Dundee City Council
Corporate Services
CHANGING FOR THE FUTURE

City Chambers
DUNDEE
DD1 3BY

25th September, 2026

Membership

Councillor George McIrvine
Bailie Helen Wright
Bailie Fraser Macpherson
Bailie Derek Scott
Bailie Will Dawson
Councillor Jimmy Black
Councillor Stewart Hunter
Councillor Lynne Short

Dear Colleague

I refer to the agenda of business issued in relation to the MEETING of the **SCRUTINY AND AUDIT COMMITTEE** to be held remotely on Friday, 2nd October, 2026 and now enclose the undernoted item of business which was not received at the time of issue.

Yours faithfully

GREGORY COLGAN

Chief Executive

3 DUNDEE CITY COUNCIL 2024/2025 - ACCOUNTS AND AUDIT

(a) EXTERNAL AUDITOR'S REPORT TO MEMBERS OF DUNDEE CITY COUNCIL AND THE CONTROLLER OF AUDIT FOR THE YEAR TO 31ST MARCH, 2026 **- Page 3**

(Report No 199-2026 by the Executive Director of Corporate Services, copy attached).

(b) DUNDEE CITY COUNCIL 2025/2026 ACCOUNTS AND AUDIT - RESPONSE TO THE EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT **- Page 61**

(Report No 200-2026 by the Executive Director of Corporate Services, copy attached).

(c) DRAFT AUDIT STATEMENT OF ACCOUNTS

(i) Dundee City Council **- Page 65**

(Report No 201- 2026 by the Executive Director of Corporate Services, copy attached).

(d) EXTERNAL AUDITORS ANNUAL AUDIT REPORT TO TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO 31ST MARCH, 2026 **- Page 199**

(Report No 202-2026 by the Executive Director of Corporate Services, copy attached).

(e) RESPONSE TO EXTERNAL AUDITORS REPORT ANNUAL AUDIT REPORT TO TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO 31ST MARCH, 2026 **- Page 229**

(Report No 203-2026 by the Executive Director of Corporate Services, copy attached).

(f) DRAFT AUDIT STATEMENT OF ACCOUNTS

(i) Dundee City Council Charitable Trusts **- Page 233**

(Report No 204-2026 by the Executive Director of Corporate Services, copy attached).

(ii) Lord Provost of Dundee Charity Fund **- Page 251**

(Report No 205-2026 by the Executive Director of Corporate Services, copy attached).

(iii) Fleming Trust **- Page 259**

(Report No 206-2026 by the Executive Director of Corporate Services, copy attached).

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REPORT NO: 199-2026

Scrutiny and Audit Committee

02 October 2026

Dundee City Council

Audit of the 2025/26 annual accounts

Independent Auditor's Report

1. My audit work on the 2025/26 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, I anticipate being able to issue unmodified audit opinions in the Independent Auditor's Report on 02 October 2026. The proposed Independent Auditor's Report is attached at Appendix A.

Annual Audit Report

2. Under International Standards on Auditing in the UK (ISA (UK)), I am required to report specific matters identified from the audit of the annual accounts to those charged with governance of Dundee City Council in sufficient time to enable appropriate action. For Dundee City Council, those charged with governance is the Scrutiny and Audit Committee. I present for the committee's consideration my draft Annual Audit Report on the 2025/26 audit. The section headed "Significant findings and key audit matters" sets out the issues identified in respect of the annual accounts, including those that I am required to report to you.

3. The Annual Audit Report also sets out conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice.

4. The Annual Audit Report will be issued in final form after the audit of the annual accounts has been completed.

Uncorrected misstatements

5. I also report to those charged with governance all uncorrected misstatements in the annual accounts which I have identified during the course of my audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. There are no uncorrected misstatements to report.

Other ISA (UK) matters

7. In presenting this letter and the Annual Audit Report to the Scrutiny and Audit Committee, I seek confirmation from those charged with governance on the following matters:

- if they are aware of any instances of actual, suspected, or alleged fraud,
- if they are aware of any subsequent events that have occurred since the date of the financial statements,
- if they are content that the methods, assumptions, and data used in making accounting estimates in the annual accounts are appropriate,
- if all related party relationships and transactions they are aware of are reflected in the annual accounts, and
- if they are aware of any non-compliance with laws and regulations.

8. Any issues that I have identified from my audit in relation to other ISA (UK) matters that I am required to report to those charged with governance have been reported in the section headed “Other matters to report” in the Annual Audit Report.

Representations from the Section 95 Officer

9. As part of the completion of the audit, I am seeking written representations from the Executive Director of Corporate Services, who is the Section 95 Officer, on aspects of the annual accounts, including the judgements and estimates made.

10. A draft letter of representations is attached at Appendix B. This should be signed and returned to me by the Section 95 Officer with the signed annual accounts prior to the Independent Auditor’s Report being signed.

Appendix A: Proposed Independent Auditor's Report

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 2026 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 2025/26 (the 2025/26 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 2026 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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 15 April 2026. My period of appointment is two years, covering 2025/26 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 and Audit 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 and Audit 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 Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly

prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The 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 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 am 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 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.

Pauline Gillen
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Madela Place
Glasgow
G2 1BT

Appendix B: Letter of Representations (ISA (UK) 580)

To be reproduced on Dundee City Council headed paper, signed by Section 95 Officer and provided to appointed auditor with signed 2024/25 Annual Accounts

02 October 2026

Pauline Gillen
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Madela Place
Glasgow
G2 1BT

Dundee City Council

Annual accounts 2025/26

Dear Pauline

This representation letter is provided in connection with your audit of the annual accounts of Dundee City Council and its group, hereafter referred to as Dundee City Council, for the year ended 31 March 2026 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, and for expressing other opinions on the Remuneration Report, Management Commentary, and Annual Governance Statement.

I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of Dundee City Council's annual accounts for the year ended 31 March 2026.

General

I have fulfilled my responsibilities for the preparation of the 2025/26 annual accounts as set out in your 2025/26 Annual Audit Plan. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Dundee City Council have been recorded in the accounting records and are properly reflected in the financial statements.

I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. As you have reported, there are no uncorrected misstatements.

Financial Reporting Framework

The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (2025/26 Code), and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003, and the Local Authority Accounts (Scotland) Regulations 2014.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014, I have ensured that the financial statements give a true and fair view of the financial position of Dundee City Council at 31 March 2026 and the transactions for 2025/26.

Accounting Policies and Estimates

All material accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2025/26 Code, where applicable. Where the 2025/26 Code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Dundee City Council's circumstances and have been consistently applied.

The methodology, significant assumptions, and data used in making accounting estimates are reasonable, and have been properly reflected and disclosed in the financial statements in accordance with the 2025/26 Code. Judgements made in making estimates have been based on the latest available and reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

I have assessed Dundee City Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Dundee City Council's ability to continue to adopt the going concern basis of accounting.

Assets

All assets at 31 March 2026 of which I am aware have been reported in the financial statements.

All assets as at 31 March 2026 have been valued and / or indexed in line with the accounting polices around asset valuations.

I carried out an assessment at 31 March 2026 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified in the financial statements.

I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2026.

There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised in the financial statements.

Owned assets are free from any lien, encumbrance, or charge, except as disclosed in the financial statements.

Liabilities

All liabilities at 31 March 2026 of which I am aware have been reported in the financial statements.

Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2026 of which I am aware where the conditions specified in IAS 37, as adapted by the 2025/26 Code, have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2026. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2026, or to reflect material changes in the assumptions underlying the calculations of the provisions.

The accrual recognised in the financial statements for annual leave untaken by 31 March 2026 has been estimated on a reasonable basis.

There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent Liabilities

There are no significant contingent liabilities, other than those disclosed in Note 34 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the financial statements. All known contingent liabilities have been fully and properly disclosed in accordance with IAS 37, as adopted by the 2025/26 Code.

Litigation and Claims

All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2025/26 Code.

Fraud

I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24, as adopted by the 2025/26 Code. I have made available to you the identity of all of Dundee City Council's related parties and all the related party transactions of which I am aware.

Remuneration Report

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management Commentary

I confirm that the Management Commentary has been prepared in accordance with statutory guidance, and the information is consistent with the financial statements.

Corporate Governance

I confirm Dundee City Council has undertaken a review of the system of internal control during 2025/26 to establish the extent to which it complies with proper practices set out in *Delivering Good Governance in Local Government: Framework 2016*. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

I confirm that the Annual Governance Statement has been prepared in accordance with the *Delivering Good Governance in Local Government: Framework 2016* and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements, or issues identified, since 31 March 2026 which require to be reflected in the Annual Governance Statement or annual accounts.

Group Accounts

I have identified all the other entities in which Dundee City Council has an interest and have classified and accounted for them in accordance with the 2025/26 Code. Any significant issues, including those related to fraud and any qualified audit opinions, in relation to the financial statements of group entities, have been provided to you. Any significant issues identified by you as group auditor have been communicated to management of group components, where relevant to those components.

Events Subsequent to the Date of the Balance Sheet

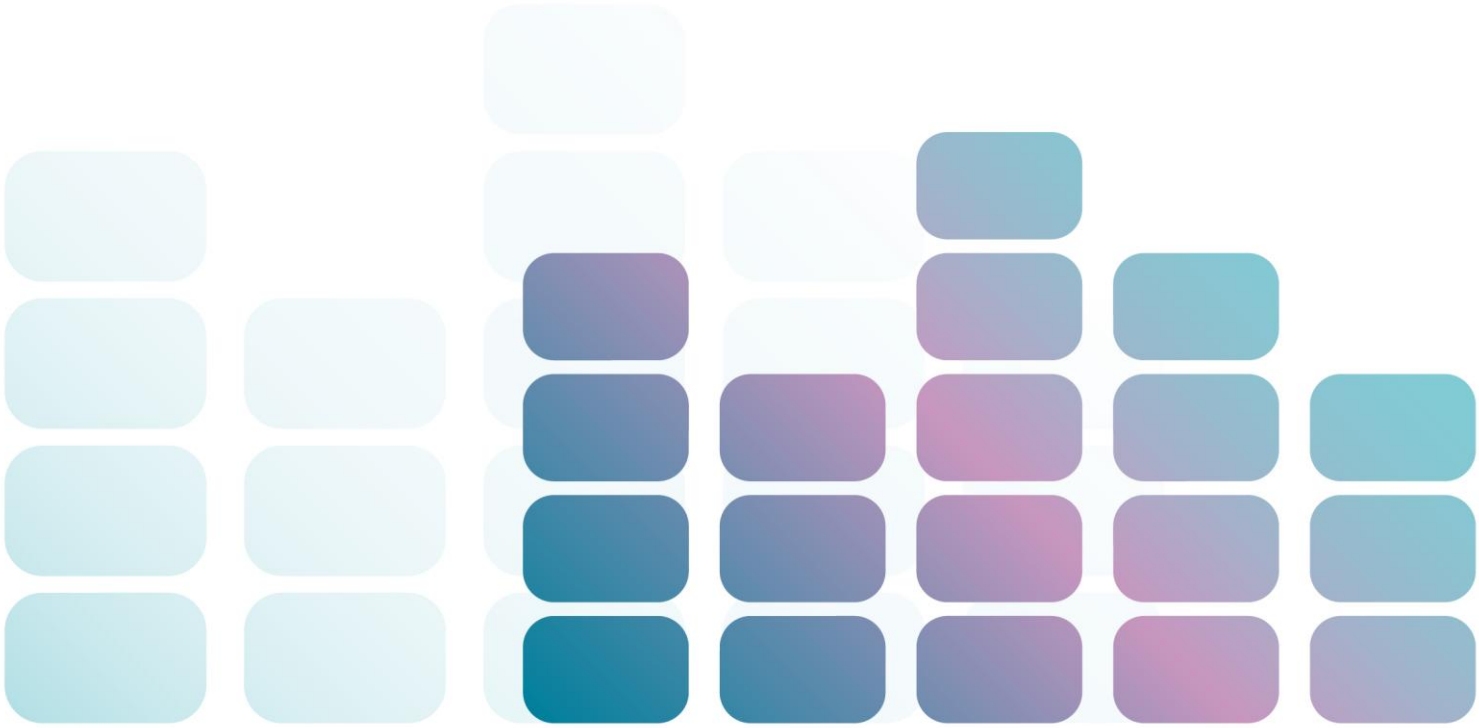
All events subsequent to 31 March 2026 for which IAS 10, as adopted by the 2025/26 Code, requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Paul Thomson
Section 95 Officer

Dundee City Council

2025/26 Annual Audit Report



AUDIT SCOTLAND

Prepared for Dundee City Council and the Controller of Audit
October 2026

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

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Summary of audit opinions and conclusions

Audit of the annual accounts

1 All audit opinions stated that the annual accounts were free from material misstatement.

2 Adjustments totalling £24.8 million were made in relation to the valuation of Council Dwellings.

Wider scope audit

3 Dundee City Council has effective and appropriate arrangements in place for Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

Best Value audit

4 Dundee City Council has effective and appropriate arrangements in place for securing Best Value.

5 Dundee City Council has effective and appropriate arrangements in place for preparing and publishing statutory performance information.

6 Performance against LGBF indicators remains challenging with only 27% of indicators in the top 2 quartiles for 2024/25.

Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2025/26 audit of Dundee City Council's annual accounts and the wider scope areas specified in the Code of Audit Practice (2021).

2. The Annual Audit Report is addressed to Dundee City Council, hereafter referred to as 'the council' and the Controller of Audit, and will be published on Audit Scotland's website in due course.

Appointed auditor and independence

3. Pauline Gillen, of Audit Scotland, has been appointed as the external auditor of the council for the period from 2025/26 until 2026/27. Pauline Gillen as engagement lead and the audit team are independent of the council in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the council, including no provision of non-audit services.

Acknowledgements

4. We would like to thank the council and its staff, particularly those involved in preparation of the annual accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the audit appointment.

Audit scope, responsibilities, and fee

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement.
- An opinion on statutory other information published with the financial statements in the annual accounts, namely the Management Commentary and Annual Governance Statement.
- An opinion on the audited part of the Remuneration Report.
- Conclusions on the council's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
- Reporting on the council's arrangements for securing Best Value.
- Providing assurance on the Housing Benefit Subsidy Claim, Non-Domestic Rates Return, Whole of Government Accounts return, and summary financial statements.
- A review of the council's arrangements for preparing and publishing statutory performance information.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of the council and the auditor. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Local Government (Scotland) Act 1973. These include providing an

independent opinion on the financial statements and other information reported within the annual accounts, and concluding on the council's arrangements in place for the wider scope areas and Best Value.

8. The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve the council from its responsibilities outlined below.

9. The Annual Audit Report includes an agreed action plan at Appendix 1 setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

The council's responsibilities

10. The council has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of annual accounts, comprising financial statements for the council and its group that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

Audit Fee

11. The audit fee for the 2025/26 audit was reported in the Annual Audit Plan and was set at £472,500. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Audit outputs and completion

12. The target date for issuing audit outputs and completion of the audit is set by the Accounts Commission. In setting the target date, consideration is given to the statutory date for approving the annual accounts, which is 30 September 2026 for local government bodies.

13. During the audit, it became clear that the target date for issuing audit outputs and completion of the audit would not be met. This was due to a late adjustment to the unaudited accounts and the need for sufficient time for members of the Scrutiny and Audit Committee to review the accounts prior to signing. As a result, the council and the audit team worked towards completion of the audit by the later date of 02 October 2026.

National performance audit reporting

14. The Auditor General for Scotland and the Accounts Commission regularly publish performance audit reports. These cover a range of matters, many of which may be of interest to the council and Scrutiny & Audit Committee. Details of national and performance audit reports published over the last year can be seen in Appendix 2.

Audit of the annual accounts

Main judgements

All audit opinions stated that the annual accounts were free from material misstatement.

Adjustments totalling £24.8 million were made in relation to the valuation of Council Dwellings.

Audit opinions on the annual accounts

15. The council and its group's annual accounts were approved by Scrutiny and Audit Committee on 02 October 2026 and certified by the appointed auditor on 02 October 2026. The Independent Auditor's Report is included in the council's annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

16. The unaudited annual accounts and all working papers were received on 19 June 2026 in accordance with the agreed audit timetable.

Materiality

17. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual accounts.

18. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

19. Materiality levels for the audit of the council and its group were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual accounts. Materiality levels were updated and these can be seen in Exhibit 1.

Exhibit 1
2025/26 Materiality levels for the council and its group

Materiality	Council	Group
Materiality – set at 2% of Gross Expenditure	£19.5 million	£19.7 million
Performance materiality – set at 60% of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£11.7 million	£11.8 million
Reporting threshold	£0.5 million	£0.5 million

Source: Audit Scotland

Significant findings and key audit matters

20. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged with governance, which for the council is the Scrutiny and Audit Committee.

21. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

22. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

23. The significant findings and key audit matters to report are outlined in Exhibit 2.

Exhibit 2
Significant findings and key audit matters

Significant findings, key audit matters and outcomes

1 - Indexation of Other Land & Buildings

For 2025/26, CIPFA/LASAAC has updated the Code of Practice to reflect HM Treasury's reforms to public sector asset valuations. Under the revised approach, local authorities will now move to quinquennial (five-yearly) valuations, usually through a rolling programme of valuations, with annual indexation applied in the intervening years to ensure asset values remain materially accurate.

We reviewed the council's application of indexation for assets which were not formally revalued in the year.

For assets which are valued using the Depreciated Replacement Cost (DRC) method (specialist assets such as schools), the council used the BCIS all-in Tender Price Index as recommended by CIPFA. Application of this index to all relevant assets based on the date of the previous formal revaluation identified there would not be a significant indexation movement in total. Therefore, no adjustment was made to the year-end valuation. Our review did identify a number of minor calculation errors in the council's approach, however adjusting for these did not have a material impact on the overall indexation movement.

For assets which are valued using Existing Use Value (EUV), the council's in-house Professional Valuer provided an opinion on the likely market movements and a suitable index to reflect these. The Professional Valuer considered that there was no evidence for a significant movement in the appropriate markets for Dundee. We were satisfied that this was a reasonable conclusion based on available market evidence.

Where a council has chosen not to apply an indexation movement on the grounds of materiality, the guidance is clear that this requires to be carried forward to ensure that the cumulative impact of indexation is considered the following year.

Outcome:

We were satisfied that Management had correctly applied indexation in line with the requirements of the Code. We have included a recommendation to ensure the council take account of the impact of not applying indexation on the grounds of materiality in 2025/26 when undertaking this assessment in 2026/27.

See Recommendation 1, Appendix 1.

Significant findings, key audit matters and outcomes

2 - Valuation of Council Dwellings

In accordance with the Code of Practice on Local Authority Accounting, the basis for valuation of dwellings is existing use value for social housing (EUV-SH). The Code of Practice does not permit use of indexation for dwellings. As part of the council's rolling 5-year valuation programme for property, the council's housing stock was last revalued in 2023/24.

To ensure that the carrying value of dwellings reflected the current value, the council considered the advice of the Professional Valuer and undertook a review of the market conditions which impact on the EUV-SH. The opinion of the Professional Valuer was that there was no material movement and therefore management chose not to revalue dwellings in the unaudited accounts. During the audit process a further review by management indicated a potential increase of £6.995 million, which was concluded as not a material movement. However, as depreciation of £17.758 million had been charged on these assets during the year and not written back this resulted in the carrying value for council dwellings being potentially understated by £24.753 million in total

We reviewed the evidence used by management to form this judgement, including publicly available independent market data. We were satisfied that the evidence supports management's conclusion.

Outcome:

Management have amended the audited 2025/26 annual accounts to correct for the potential understatement of £24.753 million.

3 – Assets held in Asset Register with zero balance

Our review of the Council's Asset Register identified that out of a total number of assets of 4,400, there were 1,224 (28%) assets which are held with an opening and closing net book value of zero value. From our own understanding, we are satisfied that the majority of these relate to assets which no longer exist. There is scope for the Council to undertake a housekeeping exercise on the Asset Register and remove all assets which no longer exist.

