing Activities | 117,626 |
| (60,867) | Financing Activities | (104,389) |
| 11,100 | Net (Increase) or Decrease in cash and cash equivalents | 7,997 |
| 13,133 | Cash and cash equivalents at the beginning of the reporting period | 2,033 |
| 2,033 | Cash and cash equivalents at the end of the reporting period | (5,964) |

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 2025 | | |
|---|----------------------------|------------------------------|---------------------------|
| | Usable Reserves £000 | Unusable Reserves £000 | Total Reserves £000 |
| Dundee City Council (Single Entity) | 77,746 | 912,282 | 990,028 |
| Elimination of Intra-group balances within single-entity accounts | 174 | - | 174 |
| Tayside Contracts Joint Committee | 3,434 | 3,341 | 6,775 |
| Common Good Fund | 3,313 | (322) | 2,991 |
| Fleming Trust | 8,228 | - | 8,228 |
| Leisure & Culture Dundee | 3,101 | (283) | 2,818 |
| Dundee City Integration Joint Board | 4,442 | - | 4,442 |
| Total per Group Balance Sheet | 100,438 | 915,018 | 1,015,456 |

| Group Entity | As at 31 March 2024 | | |
|---|----------------------------|------------------------------|---------------------------|
| | Usable Reserves £000 | Unusable Reserves £000 | Total Reserves £000 |
| Dundee City Council (Single Entity) | 92,250 | 980,432 | 1,072,682 |
| 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 |
| Michelin Scotland Innovation Parc | 4,705 | - | 4,705 |
| Total per Group Balance Sheet | 111,472 | 979,844 | 1,091,316 |

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 2024 £000 | At 31 March 2025 £000 |
|--------------------------------------|--------------------------|--------------------------|
| | | |
| Dundee City Council (Single Entity) | 1,626 | (6,357) |
| Fleming Trust | 407 | 393 |
| Total per Group Balance Sheet | 2,033 | (5,964) |

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:

| Consolidation Basis | | | | 2023/2024 | | 2024/2025 | | Net Assets / (Liabilities) £000 | |
|---|--------------------------------|--|--|---------------------|--|---------------------|--|---------------------------------------|-----------|
| | | | | Group Share % | Net Expenditure / (Income) £000 | Group Share % | Net Expenditure / (Income) £000 | | |
| Subsidiaries: | | | | | | | | | |
| Common Good Fund | Sole Trustee | | | 100.00 | (32) | 2,995 | 100.00 | (26) | 2,991 |
| Fleming Trust | Sole Trustee | | | 100.00 | (249) | 8,456 | 100.00 | (194) | 8,228 |
| Leisure & Culture Dundee (see note below) | 100% Control | | | 100.00 | 11,593 | 2,539 | 100.00 | 10,984 | 2,818 |
| Associates: | | | | | | | | | |
| Tayside Contracts Joint Committee | Share of Business | | | 31.00 | - | (96) | 31.00 | - | 6,775 |
| Design Dundee Limited (see note below) | Voting Rights | | | 20.00 | - | - | 20.00 | - | - |
| Joint Ventures: | | | | | | | | | |
| Dundee City Integration Joint Board | Equal Partnership | | | 50.00 | 3,078 | - | 50.00 | 3,039 | 4,442 |
| Michelin Scotland Innovation Parc | Interest Sold 18 December 2024 | | | 33.33 | 10 | 4,705 | 0.00 | - | - |
| Total Group Entities | | | | | 14,400 | 18,599 | 13,803 | | 25,254 |
| Dundee City Council (Single Entity) | | | | | (14,203) | 1,072,682 | 82,654 | | 990,028 |
| Elimination of Intra-group balances within single-entity accounts | | | | | (11,736) | 35 | (11,395) | | 174 |
| Dundee City Council (Group) | | | | | (11,539) | 1,091,316 | 85,062 | | 1,015,456 |

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.

On 18 December 2024 Dundee City Council sold its shareholding in Michelin Scotland Innovation Parc.

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 141. 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 2025 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 2025 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 2025 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. Dundee City Council controlled 33% of the voting rights until the 18 December 2024 when the Council sold its shares in the limited company relinquishing all right of influence or control over Michelin Scotland Innovation Parc (MSIP) Limited. As a result Michelin Scotland Innovation Parc (MSIP) Limited do not form part of Dundee City Council's group accounts to 31 March 2025.