Outcome:

We have included a recommendation to address this issue at Recommendation 2, Appendix 1.

4 - Taxation and Non-Specific Grant Income

During the year, the council received a sum of £3.070m from UK Government relating to Extended Producer Responsibility Funding. This funding is provided to local authorities throughout the UK to support the efficient management of household packaging waste.

The council classified this as Non-Specific Grant Income in the unaudited annual accounts. Our review of the conditions of the funding confirmed that this relates to the specific purpose relating to household packaging waste and therefore should have been credited to service income.

Outcome:

Management amended the audited 2025/26 annual accounts to reflect the correct classification.

Significant findings, key audit matters and outcomes

5 - Group Accounts

Group financial statements are those in which the assets, liabilities, reserves, income, expenses and cash flows of a parent body and its subsidiaries, plus its investments in associates and interests in joint ventures, are presented as those of a single economic entity. The council consolidates its material group components in group accounts included in the financial statements.

The unaudited Dundee City Council group accounts were prepared using unaudited accounts for each material component or other financial information which was available to meet the required timetable. The audit process identified that incorrect figures for council-only accounts were used in the consolidated group accounts.

The net impact of these changes, and changes to the council-only accounts for the impact of findings above, resulted in decrease in Group Total Comprehensive Expenditure of £24.753 million, with a corresponding increase in Net Assets.

Outcome:

Management have corrected the audited 2025/26 group accounts to reflect these amendments.

Source: Audit Scotland

Qualitative aspects of accounting practices

24. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the council's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

25. The appropriateness of accounting policies adopted by the council was assessed as part of the audit. These were considered to be appropriate to the circumstances of the council, and there were no significant departures from the accounting policies set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Accounting estimates

26. Accounting estimates are used in a number of areas in the council's financial statements, including the valuation of land and buildings assets and the valuation of the pension balance. Audit work considered the process management of the council has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.

- There was no evidence of management bias in making the accounting estimates.

Disclosures in the financial statements

27. The adequacy of disclosures in the financial statements was assessed as part of the audit and these were found to be generally appropriate.

28. In our 2024/25 Annual Audit Report, we commented on the length of the accounts and recommended that the council undertake a review to streamline the content. During the year we provided examples of good practice and other suggestions to support this review. The council has reduced the length of the accounts by approximately 20 pages. The council has committed to further review for 2026/27, in particular to review the content of the Management Commentary, and we will again provide comment and suggestions to support this.

Group audit

29. The council is part of a group and prepares group financial statements. The group is made up of six components, including the council which is the parent of the group. As outlined in the Annual Audit Plan, audit work was required on a number of the components for the purposes of the group audit, and this work was performed by a combination of the audit team and the components' audit teams. Group audit instructions were issued to component auditors, where required, to outline the expectations and requirements in performing the audit work for the purposes of the group audit. The audit work performed on the components is summarised in Exhibit 3.

Exhibit 3
Summary of audit work on the group's components

Group component	Auditor and audit work required	Summary of audit work performed
Dundee City Council	**Audit Scotland** Full scope audit of the council's annual accounts.	The outcome of audit work performed is reported within the Annual Audit Report, with details of significant findings and key audit matters reported in Exhibit 2.
Leisure & Culture Dundee	**Henderson Loggie** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.

Group component	Auditor and audit work required	Summary of audit work performed
Dundee City Common Good Fund	**Audit Scotland** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Fleming Trust	**Audit Scotland** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Tayside Contracts	**Audit Scotland** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Dundee City Integration Joint Board	**Audit Scotland** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.
Tayside Valuation Joint Board	**Audit Scotland** Analytical procedures at group level	Analytical procedures at the group level were performed by the audit team, and no significant issues were identified.

Source: Audit Scotland

30. ISA (UK) 600 requires auditors to report the following matters if these are identified or encountered during an audit:

- any instances where review of a component auditor's work gave rise to issues and how this was resolved.
- any limitations on the group audit.
- any frauds or suspected frauds involving group or component management.

31. No such matters were identified as part of our audit of the group accounts.

Significant matters discussed with management

32. All significant matters identified during the audit and discussed with the council's management have been reported in the Annual Audit Report.

Audit adjustments

33. Audit adjustments were required to the financial statements to correct misstatements that were identified from the audit. Details of all audit adjustments greater than the reporting threshold of £500,000 are outlined in Exhibit 4, (page 15).

Exhibit 4
Audit adjustments

Details	CIES		Balance Sheet	
Audit adjustments to financial statements	**Dr**	**Cr**	**Dr**	**Cr**
	£000	**£000**	**£000**	**£000**
1. Valuation of Council Dwellings The council identified a potential increase of £6.995 million in the valuation of Council Dwellings in year and as this was not considered to be material, chose not to amend the unaudited accounts for this. However, as depreciation of £17.758m has been charged for the year, this resulted in a total potential understatement in the valuation of £24.753 million. Refer to Exhibit 3, Item 2 above.				
Total Comprehensive (Income) / Expenditure		24,753		
Net Assets			24,753	
2. Non-Specific Grant Income The council have included Extended Producer Responsibility Funding of £3.070m as Non-Specific grant income. As there are clear conditions attached to this funding, it should be credited to Service income. This has no impact on Total Comprehensive (Income) / Expenditure. Refer to Exhibit 3, Item 3 above.				

Details	CIES		Balance Sheet	
Cost of Services	3,070			
Provision of Services		3,070		
3 Assets Held for Sale Two sites owned by the Council, and classed as Operational Property, Plant & Equipment on the Balance Sheet, are expected to be sold within 1 year. Therefore, they should be classed as Assets Held for Sale. This is a misclassification only and has no impact on Net Assets.				
Assets Held for Sale			921	
Property, Plant & Equipment				921
4. Internal recharges An incorrect formula in the working paper for Corporate Services recharges resulted in an understatement. This impacts Gross totals only and has no impact on Total Comprehensive (Income) / Expenditure.				
Gross Expenditure	2,582			
Gross Income		2,582		
4. Revaluation Reserve				
A number of differences were identified in the Revaluation Reserve between the amounts included in the unaudited accounts and the Asset Register system.				
Cost of Services		1,706		
Other Comprehensive Income and Expenditure	1,706			
Net Assets			758	
Total Reserves				758

Details	CIES	Balance Sheet
5. Investment Property The value of Investment Property disposed of in the year was incorrectly accounted for in the unaudited accounts as a revaluation. This has no impact on Total Comprehensive (Income) / Expenditure.		
Financing and Investment Income and Expenditure	538	
Other Operating Expenditure	538	
Net impact on financial statements	**24,753**	**24,753**

Source: Audit Scotland

34. Management of the council processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatements to report.

Whole of Government Accounts (WGA) return

35. The council is part of the WGA boundary and therefore prepares a return that is used by HM Treasury to prepare the WGA. The National Audit Office (NAO) is the auditor for the WGA and issues instructions outlining audit procedures auditors must follow when auditing a WGA return. The threshold for requiring audit procedures to be performed on the WGA return was set at £2 billion. The council was below this threshold and therefore only limited audit procedures are required, and submission of an assurance statement to the NAO.

Significant risks of material misstatement identified in the Annual Audit Plan

36. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in Exhibit 5, (page 18).

Exhibit 5
Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because they have the ability to override controls that otherwise appear to be operating effectively.	The audit team will: • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.	Audit work performed found: • The design and implementation of controls over journal processing were appropriate. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. **Conclusion:** no evidence of fraud caused by management override of controls.
Valuation of property, plant and equipment The council held £1,913 million of property, plant and equipment as at 31 March	For assets subject to revaluation in year, the audit team will:	Audit work performed found: • The design and implementation of controls over the valuation process were appropriate.

Risk of material misstatement	Planned audit response	Outcome of audit work
2025, of which £1,541 million was land and building assets: £508 million council dwellings and £1,033 million Other Land and Buildings. The council is required to value land and building assets at existing use value where an active market exists for these assets (with a social housing adjustment factor for council dwellings). Where there is no active market, these assets are valued on a depreciated cost replacement (DRC) basis. There is a significant degree of subjectivity in these valuations which are based on specialist assumptions, and changes in the assumptions can result in material changes to valuations. For 2025/26, CIPFA/LASAAC has updated the Code of Practice to reflect HM Treasury's reforms to public-sector asset valuations. Under the revised approach, local authorities will now move to quinquennial (five-yearly) valuations, usually through a rolling programme of valuations, with annual indexation applied in the intervening years to ensure asset values remain materially accurate. There is an increased risk of material misstatement due to greater reliance on management judgement and estimation, particularly in selecting appropriate indices and determining when additional	• Evaluate the design and implementation of controls over the valuation process. • Review the information provided to the valuer and assess this for completeness and accuracy. • Evaluate the competence, capabilities, and objectivity of the valuer. • Obtain an understanding of management's involvement in the valuation process to assess if appropriate oversight has occurred. • Review the appropriateness of the key data and assumptions used in the 2025/26 valuation process, and challenge these where required. For assets where indexation is applied in year, the audit team will: • Review the indices applied by management to assets not subject to valuation in 2025/26 and assess if these are reasonable and have been correctly applied. • Review the information provided to the valuer and assess this for completeness and accuracy. • Evaluate the competence, capabilities, and objectivity of the valuer. • Review the appropriateness of the key data and assumptions used in the 2025/26	• The information provided to the valuer was accurate and complete. • The valuer had sufficient competence, capability, and objectivity to perform their work. • Management is involved in the valuation process and have an appropriate level of oversight. • The data and assumptions used in the 2025/26 valuation process were appropriate. • The indices applied by management to assets not subject to valuation in 2025/26 were reasonable and had been correctly applied. • Management's assessment of assets not subject to a valuation process in 2025/26, including those for which indexation applied, was reasonable. • Management's assessment that there was no material movement in the valuation of Council Dwellings did not take into account the impact of depreciation charge for the year. Refer to issue 2 in Exhibit 2. **Conclusion:** the valuation of PPE is not materially misstated.

Risk of material misstatement	Planned audit response	Outcome of audit work
valuations are necessary in between formal valuations.	indexation process, and challenge these where required.	

Source: Audit Scotland

Prior year recommendations

37. The council has made good progress in implementing the agreed prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with the council and are outlined in Appendix 1.

Wider scope audit

Conclusion

The council has effective and appropriate arrangements in place for Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

Audit approach to wider scope

Wider scope

38. As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

39. Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of arrangements the council has in place for each of these is reported in this chapter.

Conclusions on wider scope audit

Financial Management

40. The audit work performed on the arrangements the council has in place for securing sound financial management found that these were effective and appropriate. This judgement is evidenced by the council:

- having a system of internal control in place that is operating effectively and has no significant weaknesses or deficiencies.
- approving in September 2025, refreshed and updated Standing Orders and Schemes of Administration for Financial Regulations, Contract Standing Orders (Tender procedures) and Delegation of Powers to Officers which promote effective financial management
- having clear and up-to-date policies in place for preventing and detecting fraud and other irregularities, and participation in fraud prevention and detection activities such as the National Fraud Initiative (NFI).

- having suitably qualified and experienced staff leading the finance function, which has sufficient skills, capacity, and capability to effectively fulfil its role.

- having a well-resourced Internal Audit service who undertake a wide range of reviews, the results of which allowed the Chief Internal Auditor to provide their opinion 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 2026.

- having effective arrangements in place for the scrutiny of arrangements that support sound financial management, and effective scrutiny and challenge provided by the Scrutiny and Audit Committee.

Financial Sustainability

41. The audit work performed on the arrangements the council has in place for securing financial sustainability found that these were generally effective and appropriate. This judgement is evidenced as set out in the remainder of this section.

42. As at 31 March 2026, the council held £64.8 million of General Fund reserve balances, of which £56.1m (86.6%) were earmarked for a specific purpose. This represents a decrease in total General Fund reserves in the year of £2.2 million, although the uncommitted element within the total increased by £0.5 million to £8.7 million. The uncommitted General Fund reserves represent 1.7% of Annual Budgeted Net Expenditure, which is slightly below the council's agreed level of 2%.

43. A Budget Strategy and Financial Outlook 2026/27 paper was presented to the City Governance Committee on 22 September 2025. This provided members with updated medium-term financial projections and set out a strategy to address an estimated budget gap for 2026/27 of £8.4 million with a cumulative budget gap over the three years 2026-29 of £29 million. A further report was presented to the City Governance Committee on 16 February 2026 following the announcement of the Scottish Government's Finance Settlement for 2026/27 which set out a revised estimated budget gap of £5.0 million for 2026/27.

44. The council carried out an extensive budget consultation exercise as part of the development of the 2026/27 revenue budget. The online survey was made available via the council's website and paper versions were made available in libraries and community centres with support available from staff if required.

45. During the consultation period the council had regular promotion of the exercise to encourage feedback. Along with some more general questions, respondents were asked for their views on the impact of a number of proposals which had been developed to address the budget gap. There

were 3,906 responses to the questionnaire – an increase of 9.4% compared to the similar consultation exercise for 2025/26. A detailed report of the results was included along with the budget papers and provided elected members with a clear understanding of the views of citizens ahead of final agreement of the budget.

46. For the final approved 2026/27 revenue budget, the council agreed a 7.75% increase in Council Tax and other increases to fees & charges and recurring savings. In total these measures resulted in a total of £7.4 million, allowing the council to agree £2.4 million of budget investments.

47. During development of the 2026/27 revenue budget, the medium term position was revised and as reported in the budget papers of February 2026, the projected cumulative budget gap for the 3-year period to 2029 has improved and is now predicted to be £20 million. The council also provided a high level longer-term forecast of the budget gap over the 10 years to 2036 of around £79 million, which equates to 16 percent of the total 2026/27 revenue budget. This again shows a slight improvement compared to 2025/26 when the projected 10-year deficit was £81 million.

48. Actions to address the 2027/28 budget gap, and longer-term budget challenges, will be considered as part of the annual budget setting process with the intention to approve the 2027/28 general fund budget and council tax levels in February 2027.

49. The council still needs to produce a long-term financial strategy to project costs for the next 10 years and to show how resources will be targeted towards the priority areas in the new Council Plan. However, management has advised that it will look to develop long-term revenue projections once there is sufficient certainty over levels of local government funding beyond the current year.

Equal Pay

50. In February 2021, trade unions submitted a collective equal pay claim on behalf of their members under the Equality Act 2010. As at July 2026, there are around 650 claims lodged against the council. The council is currently reviewing each claim against the job roles which the Trade Unions consider are comparable. At this stage, it is not therefore possible to quantify the council's financial liability, if any

51. While it is not possible to establish at this stage whether and, if so, what any cash outflow will result from the equal pay claim, this presents a potential liability to the council for future years. A contingent liability has therefore been disclosed in the 2025/26 annual accounts to reflect this.

Severance Scheme

52. As part of the setting of the 2025/26 revenue budget, the council agreed to implement an updated Voluntary Severance/Early Retirement Scheme from March 2025. The scheme was open to all eligible staff (excluding teachers) and offered additional incentives to provide more

opportunities for voluntary severance/early retirement to be used to assist workforce planning and organisational change in line with budgetary requirements.

53. During the year, the council agreed severance packages with 33 staff, the upfront costs of which totalled £1.1 million. The council anticipates that the annual savings from these posts will amount to £1.2 million.

The new Programme for Government in September 2026 focuses on improving outcomes and addressing national challenges with wide ranging proposed reform

54. The Scottish Government's Programme for Government 2026-31 focuses on eradicating child poverty, growing the economy, tackling the climate emergency, and delivering a strong NHS and public services. Within health and social care, it prioritises reducing waiting times, improving access to care, and shifting more services from hospitals into community settings to support prevention and independent living.

55. The Programme proposes modernisation and significant reform including replacing the current 14 territorial health boards with two strategic health boards. For local authorities, the Programme signals potential reform of health and social care governance and delivery arrangements and reducing duplication and increasing efficiency in the delivery of public services. While the direction of travel is towards greater integration, prevention and community-based care, the full implications for local authorities remain uncertain. Greater clarity is expected in the coming months as the Scottish Government undertakes planned consultation and engagement on the future of social care and local governance

Vision, Leadership and Governance

56. The audit work performed on the arrangements the council has in place around its Vision, Leadership and Governance found that these were effective and appropriate. This judgement is evidenced by the council:

- having a Council Plan 2022-2027 in place that clearly sets out its vision and key priorities, which clearly links to other key strategies and plans and is aligned with the Dundee Partnership's overall City Plan 2022-2032.
- revising the Order of Reference to Committees in September 2025, including a retitled Scrutiny and Audit Committee, the purpose of which is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.
- having clear financial and performance reporting arrangements in place and effective monitoring of these by the City Governance Committee.

- having effective governance arrangements in place in general, as reflected in the Governance Statement included in the annual report and accounts.

- holding a risk management workshop, facilitated by external experts, from which a fully revised Strategic Risk Register was developed and approved by the City Governance Committee in June 2026.

Implementation of Internal Audit recommendations

57. Internal Audit prepare an update and progress report for each meeting of the Scrutiny and Audit Committee. This report contains information on the progress with the implementation of agreed internal audit recommendations. The latest report noted that, as at 1 June 2026, there were 71 outstanding actions, including one action that remained outstanding from a report issued in 2017/18 and one from a report issued in 2019/20.

58. We obtained further data to identify the timeframe of outstanding recommendations. We found that, at the end of August 2026, there were 23 outstanding recommendations that were more than one year past their original due date, with a further 13 recommendations between six months and one year overdue. Delays in the implementation of audit recommendations presents a risk to the adequacy and effectiveness of the Council's framework of governance, risk management and control.

Recommendation 3

Implementation of Internal Audit recommendations

The council should review all outstanding Internal Audit recommendations and, where these remain valid, these should be implemented as soon as possible.

Reinforced autoclaved aerated concrete

59. Reinforced autoclaved aerated concrete (RAAC) is a lightweight construction material that was used in the construction of some public buildings like schools and hospitals between the 1950s and 1990s. It was used mostly in flat roofing, but also in some pitched roofs, floors and walls.

60. The council had previously identified the use of RAAC in the roof structure of two school buildings: St Fergus Primary School and Ardler Primary School. The RAAC at each school is described as being in good condition currently with no structural issues apparent. Specialist inspectors are therefore satisfied that both schools can safely operate as normal. Detailed inspections of the roof areas will continue to be carried out at least every six months in line with national guidelines.

61. During 2023/24, the council undertook a survey of its full portfolio of domestic properties. This identified 79 blocks of flats and 162 cottages, both with council tenants, that contained RAAC. From this the council also identified a further 2 blocks of flats and 131 cottages, all fully owner occupied, which also contain RAAC. The survey concluded that in general terms, across the portfolio, RAAC is in an acceptable condition and can be currently managed or remediated as part of a planned strategy. The surveys undertaken did not highlight any current need for wholesale decants.

62. In May 2025 the Neighbourhood Regeneration, Housing and Estate Management Committee agreed to undertake pilot works on 5 vacant council properties affected by RAAC to test potential solutions to the issues caused. A report on the outcome of the pilot is expected to be presented to the council later in 2026.

Use of Resources to Improve Outcomes

63. The audit work performed on the arrangements the council has in place around its use of resources to improve outcomes found that these were effective and appropriate. This judgement is evidenced by the council:

- having an agreed Council Plan 2022-27 which clearly sets out the key actions to be taken in response to each priority and provides KPIs with 1, 3 and 10-year targets that the council has committed to achieve and a lead service area that will take responsibility for delivering the action.

- approving a revised Performance Management Framework 2025-28 which sets out how the council will respond to the new Statutory Performance Indicator (SPI) Direction, take action to address internal audit recommendations and continue to focus on progressing strategic priorities and achieve best value.

- publishing performance information showing progress against the 22 indicators included in the Council Plan every six months. A mid-year progress report was presented to the City Governance Committee in November 2025 and the council's Annual Performance Report 2025/26 was published in June 2026. These reports are clear and present a balanced assessment of performance. Performance against the Council Plan is generally positive with 15 (68%) measures showing improvement on the previous year and 15 (68%) within 5 per cent of the target identified in the plan.

- preparing an annual performance benchmarking report based on the Local Government Benchmarking Framework (LGBF) data which enables comparison between Scottish councils. The latest benchmarking report was presented to the City Governance Committee in June 2026 and was based on 2024/25 performance.

The report provides a high level overview of the indicators in relation to each of the council's five strategic priorities and where the council is on target by meeting the benchmark of performing better than or equivalent to the LGBF family group mean average. This identified a similar level of performance with 17 out 40 (43%) indicators that were on or better than target compared to 18 out of 39 (45%) indicators in 2023/24.

Best Value audit

Conclusion

The council has effective and appropriate arrangements in place for securing Best Value.

The council has effective and appropriate arrangements in place for preparing and publishing statutory performance.

Performance against LGBF indicators remains challenging with only 27% of indicators in the top 2 quartiles for 2024/25.

Audit approach to Best Value

64. Under the Code of Audit Practice, the audit of Best Value in councils is fully integrated within the annual audit. As part of the annual audit, auditors are required to take a risk-based approach to assessing and reporting on whether the council has made proper arrangements for securing Best Value in accordance with statutory guidance, including follow up of findings previously reported in relation to Best Value.

65. The Accounts Commission also reports nationally on thematic aspects of councils' approaches to, and performance in, meeting their Best Value duties. As part of the annual audit, thematic reviews, as directed by the Accounts Commission, are conducted on the council. The thematic review for 2025/26 is on the subject of asset management and involved considering how councils are managing their assets to ensure high quality services while also responding to challenges around financial sustainability and climate change. Conclusions and judgements on the thematic review are reported in a separate Management Report and summarised in this chapter.

Conclusions on Best Value

The council's arrangements and performance in meeting Best Value and community planning duties

66. The audit work performed on the arrangements the council has in place for securing Best Value and its community planning arrangements found these were effective and appropriate. The Controller of Audit reported on Dundee City Council to the Accounts Commission in November 2023. The Commission commended the council for the progress it had made since the Best Value Assurance Report (September

2020). It also noted clear and effective leadership and commitment to community empowerment and engagement and was assured that the council is taking action in response to long standing issues such as educational attainment and drug deaths.

Themes prescribed by the Accounts Commission

67. As previously outlined, the Accounts Commission reports nationally on thematic aspects of council's approaches to, and performance in, meeting their Best Value duties, with the thematic review for 2025/26 on the subject of asset management. Conclusions and judgements on the council's approach to asset management are outlined in a separate Management Report which is available on the Audit Scotland website. A summary of the conclusions and judgments made in the report is outlined below.

- The council has an up-to-date corporate asset management plan that aligns with its corporate objectives, new ways of working, the changing needs of its population, and clearly sets out the council's ambition to meet net zero commitments. It covers a sufficient period enabling strategic planning, but it does not clearly set out the current occupancy levels of its assets to assist with decision making, or how progress against net zero projects will be measured.

- The council has clearly considered affordability in its capital plan and asset management plans and has established funding sources for the full 2025/26 capital budget. However, there are a number of risks relating to the maintenance of the council's operational estate including ageing buildings, and staffing and budget shortages.

- The council's reporting and monitoring arrangements enable good scrutiny and oversight of progress towards implementing its capital plan. However, the reporting and monitoring arrangements for asset management plans could be improved. The council's performance with delivering its asset management commitments, and against relevant key performance indicators, is mixed.

- The council has clearly set out its ambition to work collaboratively with partners in managing assets through its Corporate Asset Management Plan and Community Wealth Building Strategy. However, there is insufficient detail about how progress towards achieving this strategy will be monitored and reported. The council has a clear policy, assessment criteria, and approach to supporting Community Asset Transfer requests, but it is not transparent about the outcomes of requests.

68. The Management Report sets out an agreed Action Plan to address these findings.

Fairness and Equality

69. There is an expectation that equalities will be advanced through the audit process and auditors should carry out work on the Fairness and Equality theme at least once during the audit appointment. During 2025/26, we undertook a high level review of the council's arrangements to secure fairness and equalities and found that these were effective and appropriate. This judgement is evidenced by the council:

- publishing a Mainstreaming Equalities Report 2025-29 in April 2025 which clearly demonstrates the council's progress on achieving the agreed outcomes from the 2023-25 Mainstreaming Report, and sets out new equality outcomes for 2025-2029, including how progress will be measured and action that will be taken to achieve this.
- having a Corporate Equality & Diversity Steering Group comprising Senior Managers from all services which meets quarterly and focuses on the implementation of the action plan associated with the mainstreaming equality outcomes.
- preparing Integrated Impact Assessments for all key decisions made, including setting of revenue budgets.
- refreshing and relaunching its mandatory all-staff training on equalities in March 2026.

Statutory performance information (SPI) and service performance

70. The Accounts Commission has issued a Statutory Performance Information Direction which requires the council to publish information that will:

- enable comparisons of performance between councils and over time
- show how well it is improving local outcomes with community planning partners in their area.

71. Auditors have a statutory duty to satisfy themselves that the council has made proper arrangements for preparing and publishing SPI in accordance with the Direction and report a conclusion in the Annual Audit Report.

72. The arrangements the council has in place for preparing and publishing SPI were assessed by considering:

- whether information reported allowed comparison of performance between councils and over time

- the indicators it uses for reporting and whether it maximises use of the Local Government Benchmarking Framework (LGBF) indicators (and explaining the rationale when the LGBF is not used)
- whether information reported was balanced, timely, and accessible
- whether information reported covered the four key areas set out in the Schedule to the Direction.

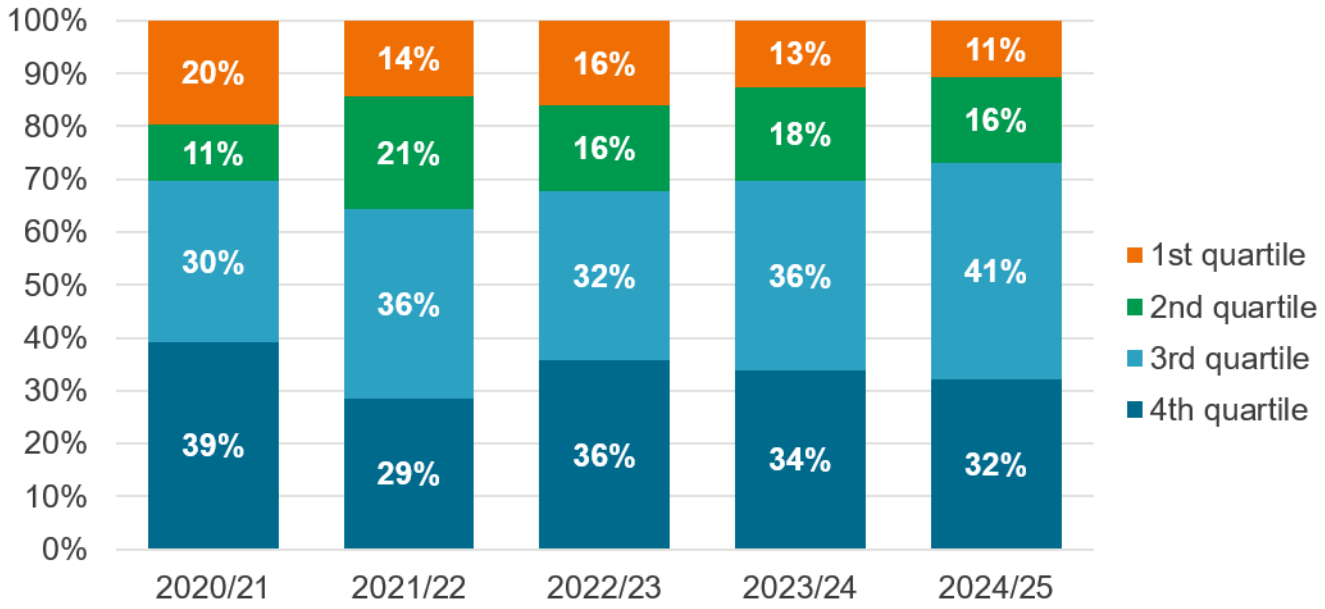
73. The Accounts Commission also requires auditors to report a summary of the information on service performance reported by the council. The council reports information on service performance on its website and through:

- an Annual Performance Report and a mid-year progress report which show progress against the Council Plan
- reporting the council's performance against the Local Government Benchmarking Framework (LGBF).

74. The information reported is a combination of the LGBF indicators and other relevant indicators the council has developed to monitor progress against key strategic priorities. From review of the service performance information reported by the council, this was found to be sufficiently detailed to provide an assessment of progress the council is making against its strategic priorities and allow effective scrutiny of performance.

75. We reviewed 56 LGBF outcomes-based indicators to compare the council's performance over a 5-year period in comparison with the other 31 Scottish councils. As shown in Exhibit 6, after a slight improvement in performance in 2021/22, the council has fallen back in recent years and in 2024/25 only 27% of indicators are in the top 2 quartiles. Although the council's overall comparative performance is worse than 2020/21, the number of indicators which are in the bottom quartile shows clear improvement over the 5-year period.

Exhibit 6
LGBF data comparison across all 32 Scottish councils



Source: Audit Scotland analysis of LGBF data available in August 2026

76. There have been some significant changes over the 5 years in relative performance against individual indicators. Areas where the council's ranking has moved up include:

- Economic Development Indicator 3: Average time per business and industry planning application (weeks). The council has improved 16 places since 2020/21 and is now in the second quartile.
- Housing Services Indicator 4b: Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year has improved by 7 places and is now in the top half of councils for this indicator.

77. Areas where the council's ranking has moved down include:

- Children's Services Indicator 18: percentage of funded early years provision which is graded good/better. The council was the fifth ranked in 2020/21 but has fallen 14 places and is now in the third quartile, although slightly above the national average.
- Housing Services Indicator 4b: Average number of days taken to complete non-emergency repairs. The council has fallen by 17 places and is now in quartile 4.

78. We also noted that of the 11 Education Attainment LGBF measures the council has improved in 9 of these over the 5 year period, of which 3 indicators have each improved by 9 places. Despite this clear

improvement, the council remains in the bottom 2 quartiles for all 11 indicators.

Progress against previous Best Value findings and recommendations

79. Best Value findings and recommendations have been made in previous years' Annual Audit Reports, Management Reports on themes prescribed by the Accounts Commission, and in Best Value reports published by the Accounts Commission, which are based on Controller of Audit reports.

80. Details of previous recommendations and progress the council is making against these can be seen in Appendix 1, with all three of the 2024/25 recommendations now implemented to date. Of the three recommendations from 2023/24 recommendations which were carried forward, one has now been completed with continued progress being made with the other two. Overall, the pace and depth of improvements resulting from the recommendations is positive.

Appendix 1

Action plan 2025/26

2025/26 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. Indexation of Land & Buildings Following application of indexation to Land & Building assets, the council chose not to amend valuations on the grounds of materiality. This needs to be considered when applying indexation in 2026/27 to ensure that the cumulative impact of indexation over multiple years is not taken into account. **Risk:** the value of Land & Buildings may be misstated.	The council should ensure that the cumulative value of indexation is considered when applying indexation in 2026/27.	**Action:** The council will continue to comply with the requirements of the Code **Responsible Officer:** Accounting Strategy Manager **Agreed Date:** 30 June 2027
2. Asset Register Our review of the Asset Register identified a large number of assets with zero value. **Risk:** where any of these assets remain in operational use, the valuation of Operational Land and Buildings is misstated.	The council should review the Asset Register and remove all entries for which an asset no longer exists. Where an asset has been fully depreciated but remains in operational use, the council should consider whether the asset has a value and that the remaining life of the asset is appropriate.	**Action:** The council will review the Asset Register. **Responsible Officer:** Accounting Strategy Manager **Agreed Date:** 30 June 2027

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
3. Internal Audit Recommendations There are 23 Internal Audit recommendations which remain outstanding more than 1 year after the original due date. **Risk:** there are identified weaknesses in the Council's framework of governance, risk management and control which have not been addressed.	The council should review all outstanding Internal Audit recommendations and where these remain valid, these should be implemented as soon as possible.	**Action:** Work has been undertaken by the Corporate Leadership Team (CLT) to ensure that current deadlines for actions cannot be altered. Internal Audit will work with CLT members to confirm that all actions remain valid and relevant for implementation. **Responsible Officer:** Executive Director of Corporate Services **Agreed Date:** 31 December 2026

Follow-up of prior year recommendations, including any previous Best Value report findings and recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
1. 2024/25 AAR **Revaluation of Operational Land and Buildings** We identified a number of discrepancies between the value of assets notified to management by the in-house valuer and the valuer's own detailed calculations. Where valuations are provided by an internal valuer, it is common practice across Scotland for councils to appoint an external valuer to undertake checks on a sample basis. **Risk:** the valuation of Operational Land and Buildings is misstated.	The council will ensure that only formal valuations are reflected in the fixed asset register. This should prevent any discrepancy between the valuer's detailed calculations and the fixed asset register. The council will consider the benefits of appointing an external valuer in future years once an internal review of the valuation process has been completed in response to this recommendation. **Responsible officer:** Service Manager (Accounting Strategy) **Agreed date:** 30 June 2026	**Closed** No issues were identified in this area as part of work carried out in 2025/26.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
2. 2024/25 AAR **Duplicate assets** Our review of a sample of assets revalued in the year identified one instance of a duplicated entry held in the council's asset register. **Risk:** the valuation of Operational Land and Buildings is misstated.	The council will correct the fixed asset register for all duplicated assets identified during 2025/26. The council will continue to identify any duplicates as part of the cyclical revaluation programme. **Responsible officer:** Service Manager (Accounting Strategy) **Agreed date:** 30 June 2029	**Ongoing** The council has updated the Asset Register as appropriate based on investigations into assets as part of Annual Revaluation process in 2025/26.
3. 2024/25 AAR **Infrastructure assets** The current statutory override for the reporting of Infrastructure assets is likely to end from March 2027. It is therefore important that the council not only has a register of all infrastructure assets currently in use, but that it also has the required financial information relating to each individual asset. Risk: the council is unable to identify the financial information required to comply with the Code when the current statutory overrise ends.	The council will undertake a review of infrastructure asset accounting if and when the Code requirements change. **Responsible officer:** Service Manager (Accounting Strategy) **Agreed date:** 30 June 2026	**Ongoing** **Revised deadline: June 2027** Paragraph 4.1.4.3 1 (d) of the Code of Practice on Local Authority Accounting 2025/26 states that the override applies until 31 March 2029. However, as per Finance Circular 6/2025, the Scottish Government has only extended the temporary statutory override until 31 March 2027.
4. 2024/25 AAR **Review of Annual Accounts** The council's unaudited accounts run to over 150 pages in length. There is scope to streamline the level of detail in the annual accounts. The Code of Practice on Local Authority Accounting 2024-25 (the Code) requires that 'financial statements should only	The council will undertake a review of the annual report and accounts. **Responsible Officer:** Service Manager (Accounting Strategy) **Agreed date:** 30 June 2026	**Ongoing** **Revised deadline: June 2027** We have worked with Council to identify areas where the annual accounts can be streamlined. This has led to the unaudited 2025/26 document reducing in length to 130 pages. The council has committed to continued review, particularly of the

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
include disclosures that are material to the presentation of a 'true and fair' view of the financial position, financial performance and cash flows of the authority and to the understanding of users of the financial statements'. **Risk:** the annual accounts do not support clear financial reporting.		Management Commentary, to identify further areas the accounts can be streamlined.
5. 2024/25 AAR **Externally hosted financial and other systems** Good practice requires that where an organisation makes use of externally hosted financial and other systems, it should seek regular confirmation from the provider over the integrity and security of the data held externally. **Risk:** key financial and personal data could become compromised or even completely lost.	External partners are contractually obligated to ensure the integrity and security of our data. Assurance is gained through contract management practices. The council will ensure that the Council's contract management guidance is updated to reflect the requirement to obtain robust assurances over data security. **Responsible Officer:** Corporate Procurement Manager **Agreed date:** 30 June 2026	**Closed** The council has updated its Contract and Supplier Management Handbook. This now includes a post-contract award requirement to obtain an "Annual Security Status Report" from the contractor.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
6. 2023/24 AAR **Remuneration report - Trade Union (Facility Time Publication Requirements) Regulations 2017 disclosures** The regulations require a range of information in relation to the time and costs of employee involvement in trade union activity to be published by the council each year. These disclosures have been required since 2020/21 but the council does not yet have processes in place to collate current year data, or information on the time spent on paid trade union activities, for publication in the annual accounts each year. **Risk:** The time and costs associated with staff involvement in trade union activity is not reported.	**Ongoing** The Remuneration Report in the 2024/25 Annual Accounts includes most of the required information for 2024/25, however disclosure of 'time spent on paid trade union activities as a percentage of total paid facility time hours' was not available. We understand that the council continues to work with Trade Unions to put arrangements in place to identify and disclose this information for 2025/26.	**Closed** Following introduction of the Employment Rights Act 2025, the requirement to publish Facility Time information has been removed from 2025/26 onwards.
7. 2023/24 AAR **Clearance of internal audit reports** We reported in our 2022/23 Annual Audit Report that services were often slow to respond to draft internal audit reports, and we again noted delays in the issue of internal reports during 2023/24, including a protracted process for the clearance and issue of many reports. Risk: This presents a risk to the adequacy and effectiveness of the council's framework of governance, risk management and control.	**Ongoing** The Chief Internal Auditor has indicated that whilst there is a good level of support from senior managers and that the situation has improved over the course of the year, there continues to be some delays in clearing some internal audit reports.	**Ongoing** A new Chief Internal Auditor took up post in July 2026 and has indicated that they intend to consider the whole process for clearance of reports in order to speed up timescales.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
8. 2024/25 BV Thematic Transformation ambition The council has significant budget savings to make over the next three years and beyond. While we recognise that transformation alone will not offer the full solution to bridging the projected budget gaps, the level of financial efficiencies from the council's current phase of transformation should be commensurate with the scale of the financial challenges. The council may not be able to deliver sustainable services if the required savings are not achieved.	Reporting of financial savings linked to the transformation programme is being reviewed to more clearly show how the programme supports the budget setting. **Responsible Officer:** Executive Director of Corporate Services & Head of Chief Executive's Services **Agreed date:** December 2025	**Closed** A review was undertaken to identify those savings that are attributable to transformation efforts with discussions also held as to how such savings will continue to feed into the Medium-Term Financial Strategy that will be considered by members in September 2026.
9. 2024/25 BV Thematic Transparency around transformation plans and progress reporting The council has embedded transformation in its Council Plan. The programme has five main workstreams and information on the main aims of these is publicised on the website but there is no information in the public domain regarding the individual projects included in the programme. Reporting to elected members is mainly project specific and lacks an overarching view of transformational activity. There is a risk that elected members do not have appropriate oversight of the overall transformation programme.	The reporting of the Transformation Programme within the Council Plan will be enhanced to provide more detail for elected members and the public. This will include publicly available information on the website **Responsible Officer:** Head of Chief Executive's Services **Agreed date:** December 2025	**Closed** Clearer reporting of progress with Transformation Programme is now included within progress reports for the Council Plan 2022-27 which are presented to the City Governance Committee. The 2025/26 Progress Report, published in June 2026, provides a good summary of progress for each of the current Transformation Projects.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
10. 2024/25 BV Thematic Benefits tracking The council has developed benefits trackers for its transformation projects following a recommendation in a report by internal audit published in June 2024. As these have been developed recently, they are yet to be embedded in the council's reporting. There is a risk that the council is unaware whether its transformation projects are delivering the intended benefits in the intended timeframe.	Benefit trackers have been developed for all live projects, and this process will be followed for any new projects going forward. Monitoring arrangements will be put in place and reviewed. **Responsible Officer:** Head of Chief Executive's Services **Agreed date:** March 2026	**Closed** The Council has agreed an approach to allow for the benefits of each transformation project to be tracked. The project brief for any new transformation project will contain a high-level overview of the anticipated benefits that will be outlined in more detail as part of the subsequent business case. The benefits will form the basis of a benefits tracker that will be reviewed and updated by the project team on a regular basis. As part of bi-monthly reports to the Transformation Board, project teams are also expected to confirm that the benefits tracker has been reviewed as part of this reporting cycle with any changes made, as appropriate. Guidance on identifying benefits and tracking them is also being developed.
11. 2023/24 BV Thematic **Alignment of Strategic Workforce Plan 2023-28 and service plans** Each of the council's service plans links to the Council Plan and includes workforce planning actions. However, these are set out in different ways and in differing levels of detail in each service plan, so there is no consistent or direct read across between the action plan in the Strategic Workforce Plan 2023-28 and	**Ongoing** A review of existing workforce planning arrangements is in progress, with a revised Action Plan currently being developed. This will include an agreed format for Services to report on their Workforce Planning annually as part of their Service Plan updates, agreed impact measures, templates and additional processes as required, and a suite of training materials and resources for use by services that ensure a consistent approach.	**Closed** A template for Service Strategic Workforce Plans has been agreed and this will feed into overall Service Plans. Workshops are being held with Services to support them in understanding workforce data as they develop their plans.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
the workforce actions identified in the service plans. **Risk:** Workforce planning arrangements across services do not support the delivery of the Strategic Workforce Plan 2023-28, and the council's strategic priorities.		
12. 2023/24 BV Thematic **Digital skills survey** The council has not undertaken a digital skills survey since 2018. **Risk:** The council lacks up-to-date information to inform the development of its digital skills plan.	**Ongoing** A Digital Skills audit process has been designed and developed. This is currently being piloted in People Services before being rolled out to all other services as a tool to identify digital skill development themes and actions.	**Closed** A Digital Skills Survey was completed in 2025 and provided a baseline measure to support further development of the 2026 Digital Delivery Plan.
13. 2023/24 BV Thematic **Measuring the impact of workforce planning** The council has still to develop smart measures and targets to monitor and report on progress against the Strategic Workforce Plan 2023-28. **Risk:** Workforce planning arrangements may not be supporting the delivery of the strategic priorities in within the Council Plan.	**Ongoing** As part of the ongoing review of current workforce planning arrangements noted at point BV1 above, appropriate and relevant measures and guidance will be communicated to all services to enable them to understand the impact of their workforce plans. This will be reported via the Service Planning reporting process to committee.	**Ongoing** **Revised deadline: Nov 2026** The council is continuing to develop impact measures with some already in place including time to recruit, number of modern and graduate apprenticeships. Further KPIs on age risk such as the percentage of people under 25 and the percentage of people 5 years away from retirement age, are also currently being developed. Other measures being considered for development include succession coverage and more ways to measure that training is being delivered to support critical roles.