Copies of the accounts for all the above organisations can be obtained from the Executive Director of Corporate Services, Dundee City Council, (e-mail: paul.thomson@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:

Tayside Valuation Joint Board

Tayside Valuation Joint Board ("the Joint Board") was established in 1996 as part of the reorganisation of local government. It took over from the Local Authorities in its area certain duties in relation to valuation for rating and council tax. The Joint Board comprises 15 members who are appointed by the three Councils in its area. Dundee City Council nominates 6 members, Perth & Kinross Council 5 and Angus Council 4. Tayside Valuation Joint Board ("the Joint Board") 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 2025 were used.

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 16) and Dundee City Council is one of the five voting members. 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. 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 consolidated and disclose, audited management accounts to 31 March 2025 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 nine 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 Baldrigon 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 (Baldrigon) 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 (Baldrigon) 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 (Baldrigon) Midco Limited ("MidCo") representing a 10% shareholding. 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. As a result of significant financial challenges Dovetail Enterprises (1993) Limited the company is subject to Company Administration procedures. Geoff Jacobs and Alistair McAlinden were appointed as Joint Administrators to Dovetail Enterprises (1993) Limited, trading as Dovetail, on 28 March 2025.

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. Studio Dundee Joint Venture Company Limited was dissolved 2 July 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 active. 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 ConsolidatedTay 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".

| 2023/2024 £000 | Income & Expenditure Account | 2024/2025 £000 |
|-------------------|---|-------------------|
| | <u>Income</u> | |
| (155) | Dividends on Bonds / Shares | (168) |
| (155) | | (168) |
| | <u>Expenditure</u> | |
| 123 | Other Expenditure | 142 |
| 123 | | 142 |
| (32) | (Surplus)/Deficit for Year | (26) |
| | | |
| 2024 £000 | Balance Sheet as at 31 March | 2025 £000 |
| | <u>Current Assets</u> | |
| 2,995 | Short Term Investments | 2,991 |
| 2,995 | | 2,991 |
| | <u>Current Liabilities</u> | |
| - | Sundry Creditors | - |
| - | | - |
| 2,995 | Net Assets | 2,991 |
| | | |
| | Financed By Fund Balances and Reserves | |
| | Not Available for Use: | |
| (292) | - Financial Instruments Restatement Reserve | (322) |
| (292) | | (322) |
| | Available for Use: | |
| 3,287 | - Common Good Balance | 3,313 |
| 2,995 | | 2,991 |

The unaudited accounts were authorised for issue on 25 June 2025 and the audited accounts were authorised for issue on 24 September 2025 and signed on their behalf by:-



Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council
25 June 2025

1. SHORT TERM INVESTMENTS

Included within the Short Term Investments figure of £2,991,057 are investments in Bonds to the value of £2,877,556.

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dundee City Council and its group for the year ended 31 March 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the council-only Expenditure and Funding Analysis, the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Council Tax Income Account, Non-Domestic Rate Income Account, Housing Revenue Account, Common Good Fund Account and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the 2024/25 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2025 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2024. My period of appointment is four years, covering 2023/24 to 2026/27. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, I report on the

council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Executive Director of Corporate Services and the Scrutiny Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Executive Director of Corporate Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Executive Director of Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Corporate Services is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The Scrutiny Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Executive Director of Corporate Services as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Executive Director of Corporate Services concerning the policies and procedures of the council and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

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

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

Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Annual Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Rachel Browne CPFA
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

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

Accounting Period

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

Actuarial Gains and Losses (Pensions)

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

Asset

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

Associate

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

Balance Sheet

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

Capital Adjustment Account

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

Capital Expenditure

Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Capital Financing

The various methods used to finance capital expenditure such as borrowing, leasing, capital receipts, capital grants and use of revenue funding.

Capital Grants and Receipts Unapplied Account

The Capital Grants and Receipts Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. Capital receipts that are available to fund qualifying expenditure on transformation or service redesign projects are also held in this account.

Capital Receipt

Proceeds from the disposal of land or other non-current assets.

Capital Receipts Reserve

The Capital Receipts Reserve represents the proceeds from non-current asset disposals not yet used and are available to meet future capital investment.

Cash Flow Statement

Shows the changes in cash and cash equivalents by detailing the inflows and outflows of cash arising from revenue and capital transactions.

Common Good Fund

Presents a picture of the Council's stewardship of the assets under its control which do not form part of the core financial statements.

Community Assets

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal, such as municipal parks.

Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (IFRS).

Corporate and Democratic Core

The Corporate and Democratic Core comprises all activities, which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are therefore over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same service.

Council Tax Income Account

Details the gross and net income from Council Tax.

Creditor

Amounts owed by the council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities, expected to arise from employee service in the current period.