Appendix 2

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2025/26	22 May 2025
NHS in Scotland: Spotlight on governance	28 May 2025
Delivering for the future: Responding to the workforce challenge	7 August 2025
Flooding in communities: Moving towards flood resilience	28 August 2025
Adult Disability Payment	18 September 2025
Scotland's colleges 2025	2 October 2025
Improving care experience: Delivering The Promise	8 October 2025
Local government performance: Spotlight on culture and leisure services	23 October 2025
Financial sustainability and taxes	13 November 2025
NHS in Scotland 2025: Finance and performance	4 December 2025
Delayed discharges: A symptom of the challenges facing health and social care	8 January 2026
Community health and social care: Performance 2025	8 January 2026
Administration of Scottish income tax 2024/25	16 January 2026
Local Government in Scotland: Financial bulletin 2024/25	29 January 2026
The Scottish Budget 2026/27: Supplement to the Financial bulletin 2024/25	12 February 2026
Integration Joint Boards: Finance bulletin 2024/25	26 February 2026
Annual Assurance and Risks Report: A review of 2024/25 local government audits in Scotland	12 March 2026
Transforming the approach to climate change: Lessons from public audit	19 March 2026

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Dundee City Council

2025/26 Annual Audit Report

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Phone: 0131 625 1500 **Email: info@audit.scot**
www.audit.scot

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE – 2 OCTOBER 2026**

REPORT ON: **RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT TO MEMBERS OF DUNDEE CITY COUNCIL AND THE CONTROLLER OF AUDIT FOR THE YEAR TO 31 MARCH 2026**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **200-2026**

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Council's external auditor on the audit of Dundee City Council for the year to 31 March 2026. A copy of following draft reports are also included on the agenda as separate items:

- External auditor's report (Report No 199-2026); and
- Audited Annual Accounts for the City Council 2025/2026 (Report No 201-2026).

2 RECOMMENDATIONS

It is recommended that the Committee:

i notes the information in this report and the contents of the draft external auditor's report including the completed action plan at Appendix 1, and in particular that Audit Scotland have indicated they will issue an unqualified audit opinion the 2025/26 Annual Accounts.

ii endorses this report as the Council's formal response to the external auditor's report.

iii authorises the Executive Director of Corporate Services to arrange for each of the Audited Annual Accounts noted above to be signed and then returned to the external auditor.

iv requires the Executive Director of Corporate Services thereafter to arrange for the above Annual Accounts, including copies of all audit certificates and accounts of the Council's subsidiary bodies to be published on the Council's website.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4 MAIN TEXT

4.1 Introduction

External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of Dundee City Council for the financial year 2025/26 was carried out by Pauline Gillen, Director (Audit Services), Audit Scotland. Local authority external auditors are appointed for a five-year period and financial year 2025/26 marked the fourth year of Audit Scotland's current appointment.

4.2 The 2025/26 unaudited Annual Accounts were submitted to Scrutiny and Audit Committee earlier this year, (Article XIII of the Minute of the Meeting of the Scrutiny and Audit Committee 24 June 2026, Report No: 136-2026 refers). The accounts were submitted to Audit Scotland on 24 June 2026. The accounts have since been subject to a three-week statutory public inspection period and no objections were received.

4.3 External Auditor's Report

Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.

4.4 The report summarises the findings in relation to the overall audit of the Council for the year ended 31 March 2026. The attached report describes the scope of audit work undertaken during 2025/26 and the issues arising from that work are divided into three key areas looking at:

- audit of 2025/26 annual accounts
- wider scope audit work
- Best Value audit

4.5 In addition to the elected members of Dundee City Council, the external auditor's report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the external auditor's responsibilities and scope of work, the report is by necessity both fulsome and extensive. It contains much information that has already been reported to the relevant committees of Dundee City Council. Further to this, external audit reports issued previously already include agreed management action plans that are the subject of separate consideration by the Scrutiny and Audit Committee. Accordingly, it is not the intention in this report to provide a detailed response or commentary on all of the external auditor's findings.

4.6 Audit Adjustments

Through the audit process, technical adjustments to the Council's financial statements were identified. Further details are provided in Exhibit 4 on page 15. These adjustments related mainly to property revaluations as at 31 March 2026, in particular the write-back of Council dwelling depreciation charged during 2025/26.

It should be noted that none of these adjustments had any impact on the General Fund balance or usable reserves more generally.

4.7 Action Plan

The external auditor has made three recommendations arising from the 2025/26 Council audit that require further action by the Council. These recommendations have been considered carefully by the Chief Executive and Executive Director of Corporate Services and the completed action plan, incorporating the "agreed management action / timing", is included at Appendix 1 to the external auditor's report. The progress on implementing these agreed action points will be monitored by the Council's Risk and Assurance Board through the Council's established procedures for dealing with external audit reports and reviewing previously agreed action plans.

4.8 Conclusions

The external auditor has undertaken a thorough and wide-ranging review of the financial statements and the processes and procedures around their preparation. In addition to the audit of the accounts, the external auditor examined several areas covering a wide range of activities during 2025/26, including Best Value.

Whilst a small number of adjustments were required to the unaudited accounts and some areas for improvement have been identified, it is pleasing to note the overall findings and conclusions. In particular, the Council can take encouragement from the following key findings:

- the Council's has effective and appropriate arrangements in place for Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes
- The Council has effective and appropriate arrangements in place for securing Best Value
- An unqualified audit opinion will be issued

4.9 Next steps

Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate and accounts of the Council's subsidiary bodies will then be published on the Council's website.

5 POLICY IMPLICATIONS

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

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES **23 SEPTEMBER 2026**

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Annual Accounts
As at 31 March 2026
Audited

Dundee City Council
www.dundeecity.gov.uk
CHANGING FOR THE FUTURE

REPORT NO: 201-2026



October 2026

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Dundee City Council
Annual Accounts 2025/26
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PART 1 - INTRODUCTION AND PROFILE

Introduction

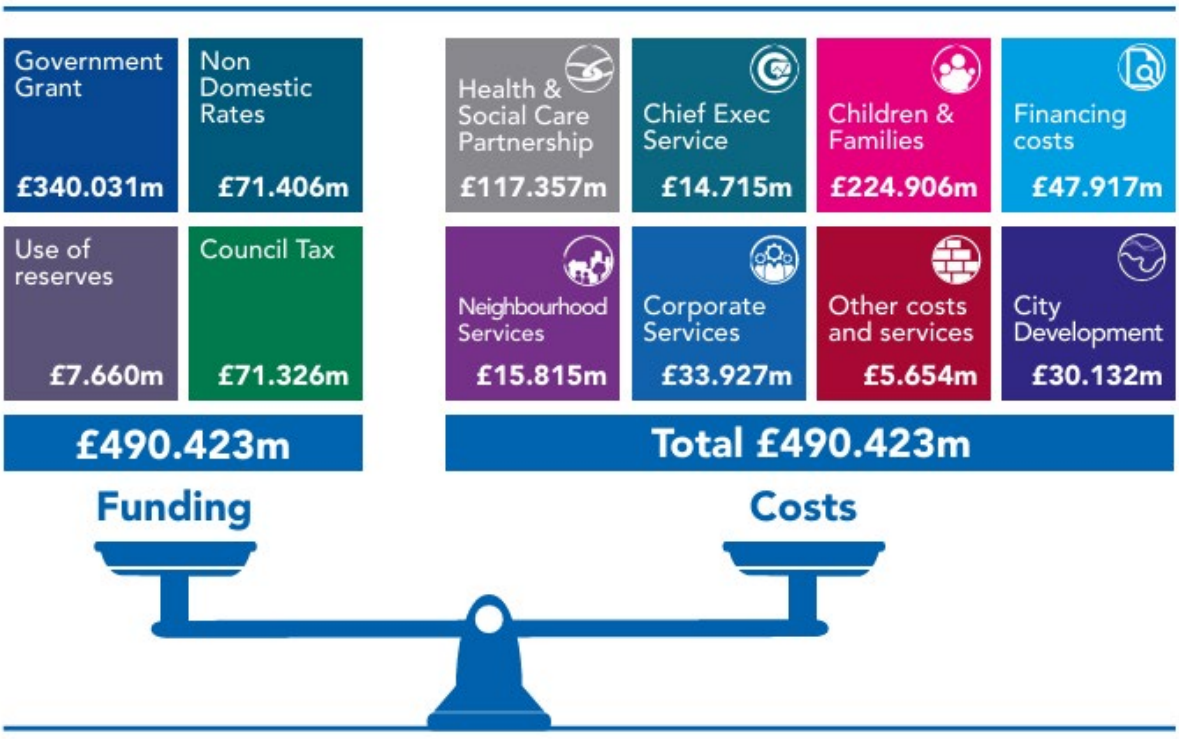
We are pleased to present the Audited Annual Accounts for Dundee City Council ("the Council") and its Group for the year ended 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 ("the Code"). This management 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.

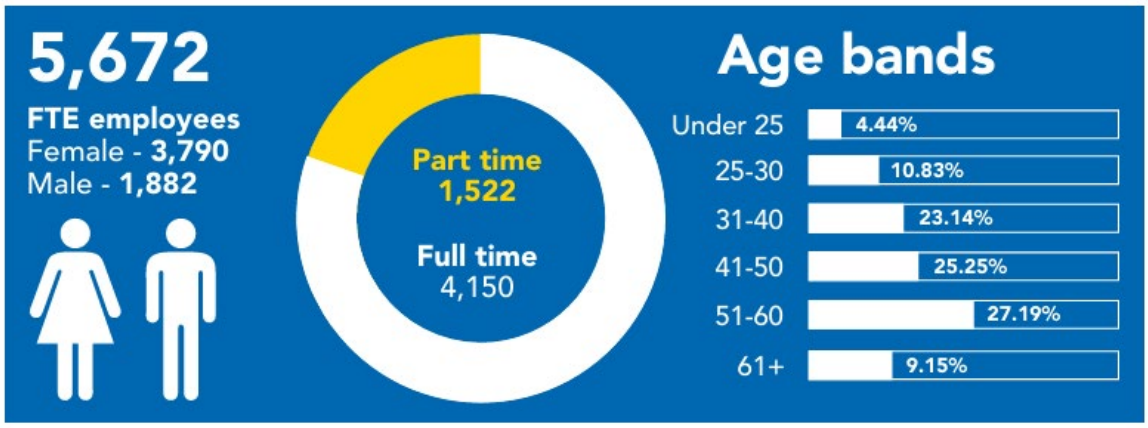
Profile

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 149,880 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 and the UK's first Living Wage City. and the UK's first UNESCO City of Design.

Dundee City Council has 29 elected Members and its political Administration during financial year 2025/26 was formed of the Scottish National Party group. Full details of the elected members of Dundee City Council can be found at Councillors | Dundee City Council.







The Council is organised to deliver essential services through direct service provision, arms-length external organisations (ALEOs) and various partnership arrangements. The Council has structured its services into 5 main Directorates, Dundee Health & Social Care Partnership and Leisure & Culture Dundee (a subsidiary organisation).

The Council's Head of Paid services is the Chief Executive, who is responsible for ensuring the Council delivers high quality services to Dundee residents. Full details of the ALEOs, joint arrangements and non-material interests can be found in the Council's group accounts on pages 111 to 120.

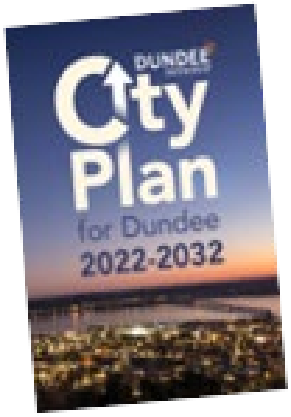
Children and Families	The Children and Families Service is responsible for Nursery, Primary and Secondary Education, Community Justice Services and Integrated Children's Services
City Development	City Development Services is responsible for the promotion of jobs, the city's road network, transportation 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.

PART 2 – PLANS, PRIORITIES AND 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, the Council's focus will be on ensuring that social transformation in Dundee is as positive and measurable as its economic progress. The city faces significant social challenges, which have been intensified by the pandemic and the ongoing cost-of-living crisis. Addressing these issues will be central to the Council's efforts moving forward.

The Council Plan 2022–2027 is Dundee City Council's strategic plan, setting out its main priorities, actions, and approaches for public accountability. It aligns with the City Plan by adopting three strategic priorities and explains how the Council will contribute to achieving the city's vision.

The plan also defines organisational priorities, key actions, and measures of progress. While the targets are bold and ambitious, they reflect the scale of the challenges ahead.



The five strategic priorities in the 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.

Challenges remain from the impact of Brexit and the cost-of-living crisis, which affects Dundee's economy, funding for employability and regeneration, and the work of universities and colleges. The Council is steadfast in its commitment to delivering best value and adapting for the future. This will require redesigning services, budgets, and workforce planning to ensure efficiency and innovation while meeting the priorities set out in the Council Plan.

Council staff, partner organisations, and community groups have shown resilience and creativity, for example during the Covid 19 pandemic, and the Council aims to harness this spirit and positive approach. The City Plan and Council Plan are supported by Committee-approved Service Plans covering all strategic service areas.

Management of Risk

The Council has a well-established and structured approach to risk management underpinned by its Risk Management Policy and Strategy. This framework is designed to ensure that risks are systematically identified, assessed, managed and monitored in support of strategic objectives, service delivery and statutory compliance. Governance arrangements include regular oversight by the Risk and Assurance Board, Council Leadership Team and City Governance Committee, embedding risk awareness into decision-making and organisational culture.

During 2025/26, risk management activity included ongoing review of the Corporate Risk Register and a facilitated workshop with the extended Leadership Team to reassess the Council's risk landscape. This process identified emerging and evolving risks. Following this review, the Council transitioned from a Corporate Risk Register to a refreshed Strategic Risk Register, ensuring stronger alignment with strategic priorities set out in the Council Plan and City Plan.

The revised Strategic Risk Register contains nine key risks considered most significant to achieving Council objectives. These include financial sustainability, cyber security, climate change, workforce resilience, service demand, public protection, housing and homelessness, emergency planning and infrastructure, and legislative compliance. Risks are assessed using a structured methodology combining impact and likelihood, enabling prioritisation and evaluation. A report on the revised Strategic Risk Register was submitted to the City Governance Committee on 8th June 2026.

The framework distinguishes between inherent risk (before controls) and current risk (after mitigation), demonstrating how management actions reduce exposure, although some risks, particularly financial sustainability, service demand and public protection remain high.

At an operational level, risk management is supported by defined control measures, continuous monitoring and ongoing improvement activity. Further enhancements are underway, including updating risk registers, strengthening internal controls and implementing internal audit recommendations ensuring the Council continues to improve its risk management effectiveness.

PART 3 – PERFORMANCE REPORTING

Performance measurement

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.

The Performance Management Framework incorporates new requirements from the Statutory Performance Information Direction 2024 and recommendations from an internal audit. A key addition is the introduction of formal standards for strategic plans, including the City Plan, Council Plan, and Service Plans. It sets out how the performance management system will monitor and analyse data, track progress, and ensure reports include clear data tables showing progress on actions and performance indicators, as well as improvement plans where needed. This framework continues to support the Council in delivering its vision, priorities, and outcomes effectively.

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 2025/26 mid-year progress report was reported to City Governance Committee on 17th November 2025. This showed that 73% of the performance indicators improved compared to the previous year's data and 82% have improved since the first year of the current Council Plan, with 64% reaching or within 5% of the target set for the current year. The report highlighted the good progress that is being made in relation to Council Plan objectives, including, increasing the proportion of under 22s with NEC bus travel and the take up of free school meals, showing a measurable impact on reducing everyday costs for children and families. Council Advice Services in Dundee successfully helped secure over £17 million in financial gains for people across the city. Compared to the previous year, there has been a 37% increase in the total amount of money put back into people's pockets. Dundee's Local Fairness Initiatives (LFIs) are also delivering excellent results. The work of the LFIs was recognised at a national level and gained a COSLA Excellence Award at the end of 2025. The climate change fund initiative saw Dundee City Council act as the first local authority in Scotland to use a community choices participatory budgeting model to identify and involve citizens to decide directly on local climate change spend. Drumgeith Campus is now open and operational, a key milestone of a large and ambitious project. Greenfield Academy was opened in August 2025, and work continues to deliver the campus to its full potential as a state-of-the-art community facility.

The third annual progress report on the City Plan for Dundee 2022-2032 went to the City Governance Committee on the 27th October 2025. The summary of the City Plan performance showed that 73% of the performance indicators have improved when compared to the previous year. The 'reduce child poverty and inequality' theme has achieved improvement in 83% of its performance measures, 'deliver inclusive economic growth' has achieved 73%, and 'tackle climate change and reach net zero emissions by 2045' continues to be a challenge with 33% of indicators improving since last year. The Plan contains ambitious targets, and 14 of the 30 indicators met or are within 5% of the target.

Within the annual update, indicators which have shown most improvement include Youth Unemployment rate (16-24) showing a 9% decrease, the percentage of care experienced school leavers entering positive destinations showing a 41% increase, the number of Business Gateway start-ups per 10,000 population, which shows a 19% increase, the percentage point gap in numeracy in P1-7 between pupils living in the most and least derived areas has shown a 29% decrease, while the gap in literacy in P1-7between pupils living in those areas has gone down by 11%.

Benchmarking is an important part of the Council's Performance Management Framework and supports continuous improvement and Best Value. The Local Government Benchmarking Framework (LGBF) provides data for all 32 Scottish councils, including trend data back to 2011, offering valuable insights and comparisons. The latest report with 2024/25 data compares Dundee's performance with similar authorities and across Scotland using 40 indicators most closely aligned to the five priorities in the Council Plan. Dundee performed better or equal to the family group average in 43% of these measures. The strongest results were seen in reducing child poverty and inequalities (7 out of 14 indicators) and delivering inclusive growth and community wealth building (6 out of 10), showing Dundee performs well on these priorities compared to similar local authorities.

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*	7	14	50%
Deliver Inclusive Growth and Community Wealth Building	6	10	60%
Tackle Climate Change and Achieve Net Zero by 2045**	1	3	33%
Build Resilient and Empowered Communities	0	4	0%
Design a Modern Council	3	9	33%
TOTAL	**17**	**40**	**43%**

*One indicator within this priority is 2023/24. One indicator is 2022/23, relating to school exclusion rate (per 1000 of care experienced children & young people). This indicator is only biennial and is published in Scottish Exclusion Statistics.
**One indicator within this priority is 2023/24.

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 indicators and benchmarking data to compare Dundee with the other Councils in Scotland.

An update on Council Plan performance was reported to the City Governance Committee on 22nd June 2026.

Progress towards objectives

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

The Council made significant progress in reducing poverty and tackling inequalities during 2025/2026 through a range of initiatives:

- Investment in Social Support: £500,000 was allocated to projects addressing social inequality, including advice services, food provision and more, supported by a successful cost-of-living awareness campaign.
- Housing: Almost £10m of work to tackle fuel poverty in council houses got under way in the Linlathen area of the city. The new Local Housing Strategy sets out a coordinated, long-term approach to ensure that Dundee's housing system is equitable, sustainable, and capable of meeting the needs of current and future residents.
- Education & Skills: encouraging progress is being made to close the attainment gap in primary schools, with higher levels of literacy and numeracy attainment compared with the Scottish average.
- Communities: Engagement began with communities in the East End and North East wards to develop a Whole Family Support approach which aims to ensure that families can get the help they need, where and when they need it.
- Schools and Communities: The £100m Drumgeith Community Campus and Greenfield Academy opened, built to Passivhaus standards and providing state-of-the art education and community facilities for the east end of the city.

- Neighbourhoods: the Neighbourhood Capital Fund allocated £600,000 across six wards. Over 6,800 residents voted online and at pop-up events across the city, choosing which community projects should receive funding.
- Income Maximisation: A Pension Credit campaign put over £4 million into the pockets of older people in the city, with an average annual increase of nearly £4,000 per household. More widely, Council Advice Services in Dundee successfully helped secure over £17 million in financial gains for people across the city.
- Community Wealth Building: Under the Council's community benefits programme, the first Community Wishes have been supported, providing funding for small projects and community-driven requests in city localities.
- Awards and Recognition: Two Dundee City Council projects were named winners at COSLA's 2025 Excellence Awards. The Local Fairness Initiative project won the 'SOLACE Best Team' award while the Family Empowerment initiative was successful in COSLA's 'Strengthening Communities and Local Democracy' section.
- Fair Work: Dundee maintained a strong Living Wage movement, marking seven years as a Living Wage city with 118 accredited employers.
- Support for Vulnerable Groups: Initiatives like the Dundee Promise and the Carer Involvement Framework strengthened support for children, young people, and carers.

The Council advanced inclusive economic growth through several key initiatives:

- Waterfront Development: The opening of James Thomson House, a £26m Grade A office project within the Dundee Waterfront Masterplan, which has already delivered major assets like V&A Dundee and Slessor Gardens.
- Tourism: The industry generated £333 million for the Dundee economy. Visitor numbers increased by 4.6% year-on-year, and the number of FTE jobs supported by tourism grew 2.7% to more than three-and-a-half thousand.
- Events: Staged the Dundee Hooley and supported a festive programme which significantly increased footfall in the city centre over the festive period.
- Employability: Through a range of interventions, over 1400 people were assisted by the city's Employability Pathway, with almost 600 entering a positive destination and three-quarters sustaining a positive destination for at least twelve months.

The Council advanced its climate change commitments through multiple initiatives:

- Green Transport & Active Travel: The completion of Bell Street car park's transformation into a green transport hub. Design work continues on Sustainable Transport Corridors in both Lochee and Arbroath Road as well as Eden Connections, connecting the Eden site with the city centre, Waterfront and neighbouring areas.
- Waste and Recycling: Towards a Waste Free Dundee sets out plans to improve Dundee's recycling performance and promote sustainable waste management practices across the city. A new campaign, Recycing: Let's Sort It, was launched.
- Biodiversity: A draft Nature Network has been proposed to address biodiversity loss which can be caused by changes in land use and fragmentation of habitats over time, as well as the effects of climate change.
- Net Zero: Over the last year, the council's total emissions decreased by around 4%, primarily due to reductions in natural gas use and waste-related emissions. Further reductions have been achieved in transport, which accounts for around 10% of the Council's overall emissions and has seen a year-on-year decrease of approximately 1%.
- Air Quality: The 2025 Air Quality Update shows that pollution levels recorded across the city in 2024 were within safe legal limits. A new action plan has set out priorities to continue improving air quality in Dundee.
- Awards & Recognition: Dundee has been recognised for the fourth year in a row for its environmental leadership and transparency, with global charity CDP awarding Dundee City Council with its highest possible ranking an 'A rating' for 2025.
- Nature Restoration: Trees for Cities funding enabled the planting of over 2,200 native trees in Templeton Woods and 20 standard trees in Baxter Park. Enhancements at Stobsmuir Ponds were also supported.
- Waste & Recycling: Continued the *Take Pride in Your City* campaign, conducted 61 litter picks involving an estimated 1,389 participants.

The Capital Plan 2026–2031, approved in February 2026, commits nearly £300 million of investment over five years, focusing on:

- Education: Survey work got under way on the site of the new Western Gateway primary school.
- Climate Action: £74m has been dedicated to tackling climate change and supporting Net Zero ambitions.
- Modernising Services: £53m for IT and property upgrades, waste depot replacement, and improvements to the Ice Arena.
- Economic Growth: Funding for commercial office development at the central waterfront, and for the demolition of properties and remediation works.
- Housing: Long-term investment to ensure Council homes meet government Energy Efficiency Standards, benefiting tenants and the environment.

The Council continues to work with partners to drive regeneration, stimulate growth, and leverage opportunities from the Tay Cities Region Deal and major projects such as Eden Project Dundee, the Life Sciences Innovation District, and Abertay cyberQuarter.

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.

Year 1 of the new audit programme, started with a Best Value Review of the effectiveness of the Council's Leadership in developing new local strategic priorities following the elections in May 2022. This review was reported in September 2023 (report No 241-2023) with notable findings including:

- 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.

In Year 2, a Best Value Thematic Review assessed how councils are addressing workforce challenges through innovation, capacity building, and productivity improvements. This review was reported in September 2024 (Report No 258-2024) confirming the council has a workforce plan to maintain a skilled, flexible, and high-performing workforce aligned with strategic objectives, supported by detailed service-level data for planning. However, the report highlighted the need to better align the Workforce Plan with service plans and the council's 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.

In Year 3, the Accounts Commission directed auditors to report on Transformation: How councils are redesigning services to deliver services more efficiently. This review was reported in June 2025 (Report No 202-2025) confirming the Council has a long standing approach to transformation, robust officer-led governance arrangements, good examples of partnership working aimed at improving outcomes and generating savings and has consulted with its communities and conducted formal assessments of the impact of planned service changes. As part of the review, 3 recommendations were agreed and are being implemented and monitored by colleagues in the Chief Executive's Services via their service plan.

Citizen engagement

The Council actively engaged citizens in shaping services and spending priorities during 2025/26. Nearly 4,000 people and organisations participated in the annual budget consultation, a 10% increase from the previous year. Citizen engagement is strong, through locality-based working, including targeted outreach, multi-agency drop-ins and co-production with communities in priority neighbourhoods. Participatory budgeting continues to be used for specific initiatives, most notably during 2025/26, the Dundee Climate Fund.

In 2025, the Council's work as part of the What Matters 2 U Partnership won a COSLA Excellence Award in the Strengthening Communities and Local Democracy category.

Climate Change and Sustainability

The Climate Change (Scotland) Act 2009 places duties on Dundee City Council to reduce emissions, adapt to climate change and promote sustainable development. Delivery is supported through:

- **Net Zero & Climate Action**
  Delivery of the Dundee Climate Action Plan (city-wide Net Zero by 2045) and Council Net Zero Plan (corporate Net Zero by 2038), including emissions reduction, circular economy, just transition and resilience actions. Progress is monitored through annual climate reporting and the ClimateView dashboard.

- **Energy Planning & Decarbonisation**
  Development and implementation of the LHEES and Local Area Energy Plan (LAEP) to guide building retrofit, clean heat, energy infrastructure and wider decarbonisation priorities. This includes partnership working with housing providers, use of spatial planning tools such as LENZA, development of funding bids, and engagement with SSEN and NESO to align local and national energy planning.

- **Climate Adaptation & Resilience**
  Leading and supporting Climate Ready Tayside and other regional partnerships to improve understanding of climate risks, strengthen adaptation planning, coordinate resilience actions and improve preparedness across the region.

- **Partnerships, Engagement & Governance**
  Working through the Dundee Climate Leadership Group and wider partnerships to coordinate delivery, improve transparency, increase public access to climate information, support staff learning and engagement, and maintain strong external performance and reporting standards.

Awards

During 2025/26 Dundee City Council was successful in securing a number of local and national awards.

- **Urban development:**
  Derby Street development has been named a winner at the Dundee Civic Trust Awards.

- **Procurement:**
  Dundee City Council won the “Excellence in Social Value Award” category at the GO Awards Scotland.

- **Education Excellence:**
  Our Lady’s RC Primary School and St Mary’s RC Primary School achieved UNICEF Gold Rights Respecting School Awards.

  Rosebank Primary School has become the first primary school in Dundee to achieve the Education Scotland’s STEM Nation Award.

- **Fairness, Communities and Local Democracy:**
  The Local Fairness Initiative was the winner of the COSLA Excellence award in the SOLACE Best Team Award category.

  The Family Empowerment initiative was also successful in the COSLA Excellence awards in the Strengthening Communities and Local Democracy category.

PART 4 - FINANCIAL MATTERS

Review of the Financial Year - Revenue Budget

The Council approved a balanced General Services Revenue Budget at the City Governance Committee meeting on 27 February 2025, setting Council Tax for Band D at £1,605.34, an 8.0% increase on 2024/25. In setting the Council Tax at this level, budget and base savings of £10.096m as well as the use of £4.376m of earmarked General Fund balances was required.

The Housing Revenue Account Budget, agreed on 20 January 2026, included an average rent increase of 4.5%.

Regular revenue monitoring reports were provided throughout the year to ensure elected members remained informed of the financial position.

The Consolidated Income and Expenditure Statement reports a deficit on provision of services of £118.522m, which, after statutory adjustments of £114.133m, results in a net decrease in usable reserves of £4.389m. For further details please see the section on Management of Reserves section on p14.

On a funding basis, the Expenditure and Funding Analysis shows a £3.284m reduction in General Fund and HRA balances, comprising a £1.952m decrease in the General Fund and a £1.331m deficit on the HRA, before transfers from other reserves of (£1.006m). After transfers, the General Fund decreased by £2.278m during the year. Performance against budget was as follows:

2025/26 Funding basis	**Approved Revenue Budget £m**	**Adjusted Revenue Budget £m**	**Actual Net expenditure £m**	**Over/ (under) spend £m**
Children & Families	233.620	229.605	224.906	(4.699)
Dundee Health & Social Care Partnership	114.842	115.497	117.357	1.860
City Development	18.250	22.689	27.062	4.373
Neighbourhood Services	23.603	15.672	15.815	0.143
Chief Executive	14.320	14.886	14.715	(0.172)
Corporate Services	35.318	35.313	33.927	(1.386)
Construction Services*	0.000	(0.603)	(0.421)	0.181
Discretionary Non-Domestic Rates (NDR) Relief	0.392	0.392	0.191	(0.201)
Tayside Valuation Joint Board	1.149	1.174	1.174	0.000
Miscellaneous items and contingencies	8.361	4.828	3.378	(1.450)
Extended Producer Responsibility funding**	(3.395)	0.000	0.000	0.000
Corporate Fleet	3.982	3.425	4.739	1.314
On-street car parking and LEZ	0.000	0.000	(1.669)	(1.669)
Housing Revenue Account*	0.000	0.000	1.331	1.331
Cost of services	**450.442**	**442.878**	**442.506**	**(0.372)**
Financing and Investment Income and Expenditure	28.674	48.523	47.917	(0.607)
Total expenditure	**479.116**	**491.402**	**490.422**	**(0.979)**
Funded by:				
General Revenue Funding	(333.085)	(340.031)	(340.031)	0.000
Contribution from National Non-Domestic Rates (NNDR) Pool	(71.406)	(71.406)	(71.406)	0.000
Council Tax	(70.249)	(70.416)	(71.326)	(0.909)
Deficit/ (surplus) on provision of services	**4.376**	**9.548**	**7.660**	**(1.889)**
Use of earmarked reserves	(4.376)	(9.548)	(5.382)	4.167
Decrease/ (increase) in General Fund and HRA	**0.000**	**0.000**	**2.278**	**2.278**

*Construction Services and the Housing Revenue Account are budgeted to break even
**Extended Producer Responsibility funding is allocated to Neighbourhood Services in the Adjusted Revenue Budget.

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

- Children & Families reported a (£4.699m) underspend, driven by savings of £3.165m in staff costs. There were also underspends within property costs totalling £1.397m, due to rates rebates and underspends in energy across all sectors.

- Dundee Health & Social Care Partnership overspend of £1.860m relates to the Council's share of the Dundee Integrated Joint Board's financial deficit for 2025/2026.

- City Development reported a £4.373m overspend. Contributing factors included overspends in corporate property of £3.435m, mainly due to costs of health and safety-related repairs and property security. Rental income shortfalls of £1.222m and winter maintenance and public safety overspends of £0.572m were partly offset by savings in staff costs of (£0.661m).

- Corporate Services reported a (£1.386m) underspend, due mainly to staff cost savings arising from unfilled posts during the year. The savings were offset by overspends in transfer payments, primarily due to the use of hotels for housing homeless individuals.

- Miscellaneous items and contingencies reported a total underspend of (£1.450m), mainly relating to corporate provisions set aside for pay and cost pressures which were not fully required.

- Corporate Fleet reported an overspend of £1.314m, mainly due to increased repairs and materials costs and reduced income from external customers.

- On-street car parking and LEZ reported (£1.669m) net income because penalty charge notices more than covered staffing and other direct costs.

- The Housing Revenue Account reported an overspend of £1.331m, mainly due to overspends of £3.869m in property costs, largely due to increased recharges from Constructions Services for repairs and relets. The overspends in property costs were partly offset by various underspends, mainly savings on loan charges due to rescheduling of debt, as well as savings in staff costs, reflecting unfilled posts during the year.

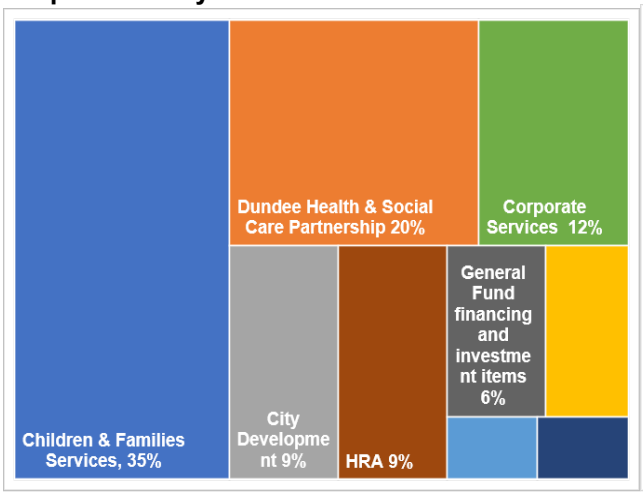
- Financing and Investment Income and Expenditure underspend of (£0.607m) is attributed mainly to one-off debt repayment gains during the year, offset by additional Capital Financed from Current Revenue (CFCR) costs at year end. The one-off saving related to a restructuring exercise to replace current loan agreements with short-term local authority borrowing until longer-dated interest rates fall, when appropriate replacement borrowing will be undertaken.

- Council Tax underspend of (£0.909m) is largely due to year-end provision movements that favourably compared to budget.

- The Use of earmarked reserves variance of £4.167m relates to the difference between budgeted and actual use of earmarked and usable reserves. This equates to budget virements from General Fund to services, which is higher than actual contributions by General Fund to other usable reserves.

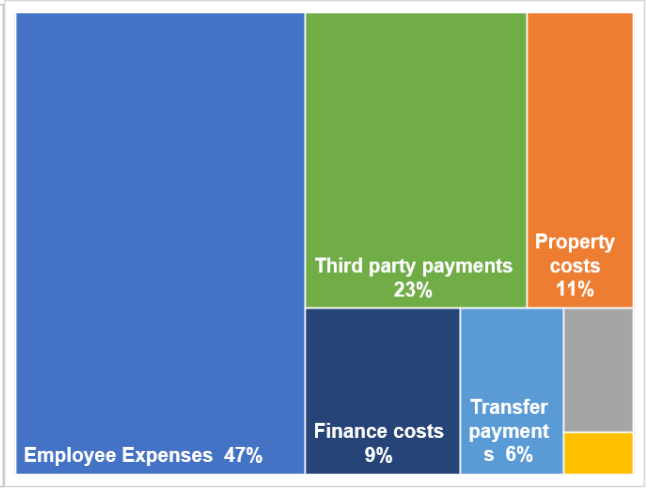
Revenue expenditure is graphically presented by Service and Type below:

Expenditure by Service



Neighbourhood Services 5%
Others 2%
Chief Executive 2%

Expenditure by Type



Supplies & Services 3%
Transport 1%

The overall General Fund balance has decreased by £2.278m over the year, to £64.753m at 31 March 2026 of which £56.073m is earmarked for specific purposes. This can be analysed as follows:

	2024/25 £m	2025/26 £m
Earmarked carry-forwards	1.509	0.803
Social Housing	2.458	2.877
Children Services	1.033	-
Service change initiatives	5.000	4.851
Roof remedial works	1.875	0.741
Change fund	2.169	1.890
Income Cost Pressures	1.550	0.850
Statutory on-street car parking reserve	1.716	3.385
Other earmarked funds	1.774	0.903
Service Concession flexibility	39.773	39.773
Total Earmarked Funds	**58.857**	**56.073**
Unallocated Balance	8.174	8.680
Total General Fund Balance	**67.031**	**64.753**

Further details on the General Fund balance are provided in Note 10 (page 62).

The Council's Balance Sheet shows net assets of £898.794m at 31 March 2026, a decrease of £91.234m from the previous year. This largely reflects accounting entries and adjustments to fixed assets, required to comply with proper accounting practice, notably depreciation and asset revaluations. As part of our ongoing review of the asset portfolio, technical adjustments to asset carrying values were required, reflecting categorisation changes in some cases and resulting in downward revaluations. These were largely technical revaluation adjustments required to notional asset carrying values, following reclassification from one asset category to another.

Figures in the Comprehensive Income and Expenditure Statement (page 40) are presented on an accounting basis, while the figures and variances in the Management Commentary use the funding basis. The Expenditure and Funding Analysis (page 37) explains how the accounts reconcile between these two bases.

The Cash Flow Statement (page 44) shows that cash and cash equivalents have improved by £9.007m over the period, with a closing cash and cash equivalents position of £2.650m.