Debtor

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Depreciation

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

Discretionary Benefits (Pensions)

Retirement awards, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

Employee Statutory Adjustment Account

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

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Events after the Balance Sheet Date

Are those events both favourable and unfavourable that occur between the Balance Sheet date and the date when the Annual Accounts are signed

Expenditure and Funding Analysis

Demonstrates to council tax and rent payers how the funding available to the Council (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

Fair Value

The fair value of an asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account is a balancing account to allow for differences in statutory requirements and proper accounting practices for lending and borrowing by the Council.

Finance Lease

A lease that transfers substantially all the risks and rewards of ownership of a non-current asset to the lessee.

General Fund

The General Fund encompasses all services areas (with the exception of the Council's housing stock) and is funded mainly by Government Grant and Council Tax.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue or capital spend of the Council in general.

Gross Expenditure

This includes all expenditure attributable to the service and activity including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, support services and capital charges.

Gross Income

This includes grant income and all charges to individuals and organisations for the direct use of the Council's services.

Group Accounts

Brings together Dundee City Council and its interests in entities which would be regarded as its subsidiaries or associates or joint ventures if the local authority was subject to the Companies Act.

Heritage Asset

An asset with historical, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account

Reflects the statutory requirement to separately account for local authority housing provision, as defined in the Housing (Scotland) Act 1987. It shows the major elements of housing revenue expenditure, and how these are met by rents, housing support grant and other income.

Impairment

A reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.

Infrastructure Assets

Assets belonging to the council represented by highways, footpaths and bridges.

Insurance Fund

The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes.

Intangible Assets

Non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period of the scheme liabilities because the benefits are one period closer to settlement.

Inventories

Items of raw materials and stock the Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

Liability

A liability is where the Council owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A long term liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and unusable reserves.

National Non-Domestic Rates Pool

All Non domestic Rates collected by local authorities are remitted to the national pool and thereafter distributed to Councils by the Scottish Government.

Net Book Value

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Non Current Assets

These are created by capital expenditure incurred by the Council. They include property, vehicles, plant, machinery, roads, computer equipment etc.

Non Distributed Costs

Costs that cannot be allocated to specific services and are, therefore, excluded from the total cost relating to Service activity in accordance with the Service Reporting code of Practice. Charges for added pension years and early retirement are examples of these costs.

Non-Domestic Rate Income Account

Details the gross and net income from Non-Domestic Rates and the net contribution to the National Non-Domestic Rate Pool.

Notes to the Core Financial Statements and Other Various Accounts

These are intended to give the reader further information which is not separately detailed in the financial statements.

Operating Lease

A lease where the ownership of a non-current asset remains with the lessor.

Past Service Cost (Pensions)

For a defined benefit scheme, the increase in the present value of the scheme liabilities relating to employee service in prior periods arising in the current period as a result of the introduction of or improvement to retirement benefits.

Pension Reserve

The Pension Reserve arises from the IAS 19 account disclosures for retirement benefits and recognises the council's share of actuarial gains and losses in the Tayside Pension Fund and the change in the Council's share of the Pension Fund net liability chargeable to the Comprehensive Income and Expenditure Statement.

Pension Scheme Liabilities

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. The scheme liabilities, measured using the 'projected unit method' reflect the benefits that the employer is committed to provide for service up to the valuation date.

Post Employment Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment (e.g. pensions in retirement).

Prior Year Adjustment

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates or when they will arise are uncertain.

Public Works Loan Board (PWLb)

A Central Government Agency, which provides loans for one year and above to Councils at interest rates only based on those at which the Government can borrow itself

Rateable Value

The annual assumed rental of a non housing property, which is for national Non Domestic Rates purposes.

Related Parties

Entities or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.

Repairs and Renewal Fund

The Repairs and Renewal Fund provides resources for expenditure on the Council's assets.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

Residual Value

The net realisable value of an asset at the end of its useful life.

Revaluation Reserve

The Revaluation Reserve represents the store of gains on revaluation of fixed assets not yet realised through sale.

Revenue Expenditure

The day-to-day running costs associated with the provision of services.

Service Concession Arrangement

A contractual arrangement (or other arrangement that confers similar rights) between a local authority and an operator in which:

- a) the operator uses the service concession asset to provide a public service on behalf of the local authority for a specified period of time, and
- b) the operator is compensated for its services over the period of the service concession arrangement.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy and/or operational decisions.

Soft Loan

A loan made by the Council to another entity at an interest rate significantly below market interest rates.

Subsidiary

An entity over which the Council has overall control through the power to govern its financial and operating policies so as to obtain benefits from the entity's activities.

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