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 2025/26:

	General Fund £m	HRA Balance £m	Renewal & Repair Fund £m	Insurance Fund £m	Capital Grants & Receipts Unapplied Account £m	Capital Fund £m	Total usable reserves £m
Opening Balance 1 April 2025	**67.031**	**-**	**6.295**	**1.360**	**0.341**	**2.718**	**77.745**
Surplus / (Deficit) for the Year	(1.952)	(1.332)	-	-	(0.050)	(1.055)	(4.389)

Transfer of HRA Surplus	-	1.332	(1.332)	-	-	-	0.000
Transfers Under Delegated Powers	(0.326)	-	0.314	(0.079)	-	0.091	0.000
Closing Balance 31 March 2026	**64.753**	**0.000**	**5.277**	**1.281**	**0.291**	**1.754**	**73.356**

HRA surpluses and deficits are transferred to the Renewal & Repair Fund. At 31 March 2026, £1.861m of the Renewal & Repair Fund balance related to the HRA (31 March 2025: £3.193m).

The planned, earmarked, usage of the General Fund is set out in Note 10 on page 62.

Review of the Financial Year - Capital Budget

On 17 February 2025, the City Governance Committee approved a combined five-year Capital Plan for General Services and Housing HRA totalling £299.1m over the period 2025 to 2030. The gross capital budget for 2025/26 totalled £90.482m. The City Governance Committee received capital monitoring reports during 2025/26 to keep elected members appraised of project cost to date, the projected outturn position and projected completion dates. Actual gross capital expenditure for the year was £68.696m. 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	**90.482**	**68.696**	**(21.786)**
Funded by:			
Borrowing	59.531	32.991	(26.540)
Capital Grants & Receipts	25.801	32.355	6.554
Capital Fund	0.000	1.054	1.054
CFCR	0.450	2.296	1.846
Slippage Allowance	4.700	0.000	(4.700)
	90.482	**68.696**	**(21.786)**

The main elements of slippage in the 2025/2026 capital programme were as follows:

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
HRA - Energy Efficient - External Insulation and Cavity Fill	7,110	695	(6,415)	Delayed tender award for Linlathen resulting in slippage to 2026/27.
HRA - Free from Serious Disrepair - Windows	6,248	2,106	(4,142)	Slippage of some projects to next financial year (Happyhillock and Maitland Street).
HRA - Increased Supply of Council Housing	4,430	1,237	(3,193)	Mainly due to the Blackness Road development where anticipated spend re-evaluated. Some slippage due to a combination of adverse weather, design revision and unforeseen site conditions.
HRA - Free from Serious Disrepair - Roofs	3,860	1,733	(2,127)	Slippage of some projects to next financial year (Happyhillock and Maitland Street).

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
Property Development & Improvement Programme	5,232	3,340	(1,892)	Projects reprofiled due to delays in project development/procurement process and need to re programme to hit available dates of school holidays and non-heating season etc.
HRA - Smoke Detector Programme	1,800	9	(1,791)	Slippage to 2026/27 now specification agreed.
Site 6 South Development	2,615	1,484	(1,131)	Progress on the site was impacted by contractor design development particularly in relation to fire protection in the partition specification and associated Building Control comments relating to Fire strategy. Tenant's additional work requirements for floor openings also affected the project's spend profile. Delayed lift component replacements prolonged final approvals and handover.
HRA - Water Pumps and Tanks	1,100	37	(1,063)	Further examination of tender prices delayed the award in 2025/26.
HRA - MSD thin wall carbon steel pipework replacement	1,000	0	(1,000)	Programme rephased due to the option appraisal process. Expenditure phasing aligned with the timelines for the options appraisal to conclude before design and tendering processes can commence which impact delivery timescales.
Low Carbon Transport - Green Transport Hub & Spokes - Bell Street	6,414	8,427	2,013	Project is now complete to approved budget. Variance is due to contractor's adjusted programme.
School Estate Investment - East End Community Campus	12,992	14,821	1,829	Progress on site impacted by design development, inclement weather and delays to establishing electrical power on Scottish and Southern Electricity Networks. Post completion additional works have been a contributing factor relating to ongoing spend being undertaken to minimise disruption to the operation of the campus. The project was delivered within the anticipated timescales.
HRA - Free from Serious Disrepair - Urgent Roofs	1,050	2,400	1,350	Slippage of some projects to next financial year (Happyhillock and Maitland Street).

Capital Funding / Treasury Management

Borrowing to fund capital expenditure increases the Council's overall debt and future repayment obligations, while funding from revenue (CFCR) impacts the current year's expenditure without adding debt. The Council uses a mix of these methods as part of its capital financing strategy, with borrowing primarily from the Debt Management Office, and options including bonds, money markets, and the European Investment Bank. In 2025/26, the Capital Financing Requirement (CFR) rose by £6.5m to £997.7m, reflecting historic capital expenditure yet to be paid off. More details can be found in Note 28. External debt stood at £956.1m, below the CFR, confirming no borrowing for revenue purposes and partial funding from existing resources.

The Council's Treasury Policy Statement outlines objectives and practices for treasury management, supported by a dedicated Risk Register that is monitored continuously and reported to the City Governance Committee every six months. Please refer to the Treasury Management Strategy 2025/2026.

During the year, £30m of long-term borrowing was undertaken, with £10m in loan repayments. This position was managed through phased borrowing, use of cash reserves, short-term borrowing, and capital programme slippage.

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 £27.1m as at 31 March 2026 (net pension liability of £28.4m at 31 March 2025). The net liability reduced due to changes in various actuarial estimates and assumptions. Please refer to Note 20 for more information, including the effect of the application of IFRIC 14 on the asset ceiling.

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 2025/26 financial year, other than those already separately disclosed in the Accounts.

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

The Annual Accounts follow the stated Accounting Policies, with no major changes in 2025/26.

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 line with Finance Circular 10/2022, the Council applied permitted flexibility to its three PFI Service Concession Arrangements (SCAs) on a retrospective annuity basis in 2023/24. This resulted in a one-off saving of £39.773m, added to earmarked reserves, and cumulative scheduled debt repayment savings of £12.231m up to 2025/26. Savings will continue until SCA contracts are fully repaid, after which statutory charges will apply. The total debt repayment over the life of the assets remains unchanged, and the Council will manage this flexibility through a dedicated earmarked reserve. Please refer to Note 10 for more details.

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	2024/25	2025/26
Reserves		
Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure	1.6%	1.7%
Movement in the Uncommitted General Fund Balance	(£1.641m)	£0.506m
Council Tax		
In-year collection rate	93.5%	93.2%
Ratio of Council Tax Income to Overall Level of Funding	13.7%	13.8%
Financial Management		
Actual Outturn Net Service Expenditure compared to Budgeted Net Service Expenditure	101.2%	99.8%
Actual contribution to / (from) Unallocated General Fund Balance compared to Budget	£4.999m	£0.506m

Debt / Long Term Borrowing		
Capital Financing Requirement for the current year	£991.2m	£997.8m
External Debt Levels for the current year	£922.1m	£956.1m
Ratio of financing costs to net revenue stream – General Services	9.5%	10.4%
Ratio of financing costs to net revenue stream – HRA	36.7%	33.3%
Impact of Capital Investment on Weekly Rents	£0.35	£0.18

PART 5 - LOOKING TO THE FUTURE

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

At the 2026/27 budget-setting meeting on 5 March 2026, 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, 28 October 2024 and again on 22 September 2025. 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) usable 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 transformation and / or 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 2026/27 Revenue Budget and Council Tax was agreed by the City Governance Committee on 5 March 2026. 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 2026/27 to 2029/30, based on assumed flat cash grant settlements and no adjustment for the impact of distributional changes within the grant settlement process:

	Cumulative £m
2026/27	5.04
2027/28	13.90
2028/29	19.87
2029/30	30.01

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 2026/27 Revenue Budget savings totalling £0.778m were agreed with a review of charges resulting in additional income of £0.243m. The Council Tax was increased by 7.75% with Band D at £1,729.69 after agreeing a provision of 2.9% for Council Tax non-collection.

In the context of the Council having delivered savings of the order of £181m 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 June 2025. This sets out how the gap between projected funding and estimated spending on public services in Scotland is expected to grow from a balanced budget in 2025/26 to £2.6 billion by 2029/30.

The following points from the document are highlighted for noting:

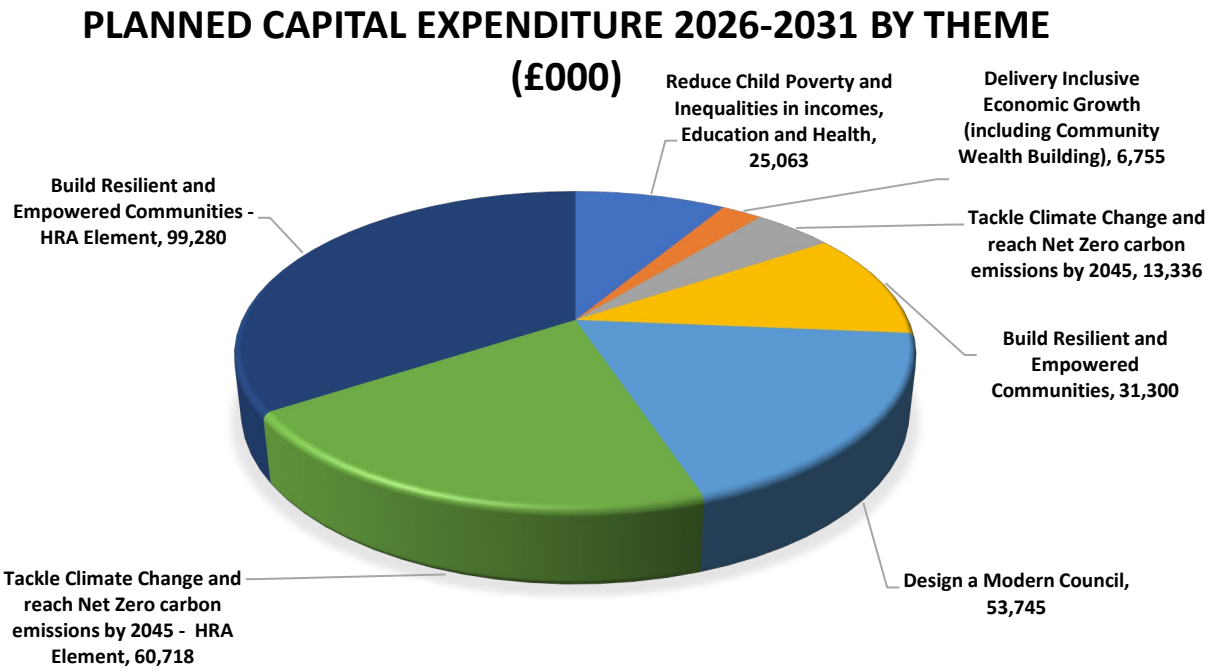
- While Scotland is not currently expected to enter recession, economic growth is weak and remains subdued;
- labour market remains relatively robust, with unemployment at 4.2%;
- inflationary pressure is continuing, and the outlook is still uncertain;
- funding is expected to grow by an average of 2.6% a year in nominal terms over the period 2025-26 to 2029-30, 0.7% a year in real terms;
- 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 2026/27 rising to 4% (£2.6bn) in 2029/30;
- resource spending makes up almost 90% of the budget, with Health and Social Care, Local Government, and public sector pay being the largest components of spending, as well as some of the main drivers of the expected growth in future spending;
- capital is also under pressure and a real terms fall of 1.1% expected between 2025/26/ and 2029/30. Higher costs also exacerbate this with a 15% gap projected in 2026/27; and
- Social Security spend is projected to rise from £6.8bn in 2025/26 to around £8.8bn by 2029/30.

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 2026, the City Governance Committee approved a combined five-year Capital Plan for General Services and Housing totalling £290.2m over the period 2026 to 2031. In developing the five-year Capital Plan, there has again been a focus on a thematic approach which highlights the Council's strategic priorities.



Our Capital Plan for 2026-2031 sets out a £290 million building programme for the next five years for General Services & Housing HRA. The Capital Plan 2026-31 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 Councils Net Zero ambitions making up over a quarter of the Capital Plan. This includes, Energy efficiency measures in Council Housing and DCA Lifecycle Plant Replacement Programme.

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.

Transformation

Delivery of the 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 phase of our transformation programme are set out in the Council Plan 2022-2027 as follows:

- Property Rationalisation,
- Digital Council,
- Service Re-design,
- 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 current 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.

PART 6 - CONCLUSION AND ACKNOWLEDGMENTS

Conclusion

Throughout 2025/26 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 our communities, economic and demographic pressures, legislative and regulatory changes, increasing demands and expectations from our communities.

However, these challenges are compounded by the effects of the cost-of-living crisis and funding pressures. Whilst the Council continues to be ambitious, innovative, and committed to delivering the best possible services with the resources it has, the financial and wider impacts of cost-of-living are being felt as the City plans for the future.

Acknowledgements

We would like to thank Bailie Willie Sawers, the Senior Councillor with responsibility for Finance, all other elected members and officers of the Council for their active support and co-operation in the effective management of the Council's finances during another challenging year. Finally, we would conclude this report by thanking the Corporate Finance Team who contributed to the management and control of the Council's finances and to the finalisation of the Council's 2025/26 Annual Accounts.

Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council
02 October 2026

Gregory Colgan BAcc (Hons), ACMA, CGMA
Chief Executive
Dundee City Council
02 October 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council
02 October 2026

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

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

The Council's Governance Framework

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

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

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

The overall control arrangements include:-

- Identifying the Council's objectives in the Council Plan, Community Plan and Local Outcomes Improvement Plan (City Plan).
- Monitoring of achievement of those objectives and outcomes by the Council and senior officers.
- A systematic approach to monitoring service performance at Elected Member, senior officer and project level.
- Reporting performance regularly to Council committees.
- Three-year service plans for all service areas. Regular performance reports in relation to the service plans began to be reported to relevant Committees from November 2021.
- Performance Management Framework.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- A Monitoring Officer to ensure compliance with laws and regulations.
- A Scrutiny and Audit Committee and individual Service Committees.
- Approved Corporate Fraud and Corruption Policy including "whistleblowing" 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 the National Fraud Initiative 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, Strategic 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 2025/2026 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 99% (2024/2025: 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 78-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 94% for 2025/2026 (2024/2025: 93%).

The Internal Audit service provides independent and objective assurance on the adequacy and effectiveness of the Council's governance, risk management and control processes. The service operates in accordance with the Global Internal Audit Standards as applicable to the UK public sector and reports functionally to the Scrutiny and Audit Committee.

The Chief Internal Auditor provides an annual conclusion encompassing the Council's governance, risk management and control, drawing on audit work undertaken during the year. This conclusion informs the annual review of governance and supports the assurance provided in this Statement. For the year to 31 March 2026, the Chief Internal Auditor concluded that the Council's framework of risk management, governance and internal control was generally effective but with some control areas requiring strengthening, particularly in relation to control design, consistency of application, some older systems and monitoring effectiveness.

The Annual Internal Audit review highlighted seven reviews this year with areas which were assessed as providing Limited Assurance. There were none providing no assurance. The position at September 2026 was as follows:-

- SLAs with External Bodies. The five agreed actions are open.
- Capital Planning and Monitoring. All Audit Actions have been completed.

- MOSAIC system payments. Eight actions have been implemented. One of the two remaining actions is critical. The critical action is 95% complete.
- Housing Stock (External Wall Insulation). All audit actions have been completed.
- Cash Handling. All audit actions have been completed.
- Purchasing outwith Civica - Fleet Purchasing (Tranman). All audit actions have been completed.
- Purchasing outwith Civica – GVA Property Management system. All six agreed actions remain open. They will all be completed 31 March 2027

The actions to address the weaknesses noted in these reports will be implemented in line with the agreed timescales included in the reports. Monitoring of progress with implementation is reported to the Scrutiny & Audit Committee.

The Corporate Fraud Team investigates allegations of fraud and corruption and reports outcomes and trends to the Scrutiny and Audit Committee. No fraud identified during 2025/2026 was material to the Council's financial position.

The Council has undertaken a comprehensive self-assessment of its internal audit arrangements against the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (2025), and concludes that it generally conforms with the requirements of the Code, with robust governance, oversight and organisational arrangements in place to support effective internal audit. The Scrutiny and Audit Committee operates under Terms of Reference that align with CIPFA best practice. Internal audit operates under a formally approved mandate and charter aligned to regulatory requirements. There are clear reporting lines to the Scrutiny and Audit Committee, which provides effective oversight through approval of audit plans, monitoring of performance, and review of the Chief Audit Executive's annual conclusion and Global Internal Audit (UK Public Sector) conformance assessment. Arrangements are in place to safeguard independence, including unrestricted access to information and direct engagement with elected members, supported by appropriately qualified leadership and defined quality assurance processes, including external review.

Overall, the Council is satisfied that internal audit is operating effectively and continues to provide independent and objective assurance on governance, risk management and internal control, in line with the principles of the Global Internal Audit Standards as applicable in UK Local Authorities, which include the Code.

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 2025/2026 is detailed at Appendix 1. One item is still in progress and have been carried forward to be actioned in 2026/2027. 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 2026/2027. 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. During 2025/2026 financial year, formal DCIJB meetings have moved from online-only to hybrid with option to attend either in-person or online.

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 2025/2026. It is proposed over 2026/2027 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

02 October 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council

02 October 2026

CONTINUOUS IMPROVEMENT AGENDA FOR 2024/2025 - WITH PROGRESS UPDATES **APPENDIX 1**

The Council's Corporate Governance working group identified the following areas for improvement to be taken forward during 2025/2026. Full details are included in the Council's Local Code of Corporate Governance (168-2025) and the 2024/2025 Annual Governance Statement (181-2025) updated for final version in 2024/2025 Audited Accounts to Scrutiny and Audit Committee on 24 September 2025 (274-2025).

	Improvement	Source	Details	Responsible Officer	Target Completion Date
1	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Completed	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	30/06/2026
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
4	Review the Council's Standing Orders.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Completed	Head of Democratic and Legal Services	30/06/2025
5	Roll-out advanced risk management training module for senior officers.	Corporate Governance Assurance Statement Group.	Completed	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).	Completed	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).	Completed	Head of Corporate Finance	31/03/2026

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

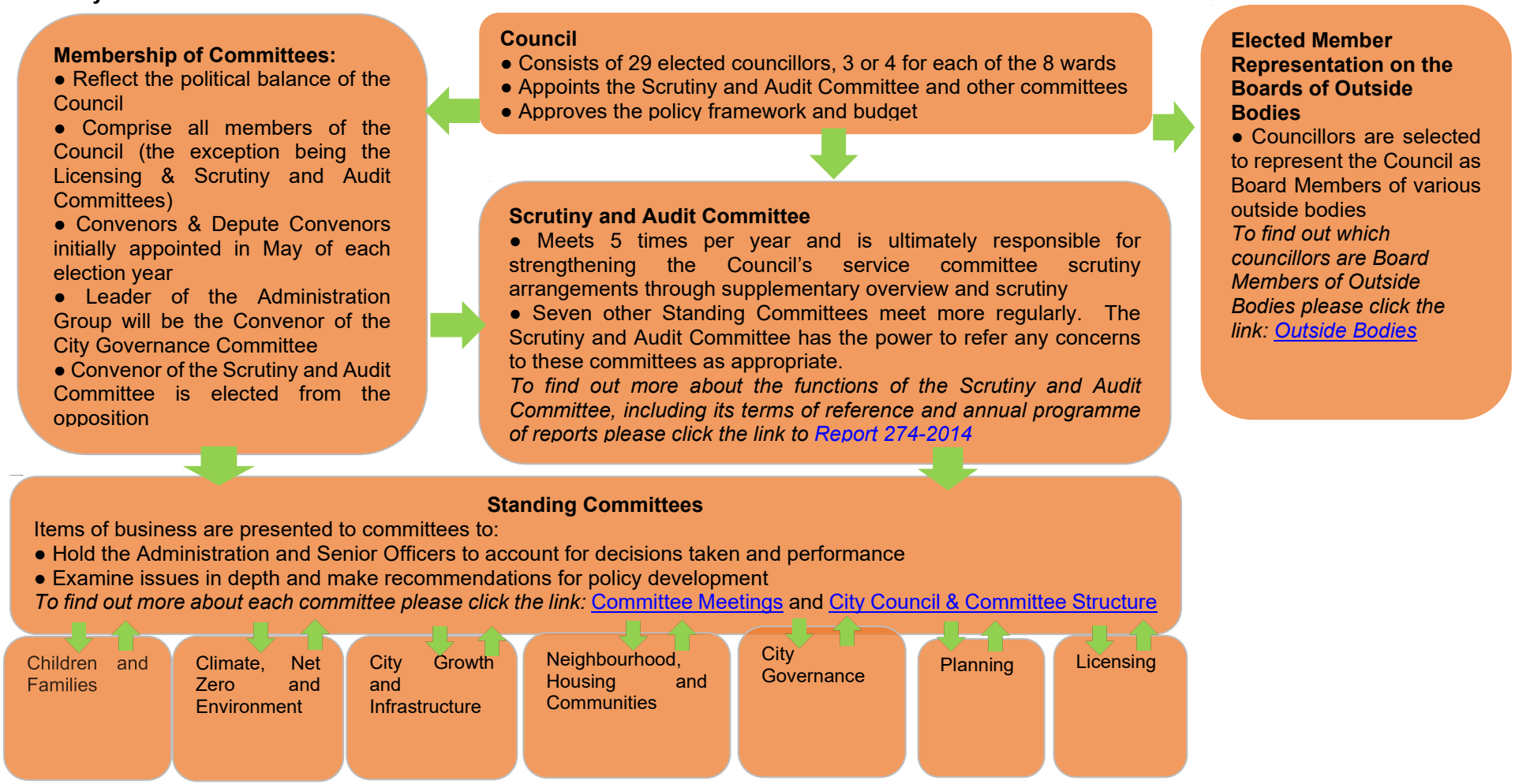
CONTINUOUS IMPROVEMENT AGENDA FOR 2026/2027 **APPENDIX 2**

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 2026/2027:

	Improvement	Source	Details	Responsible Officer	Target Completion Date
1	Implementation of Corporate Property Management System.	Annual Governance Statement 2022/2023. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Implementation of replacement asset management database to manage the Council's physical property assets more effectively.	Head of Design and Property Services	31/03/2027
2	Mandatory Training and Development	Corporate Governance Assurance Statement Group.	Improving the rates of completion of mandatory training and development courses for all Council staff and elected members.	Head of People	31/03/2027
3	Freedom of Information Requests	Council Leadership Team	Undertake a review of the current FOISA process to ensure that services have appropriate arrangements in place to deal with these statutory requests on timeous basis.	Head of Democratic and Legal Services	31/03/2027
4	Awareness / Compliance with statutory legislation	Corporate Governance Assurance Statement Group / Risk & Assurance Board	Review current process for providing updates on regulatory and legislative matters within the Council.	Head of Democratic and Legal Services	31/03/2027
5	Implementation of an Integrated Corporate Performance Dashboard	Council Leadership Team	Establish a consolidated digital portal to enable performance to be managed effectively. This single dashboard will include all relevant financial and non-financial corporate management data including budget outturns, absence, staff training and development, quality conversations etc. The dashboard will also interface with existing databases or systems to ensure data displayed within is updated on an automated basis within minimal manual intervention. In addition, it is also intended to enable managers to interrogate data through use of software tools such as Power BI.	Head of Digital and Customer Services	30/06/2027

APPENDIX 3

Dundee City Council's Governance Structure:



ANNUAL REMUNERATION REPORT

INTRODUCTION

The Council must include a Remuneration Report in its Annual Accounts, as required by the Local Authority Accounts (Scotland) Regulations 2014. This report:

- Shows the pay and pension benefits of Senior Councillors and Senior Employees.
- Lists the number of employees earning £50,000 or more, grouped in £5,000 bands.
- Includes details of termination benefits and exit packages.

The report follows the Regulations and is partly audited by the Council's External Auditor. The auditor checks that the report is prepared correctly and gives an opinion in their Annual Accounts report. All tables in the report are audited, and other sections are reviewed to ensure they match the financial statements

REMUNERATION ARRANGEMENTS

Senior Councillors
Councillor pay is governed by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (Scottish Statutory Instrument No. 2025/36) and related guidance in Scottish Government circulars 8-2011 and 7-2014. They set four remuneration levels based on role: Leader of the Council, Civic Head (Lord Provost for Dundee City Council), Senior Councillors and Councillors. The Leader of the Council and the Civic Head cannot be the same person for remuneration purposes. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

The Leader of the Council's salary is set out in the Regulations. For 2025/26, the Leader of Dundee City Council earned £50,063. The Council can pay one Civic Head (Lord Provost) up to the maximum allowed by the Regulations. Dundee pays the full amount: £37,548. The Civic Head can claim up to £3,000 in expenses; in 2025/26, £1,925 was claimed. Senior Councillors' pay is also regulated. Each can earn up to 75% of the Leader's salary.

Since 23 May 2022, Dundee City Council has had 15 Senior Councillors, including the Leader and Civic Head. For 2025/26, their combined pay was £495,625, reflecting a pay rise of 17.2% applied during 2025/26.

The Council also makes pension contributions for Councillors who join the Local Government Pension Scheme.

Details of pay for the Leader, Civic Head (Lord Provost), and Senior Councillors are shown in Table 1a (page 32).

The following table lists salaries, allowances, and expenses for all Councillors, including Senior Councillors.

Remuneration paid to Councillors (subject to audit)

	2024/2025 £	2025/2026 £
Salaries	720,468	861,894
Mileage, Travel & Subsistence etc	2,524	3,905
Training & Conferences	90	-
Telephone Expenses	1,532	1,466
Other Allowances	596	1,925
	725,210	**869,190**
Provision of Council Cars	50,426	7,626
Total	**775,636**	**876,816**

The full Annual Return of Councillors Salaries & Expenses for 2025/2026 is available on the Council's website.

Senior Employees of the Council

Senior Employee pay is based on national agreements.

- The Scottish Joint Negotiating Committee (SJNC) sets Chief Executives' salaries.
- Executive Directors and Heads of Service salaries are linked to the Chief Executive's pay and their responsibilities.
- The City Governance Committee approves these salaries.

Since June 2015, the Council uses a single pay and grading structure for all staff (except teachers and craft workers).

Senior Employees may join the Contract Car Hire Scheme, the terms of which are approved by the City Governance Committee.

For this report, a Senior Employee is someone who:

1. Directs major Council activities, including spending;
2. Holds a politically restricted post as per section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
3. Earns £150,000 or more (including any pay from a local authority subsidiary body).

In 2025/26, 7 employees met these criteria (categories 1 and/or 2). Details are in Table 2 (page 33).

The Regulations require the Council to publish the number of employees (including Senior Employees) earning £50,000 or more, grouped in £5,000 salary bands. This information is shown in the following table:

Remuneration Bands (subject to audit)

	No of Employees 2024/2025	No of Employees 2025/2026
£50,000 - £54,999	337	677
£55,000 - £59,999	147	172
£60,000 - £64,999	155	161
£65,000 - £69,999	67	59
£70,000 - £74,999	40	56
£75,000 - £79,999	44	43
£80,000 - £84,999	36	42
£85,000 - £89,999	10	16
£90,000 - £94,999	2	10
£95,000 - £99,999	4	4
£100,000 - £104,999	2	2
£105,000 - £109,999	3	6
£110,000 - £114,999	10	2
£115,000 - £119,999	0	9
£125,000 - £129,999	1	0
£130,000 - £134,999	1	1
£140,000 - £144,999	3	2
£145,000 - £149,999	0	2
£175,000 - £179,999	1	0
£180,000 - £184,999	0	1
Total	**863**	**1,265**

ACCRUED PENSION BENEFITS

Pension benefits for Councillors and Local Government Employees are provided through the Local Government Pension Scheme (LGPS). A new CARE Scheme (career average earnings) started on 1 April 2015.

For Councillors, pension benefits are based on career average pay, adjusted for cost of living each year. For Local Government Employees, pension benefits depend on career average salary and length of service. Retirement age is linked to state pension age for both groups.

Since 1 April 2009, contributions follow a five-tier system based on pay bands, replacing the previous flat 6% rate. Contribution rates for 2025/26 remain the same as 2009/10, but pay bands have been updated. The tiers and rates are shown in the following table:

Whole Time Pay	Contribution Rate 2025/2026
On earnings up to and including £27,500	5.5%
On earnings above £27,501 and up to £33,600	7.25%
On earnings above £33,601 and up to £46,100	8.5%
On earnings above £46,101 and up to £61,400	9.5%
On earnings of £61,401 and above	12%

For part-time staff, contribution rates are based on the full-time pay rate, but contributions are paid on actual earnings.

There is no automatic lump sum, but members can choose to exchange part of their pension for a lump sum within limits set by the Finance Act 2004.

Under the CARE Scheme, pensions build up at 1/49th of pensionable pay per year. Before 2015, the rate was 1/60th of final salary.

Senior Councillors
The accrued pension benefits for Senior Councillors, along with the Council's pension contributions, are shown in Table 3 (page 33).

Senior Employees of the Council
The accrued pension benefits for Senior Employees, along with the Council's pension contributions, are shown in Table 4 (page 35).

Assumptions and Contextual Information

The accrued pension benefit figures are calculated assuming:

- Retirement at the earliest age without age-related reduction,
- No additional lump sum option taken,
- No adjustment for future inflation.

Figures reflect total Local Government service, not just the current role.

Important context:

1. These figures are illustrative only and may differ from actual benefits.
2. They include contributions from both employer and member over time. In 2025/26, contribution rates were in the following ranges:
    - Senior Councillor members: 5.5%–6.8% (2024/25 5.5% to 6.4%)
    - Senior Employee members: 9.4%–10.5% (2024/25 9.4% to 10.3%)
    - Employer rate: 15.7% (was 15.7% in 2024/25).

TERMINATION BENEFITS & EXIT PACKAGES

To reduce staffing costs, the Council approved Voluntary Early Retirement and Voluntary Redundancy Schemes. Table 5 (page 35) shows the number and cost of staff departures by cost band.

Exit package costs include:

- Pension strain payments,
- Employer contributions for added years,
- Redundancy payments.

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

02 October 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council

02 October 2026

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

Councillor Name	Responsibility	Salary, Fees & Allowances £	Other payments £	Total Remuneration 2025/2026 £	Total Remuneration 2024/2025 £
Bill Campbell	Lord Provost	37,548	-	37,548	32,024
Heather Anderson	Convener of Climate, Net Zero and Environment Committee	33,242	-	33,242	28,352
Ken Lynn	Lead Member for Health & Social Care	33,242	-	33,242	28,352
Kevin Cordell	Depute Lord Provost (to 27 October 2025), Convener of Neighbourhood Housing and Communities Committee	33,242	-	33,242	27,398
Kevin Keenan	Convener of Scrutiny and Audit Committee, Leader of the Major Opposition Group	33,242	-	33,242	28,352
Lee Mills	Depute Convener of Climate, Net Zero and Environment Committee (from 22 September 2025)	27,125	-	27,125	-
Lynne Short	Depute Convener of Neighbourhood Housing and Communities Committee (note 1)	28,407	1,325	29,732	34,613
Mark Flynn	Leader, Convener of City Governance Committee	50,063	-	50,063	36,797
Nadia El-Nakla	Depute Lord Provost (from 27 October 2025), Depute Convener of Climate, Environment and Biodiversity Committee (to 22 September 2025)	28,407	-	28,407	24,015
Roisin Smith	Depute Convener of Children and Families Committee, Depute Convener of Licensing Committee	28,407	-	28,407	24,015
Siobhan Tolland	Depute Convener of City Growth and Infrastructure Committee, Depute Convener of Planning Committee	28,407	-	28,407	24,015
Steven Rome	Convener of City Growth and Infrastructure Committee	33,242	-	33,242	28,352
Stewart Hunter	Convener of Children and Families Committee, Convener of Licensing Committee	33,242	-	33,242	28,352
Will Dawson	Convener of Planning Committee	33,242	-	33,242	28,352
Willie Sawers	Depute Leader, Depute Convener of City Governance Committee	33,242	-	33,242	28,352
Total		**494,300**	**1,325**	**495,625**	**401,341**

1. 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 Council recharged costs to the following bodies for the above responsibilities:

	2025/2026 £	2024/2025 £
Tay Road Bridge Joint Board	4,999	2,969
Tayside Valuation Joint Board	7,260	6,053
Total	**12,259**	**9,022**

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

Employee Name	Post Title	Salary, Fees & Allowances £	Other payments £	Total Remuneration 2025/2026 £	Total Remuneration 2024/2025 £
Gregory Colgan	Chief Executive	183,934	-	183,934	179,966
Paul Thomson	Executive Director of Corporate Services and S95 Officer	140,066	-	140,066	-
Audrey May	Executive Director of Children & Families	146,270	-	146,270	140,644
Tony Boyle	Executive Director of Neighbourhood Services	142,097	-	142,097	132,696
Robin Presswood	Executive Director of City Development	146,271	-	146,271	140,644
Judy Dobbie	Director of Leisure and Culture Dundee	130,219	-	130,219	125,210
Glyn Lloyd	Chief Social Work Officer	115,933	-	115,933	111,474
Total		**1,004,790**	**-**	**1,004,790**	**830,634**

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

Councillor Name	Responsibility	Pension as at 31 March 2026 £000	Pension Difference from 31 March 2025 £000	Lump Sum as at 31 March 2026 £000	Lump Sum Difference from 31 March 2025 £000	Pension Contribution 2025/2026 £	Pension Contribution 2024/2025 £
Bill Campbell	Lord Provost	8.7	1.4	-	-	5,895	5,027
Heather Anderson	Convener of Climate, Net Zero and Environment Committee	4.9	0.9	-	-	5,219	4,451
Ken Lynn	Lead Member for Health & Social Care	4.2	0.8	-	-	5,219	4,451
Kevin Cordell	Depute Lord Provost (to 27 October 2025), Convener of Neighbourhood Housing and Communities Committee	7.9	0.8	-	-	5,219	4,301
Kevin Keenan	Convener of Scrutiny and Audit Committee, Leader of the Major Opposition Group	11.9	1.4	2.6	0.1	5,219	4,451
Lee Mills	Depute Convener of Climate, Net Zero and Environment Committee (from 22 September 2025)	0.8	0.8	-	-	4,259	-

Councillor Name	Responsibility	Pension as at 31 March 2026 £000	Pension Difference from 31 March 2025 £000	Lump Sum as at 31 March 2026 £000	Lump Sum Difference from 31 March 2025 £000	Pension Contribution 2025/2026 £	Pension Contribution 2024/2025 £
Lynne Short	Depute Convener of Neighbourhood Housing and Communities Committee	5.6	0.7	-	-	4,602	4,602
Mark Flynn	Leader, Convener of City Governance Committee	5.7	1.1	-	-	7,860	5,777
Nadia El-Nakla	Depute Lord Provost (from 27 October 2025), Depute Convener of Climate, Environment and Biodiversity Committee (to 22 September 2025)	2.1	0.6	-	-	4,460	3,770
Roisin Smith	Depute Convener of Children and Families Committee, Depute Convener of Licensing Committee	4.6	0.6	-	-	4,460	3,770
Siobhan Tolland	Depute Convener of City Growth and Infrastructure Committee, Depute Convener of Planning Committee	2.1	0.6	-	-	4,460	3,770
Steven Rome	Convener of City Growth and Infrastructure Committee	3.9	0.7	-	-	5,219	4,451
Stewart Hunter	Convener of Children and Families Committee, Convener of Licensing Committee	10.6	0.9	2.3	0.1	5,219	3,770
Will Dawson	Convener of Planning Committee	10.8	0.9	2.4	0.1	5,219	3,770
Willie Sawers	Depute Leader, Depute Convener of City Governance Committee	10.8	0.9	2.4	0.1	5,219	3,770
Total		**94.6**	**13.1**	**9.7**	**0.4**	**77,748**	**60,131**

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 2026 £000	Pension Difference from 31 March 2025 £000	Lump Sum as at 31 March 2026 £000	Lump Sum Difference from 31 March 2025 £000	Pension Contribution 2025/2026 £	Pension Contribution 2024/2025 £
Gregory Colgan	Chief Executive	51.9	5.2	-	-	28,878	27,823
Paul Thomson	Executive Director of Corporate Services and S95 Officer	59.7	11.2	77.3	15.7	21,990	21,993
Tony Boyle	Executive Director of Neighbourhood Services	72.7	6.4	98.4	6.5	22,309	20,833
Robin Presswood	Executive Director of City Development	69.2	4.9	69.9	2.7	22,965	22,081
Judy Dobbie	Director of Leisure and Culture Dundee	69.8	4.8	98.1	3.8	20,444	19,658
Glyn Lloyd	Chief Social Work Officer	51.5	3.8	53.0	2.0	18,201	17,501
Total		**374.8**	**36.3**	**396.7**	**30.7**	**134,787**	**129,889**

TABLE 4 NOTES

1. Audrey May, Executive Director of Children and Families, has opted out of the Local Government Pension Scheme.

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)	
	2024/2025	2025/2026	2024/2025	2025/2026	2024/2025	2025/2026	2024/2025	2025/2026
£0 - £20,000	-	-	4	14	4	14	25	164
£20,001 - £40,000	-	-	-	9	-	9	-	249
£40,001 - £60,000	-	-	-	7	-	7	-	348
£60,001 - £80,000	-	-	-	3	-	3	-	204
£80,001 - £100,000	-	-	1	-	1	-	81	-
£100,001 - £120,000	-	-	1	-	1	-	114	-
Total	**-**	**-**	**6**	**33**	**6**	**33**	**220**	**965**

TABLE 5 NOTES

1. The table shows actual costs of termination benefits for voluntary redundancies in 2025/26 and 2024/25. Under the Council's severance scheme for non-teaching staff, employees can choose voluntary redundancy. In 2025/26, 33 employees received payments costing £0.965m. In 2024/25, 6 employees received £0.220m in total.

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 and Audit Committee at its meeting on 02 October 2026.

Signed on behalf of Dundee City Council

Councillor Mark Flynn
Leader of the Council
02 October 2026

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 2026.

Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

02 October 2026

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.

2024/2025				2025/2026		
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**
219,882	(998)	220,880	Children & Families Services	224,906	331	224,575
111,301	(609)	111,910	Dundee Health & Social Care Partnership	117,357	1,053	116,304
24,561	(56,269)	80,830	City Development	30,132	(127,210)	157,342
20,907	(6,872)	27,779	Neighbourhood Services	15,815	(5,208)	21,023
14,465	(60)	14,525	Chief Executive	14,714	30	14,684
33,630	(2,778)	36,408	Corporate Services	33,927	(2,680)	36,607
482	35	447	Construction	(421)	427	(848)
4,124	(13,024)	17,148	Housing Revenue Account	1,331	(12,668)	13,999
493	-	493	Discretionary NDR Relief	191	-	191
1,028	-	1,028	Tayside Valuation Joint Board	1,174	-	1,174
3,188	(477)	3,665	Miscellaneous Items	3,380	(1,298)	4,678
434,061	**(81,052)**	**515,113**	**Cost Of Services**	**442,506**	**(147,223)**	**589,729**
(419,089)	32,753	(451,842)	Other Income and Expenditure	(439,222)	31,985	(471,207)
14,972	**(48,299)**	**63,271**	**(Surplus) or Deficit on Provision of Services**	**3,284**	**(115,238)**	**118,522**
(77,731)			**Opening General Fund and HRA Balance**	(67,031)		
14,972			**Add (Surplus) / Deficit on General Fund and HRA Balance in Year**	3,284		
(4,272)			**Transfers to / (from) Other Reserves**	(1,006)		
(67,031)			**Closing General Fund and HRA Balance at 31 March ***	**(64,753)**		

* 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

2024/2025					2025/2026			
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
1	(1,443)	444	(998)	Children & Families Services	(1)	567	(235)	331
-	(959)	350	(609)	Dundee Health & Social Care Partnership	-	365	688	1,053
(64,065)	(405)	8,201	(56,269)	City Development	(135,339)	187	7,942	(127,210)
(1,415)	(757)	(4,700)	(6,872)	Neighbourhood Services	(1,506)	222	(3,924)	(5,208)
-	(64)	4	(60)	Chief Executive	-	25	5	30
(2,508)	(365)	95	(2,778)	Corporate Services	(2,913)	283	(50)	(2,680)
-	(405)	440	35	Construction	-	157	270	427
(21,183)	(16)	8,175	(13,024)	Housing Revenue Account	(20,313)	303	7,342	(12,668)
-	2,452	(2,929)	(477)	Miscellaneous Items	-	2,655	(3,953)	(1,298)
(89,170)	**(1,962)**	**10,080**	**(81,052)**	**Cost Of Services**	**(160,072)**	**4,764**	**8,085**	**(147,223)**
41,455	501	(9,203)	32,753	**Other income and expenditure from the Expenditure and Funding Analysis**	41,288	(1,154)	(8,149)	31,985
(47,715)	**(1,461)**	**877**	**(48,299)**	**Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services**	**(118,784)**	**3,610**	**(64)**	**(115,238)**

Notes

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

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

Financing and investment income and expenditure - the statutory charges for capital financing ie loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

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

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

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

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

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

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

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

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

2024/2025				2025/2026		
Gross Expend £000	**Gross Income £000**	**Net Expend / (Income) £000**		**Gross Expend £000**	**Gross Income £000**	**Net Expend / (Income) £000**
242,788	(21,908)	220,880	Children & Families Services	245,738	(21,163)	224,575
279,750	(167,840)	111,910	Dundee Health & Social Care Partnership	273,482	(157,178)	116,304
113,928	(33,098)	80,830	City Development	190,039	(32,697)	157,342
39,693	(11,914)	27,779	Neighbourhood Services	36,864	(15,841)	21,023
16,931	(2,406)	14,525	Chief Executive	16,834	(2,150)	14,684
86,206	(49,798)	36,408	Corporate Services	78,066	(41,459)	36,607
8,456	(8,009)	447	Construction	5,155	(6,003)	(848)
79,090	(61,942)	17,148	Housing Revenue Account	78,020	(64,021)	13,999
493	-	493	Discretionary NDR Relief	191	-	191
1,028	-	1,028	Tayside Valuation Joint Board	1,174	-	1,174
3,443	222	3,665	Miscellaneous Items	5,430	(752)	4,678
871,806	**(356,693)**	**515,113**	**Cost Of Services**	**930,993**	**(341,264)**	**589,729**
		(3,046)	Other Operating Expenditure (note 5)			2,419
		35,361	Financing and Investment Income and Expenditure (note 6)			40,599
		(484,157)	Taxation and Non-Specific Grant Income (note 7)			(514,225)
		63,271	**Deficit on Provision of Services**			**118,522**
		24,585	(Surplus) or Deficit on revaluation of non-current assets			(29,657)
		317	Impairment losses on non-current assets charged to the Revaluation Reserve			-
		2	(Surplus) or Deficit on financial assets measured at fair value through other comprehensive income			49
		(230)	Notional gain on adoption of IFRS 16			-
		(5,291)	Remeasurements of the net defined benefit liability (asset)			2,320
		19,383	**Other Comprehensive (Income) / Expenditure**			**(27,288)**
		82,654	**Total Comprehensive (Income) / Expenditure**			**91,234**

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' (i.e. 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.

	Revenue Reserves				Capital Reserves				
2024/2025	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000	**Total Usable Reserves £000**	Unusable Reserves £000	**Total Authority Reserves £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)**

2025/2026	Revenue Reserves				Capital Reserves				
	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000	**Total Usable Reserves £000**	Unusable Reserves £000	**Total Authority Reserves £000**
Balance at 31 March 2025 brought forward	**(67,031)**	**-**	**(6,295)**	**(1,360)**	**(341)**	**(2,718)**	**(77,745)**	**(912,283)**	**(990,028)**
Movement in Reserves during 2025/2026									
Total Comprehensive Income & Expenditure	98,407	20,115	-	-	-	-	**118,522**	(27,288)	**91,234**
Adjustments to Usable Reserves Permitted by Accounting Standards	(25,821)	(12,587)	-	-	-	-	**(38,408)**	38,408	**-**
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9)	(70,634)	(6,196)	-	-	50	1,055	**(75,725)**	75,725	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	**1,952**	**1,332**	**-**	**-**	**50**	**1,055**	**4,389**	**86,845**	**91,234**
Transfers to/(from) Other Statutory Reserves	326	(1,332)	1,018	79	-	(91)	**-**	-	**-**
(Increase)/ Decrease in 2025/2026	**2,278**	**-**	**1,018**	**79**	**50**	**964**	**4,389**	**86,845**	**91,234**
Balance at 31 March 2026 carried forward	**(64,753)**	**-**	**(5,277)**	**(1,281)**	**(291)**	**(1,754)**	**(73,356)**	**(825,438)**	**(898,794)**

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 2025 £000			31 March 2026 £000
1,913,186	Property, Plant & Equipment	27	1,830,816
20,855	Heritage Assets	41	21,020
13,073	Investment Property	24	5,907
2,675	Intangible Assets	25	2,577
29	Long Term Investments	37	29
11,942	Long Term Debtors	37/44	12,695
1,961,760	**Long Term Assets**		**1,873,044**
3,156	Short Term Investments	37	3,106
1,114	Inventories	-	1,308
67,287	Short Term Debtors	31	87,728
-	Cash and Cash Equivalents	16	2,650
4,448	Assets held for sale	30	12,413
76,005	**Current Assets**		**107,205**
(183,872)	Short Term Borrowing	37	(220,961)
(77,375)	Short Term Creditors	32/37	(77,551)
(6,357)	Cash and Cash Equivalents	16	-
(267,604)	**Current Liabilities**		**(298,512)**
(3,170)	Provisions	33	(2,594)
(518,204)	Long Term Borrowing	37	(515,370)
(28,391)	Pension Liability	12/20	(27,102)
(218,824)	Other Long Term Liabilities	43	(210,361)
(11,544)	Grants Receipts in Advance	36	(27,516)
(780,133)	**Long Term Liabilities**		**(782,943)**
990,028	**Net Assets**		**898,794**
77,745	Usable Reserves	11	73,356
912,283	Unusable Reserves	12	825,438
990,028	**Total Reserves**		**898,794**

The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

The notes on pages 46 to 106 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.

2024/2025 £000		2025/2026 £000
63,271	**Net deficit on the provision of services**	**118,522**
(71,848)	Adjust net (surplus) on the provision of services for non-cash movements	(175,053)
3,323	Adjust for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	888
(5,254)	Net cash flows from Operating Activities	**(55,643)**
117,626	Investing Activities (note 14)	72,225
(104,389)	Financing Activities (note 15)	(25,589)
7,983	**Net (increase)/decrease in cash and cash equivalents**	**(9,007)**
1,626	Cash and cash equivalents at the beginning of the reporting period	(6,357)
(6,357)	**Cash and cash equivalents at the end of the reporting period (note 16)**	**2,650**

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1 Accounting Policies

A. General Principles

The Annual Accounts show the Council's financial activity for 2025/26 and its position at 31 March 2026. They are prepared under:

- Local Authority Accounts (Scotland) Regulations 2014,
- Section 12 of the Local Government in Scotland Act 2003,
- The Code of Practice on Local Authority Accounting (2025/26) and related guidance.

The accounts use a going concern basis and follow historical cost, adjusted for revaluation of certain assets and financial instruments.

B. Accruals of Income and Expenditure

Activity is recorded in the year it happens, not when cash is paid or received. In particular:

- **Revenue from contracts with customers**: Recognised when goods or services are delivered under the contract.
- **Supplies**: Recognised as expenditure when used; if unused, shown as inventory.
- **Services received**: Recorded as expenditure when received, not when paid.
- **Interest**: Calculated using the effective interest rate, not just cash flows.
- **Debtors/Creditors**: Where income or costs are recognised but cash has not been received or paid, the amounts receivable or payable appear on the Balance Sheet as debtors or creditors. Debtor balances are written down for income that may not be collected.
- **Agent**: Where the Council is acting as an agent for another party (e.g. collecting Non-Domestic Rates or Scottish Water charges), only commission received and direct costs incurred are recorded.

C. Cash and Cash Equivalents

Cash includes money on hand and deposits that can be withdrawn without penalty within 24 hours. Cash equivalents are short-term investments (repayable on demand or within 3 months) that can easily be converted to cash with minimal risk. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts, as these are part of the Council's cash management.

D. Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies happen only when required by proper practices or when they make information on the Council's financial position or financial performance more reliable or relevant.

- If the change is material, it is applied retrospectively by adjusting opening balances and prior-year figures (unless stated otherwise).
- Changes in estimates are applied prospectively (current and future years only).
- Material errors from prior years are corrected retrospectively by adjusting opening balances and comparative figures.

E. Charges to Revenue for Non-Current Assets

Services are charged for the cost of holding non-current assets, including:

- Depreciation of assets used by the service,
- Revaluation and impairment losses (if no gains in the Revaluation Reserve),
- Amortisation of intangible assets.

The Council does not raise Council Tax for these costs but does for borrowing repayments. Depreciation, revaluation losses, and amortisation are replaced by borrowing repayments through an adjustment in the Movement in Reserves Statement. The current value part of depreciation is offset by a transfer from the Revaluation Reserve.

F. Employee Benefits

<u>Benefits Payable During Employment</u>

Short-term employee benefits (due within 12 months, e.g., wages, leave, sick pay, bonuses, non-cash benefits like cars) are recorded as expenses in the year the service is provided by the employees to the Council.

An accrual is made for unused holiday that can be carried forward, calculated at next year's pay rates. This accrual is charged to the Surplus or Deficit on the Provision of Services, then reversed in the Movement in Reserves Statement, so holiday costs are recognised in the year the leave is taken.

Termination Benefits

Termination benefits are payments when the Council ends employment early, or an employee accepts voluntary redundancy. They are recorded when the Council cannot withdraw the offer or recognises restructuring costs. If benefits include pension enhancements, the General Fund is charged with the actual cash paid to the pension fund or pensioners, not the accounting estimate. Adjustments are made in the Movement in Reserves Statement to replace notional pension entries with the real cash amounts (including unpaid amounts at 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 Pension Scheme is treated as a defined benefit scheme:

- Liabilities: Calculated using actuarial methods (projected unit method), based on future retirement benefits earned to date, discounted using AA-rated corporate bond rates. This includes assumptions about mortality rates and projections of earnings for current employees etc.
- Assets: Shown at fair value (quoted securities at bid price, property at market value, unquoted securities at professional estimate, unitised securities at bid price)

Changes in net pension liability include:

- Service cost:
  - Current service cost (benefits earned this year) charged to services.
  - Past service cost (curtailments or changes relating to past years) charged to Miscellaneous Items
  - Net interest on liabilities/assets (the change to the net defined benefit liability/asset caused by the passage of time), charged to Financing and Investment Income.
- Remeasurements:
  - Return on plan assets and actuarial gains/losses charged to Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses are changes in pension liabilities caused by differences between actual events and previous assumptions or updated actuarial assumptions. These are recorded in the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Employer contributions paid to the fund in settlement of liabilities are not treated as an expense.

If the scheme moves to a net asset position, IFRIC14 (*IAS19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*) rules apply. It would be assumed that the fund's membership will stay constant, and that service costs and employer contributions will continue.

Statutory provisions require the General Fund to be charged with cash paid to the pension fund or pensioners, not actuarial or notional accounting estimates. Adjustments in the Movement in Reserves Statement replace these notional entries with actual cash flows. The negative Pensions Reserve balance reflects the benefit to the General Fund of the statutory approach.

Discretionary Benefits
The Council can grant extra retirement benefits for early retirements in limited cases. Any related costs are recorded in the year the decision is made, using the same policies that apply to the Local Government Pension Scheme.

G. Events After the Reporting Period
Events after the Balance Sheet date are those that happen between the end of the reporting period and when the Annual Accounts are approved. There are two types:

- Events showing conditions that existed at the end of the reporting period: the accounts are adjusted.
- Events showing conditions that arose after the reporting period: the accounts are not adjusted, but if material, details and estimated financial impact are disclosed in the notes.

Events after the approval date are not included in the accounts.

H. Financial Liabilities
The Council records financial liabilities on the Balance Sheet when it enters into a financial contract. These liabilities are first measured at fair value and then shown at their amortised cost. Interest charges each year are based on the liability's carrying amount and the effective interest rate, which is the rate that spreads the total expected payments over the life of the loan. For most Council borrowings, this means the Balance Sheet shows the amount still owed (plus any interest due) and the Comprehensive Income and Expenditure Statement shows the interest payable for the year under the loan agreement.

If the Council repays or settles a loan early, any gain or loss is recorded in the income statement for that year. If the repayment is part of a loan restructuring, the premium or discount is added to or deducted from the cost of the new loan and spread over its life by adjusting the interest rate.

Regulations allow the effect of premiums or discounts charged to the Comprehensive Income and Expenditure Statement to be spread over future years. The Council does this by spreading the amount over the remaining term of the original loan. This adjustment is managed through the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

I. Financial Assets
Financial assets are classified based on how the Council plans to use them (business model) and the cash flows they generate. There are three main categories:

1. Amortised cost – assets held to collect regular payments of principal and interest.
2. Fair value through profit or loss – assets where cash flows are more complex or traded for profit.
3. Fair value through other comprehensive income (FVOCI) – assets held for both collecting payments and selling.

Since the Council's goal is to hold investments for their cash flows, most assets are at amortised cost, unless their payments aren't just principal and interest.

<u>Financial Assets Measured at Amortised Cost</u>
The Council records Financial Assets at Amortised Cost on the Balance Sheet when it enters the contract, initially at fair value and subsequently at amortised cost (spread over time). The interest income each year is based on the asset's value and the effective interest rate. For most of the Council's financial assets, the Balance Sheet shows the amount still owed to the Council (plus any interest due) and the Comprehensive Income and Expenditure Statement shows the interest receivable for the year under the loan agreement.

If the asset is de-recognised (sold or settled), any gain or loss goes to the Comprehensive Income and Expenditure Statement.

<u>Expected Credit Loss Model</u>
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. This 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 based on 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 enters the contract and are always measured at fair value. Any gains or losses in value are shown immediately in the Surplus or Deficit on the Provision of Services.

How Fair Value is Measured:
- If the asset has a market price → use that price.
- If payments are fixed → use discounted cash flow analysis.

Fair Value measurements (3 Levels):
1. Level 1: Quoted prices in active markets for identical assets.
2. Level 2: Other observable inputs (not quoted prices).
3. Level 3: Unobservable inputs (based on estimates).

If the asset is derecognised (sold or settled), any gain or loss goes to the Comprehensive Income and Expenditure Statement.

J. Government Grants and Contributions
The Council recognises a grant or contribution as due when it is reasonably sure that:
1. It will meet the conditions attached.
2. The amount will be received.

The grant is not shown as income until all conditions are met. Conditions mean the money must be used as specified, or returned if not. If conditions are not yet met, the amount is shown on the Balance Sheet as Grant Receipts in Advance. When conditions are met:
- Revenue grants go to the relevant service line or Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.
- Capital grants go to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement, then reversed out to reserves in the Movement in Reserves Statement.
    - If not yet used to finance capital expenditure, it is transferred to the Capital Grants & Receipts Unapplied Account.
    - If used to finance capital expenditure, it is transferred to the Capital Adjustment Account.
    - Amounts in the Capital Grants & Receipts Unapplied Account are transferred to the Capital Adjustment Account once they have been used to fund capital expenditure.

K. Heritage Assets
The Council's heritage assets (mainly in McManus Art Gallery, Museum and Central Library) exist to promote knowledge and appreciation of Dundee's history and the surrounding area. They follow property, plant, and equipment rules, but with some relaxed measurement requirements.

Museum & Art Gallery Collections form the main part of heritage assets and have been built up over a period more than 150 years and are used for reference, research and education. These items (mainly Fine Art) are shown at insurance value based on market prices. There is no depreciation on these items because they are deemed to have indefinite lives and high residual value.

Other Heritage Assets include items such as the McKenzie Photographic Collection and Desperate Dan statue. These are shown at cost as valuations would be too expensive on these items because they have deemed to have indefinite lives

Some Heritage Assets are not recorded on the Balance Sheet. These include civic regalia, monuments, memorials, fountains, outdoor artworks, and some museum collections. These are not valued since the diverse nature of the assets held and the lack of comparable values mean that the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Council's financial statements. Details are kept in Council databases.

While Heritage assets are not revalued regularly, carrying amounts are reviewed where there is evidence of impairment, for example where an item has suffered damage or deterioration. 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 and significant interests in companies and entities (subsidiaries, associates, joint ventures), so it prepares group accounts. In the Council's own accounts, these interests are shown 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 or net realisable value. The cost is usually calculated using weighted average. If received for free (non-exchange), inventory is recorded at fair value on acquisition date. If held for free distribution or at a nominal charge, the value is the lower of cost or replacement cost.

For Long-term contracts, income is recognised based on goods/services delivered during the year.

N. Investment Properties
Investment Properties are held only to earn rent or for growth in value, not for the provision of services or for sale. These are measured at initial cost, then fair value (i.e. market value at year-end).

Depreciation does not apply to investment properties, instead they are revalued annually. Gains/losses from revaluation or sale go to the Comprehensive Income and Expenditure Statement but don't affect the General Fund. Revaluation gains/losses are reversed in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Rental income from investment properties is credited to the Financing and Investment Income in the Comprehensive Income and Expenditure Statement and does increase the General Fund Balance.

O. Overheads and Support Services
The costs of overheads and support services are charged to services in accordance with the Council's arrangements for accountability and financial performance.

P. Property, Plant and Equipment
Property, Plant and Equipment (PPE) are physical assets used for services, goods, rentals, or administration, and expected to last more than one year.

Expenditure incurred on buying, creating, or improving PPE is capitalised if it will bring future benefits or service potential, and the cost can be measured reliably. Routine repairs and maintenance costs are not capitalised, these are charged as expenses when incurred.

The initial cost of PPE includes the purchase price, costs to bring the asset to its intended location and condition and estimated dismantling and site restoration costs (if applicable). Borrowing costs during construction are not capitalised.

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 (existing use value for social housing (EUV - SH))
- Surplus assets: fair value, estimated at highest and best use from a market participant's perspective
- Other land & buildings: current value (existing use value or depreciated replacement cost if no market evidence of current value)

Assets at current value are revalued regularly, at least every 5 years. Revaluation gains are credited to the Revaluation Reserve (unless reversing a previous loss, in which case to Comprehensive Income and Expenditure Statement). Revaluation losses first reduce any Revaluation Reserve balance for that asset and thereafter are charged to the Comprehensive Income and Expenditure Statement.

In accordance with the Code of Practice, property assets are revalued every five years with annual indexation applied to assets during the four intervening years. Where indices are not available, or cannot be obtained without undue cost or effort, desktop valuations will be carried out every three years.

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
At year-end, assets are checked for signs of impairment (damage or reduced value). If the recoverable amount is less than the carrying amount, an impairment loss is recorded.

If the asset has a Revaluation Reserve balance, impairment losses are offset against that first, up to the gain amount. Once the reserve balance is depleted, the loss is charged to the Comprehensive Income and Expenditure Statement.

If the impairment is later reversed, the Comprehensive Income and Expenditure Statement is credited (up to the original loss), adjusted for depreciation that would have applied.

Assets Held for Sale / Disposals
When an asset is no longer in use and it seems likely it will be sold, it is reclassified as an Asset Held for Sale. Before reclassification, it is revalued, then carried at the lower of revaluation or fair value less selling costs. Subsequent reductions in carrying value are posted to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Subsequent increases in carrying value are recognised only up to the amount of any losses previously recognised in the Comprehensive Income and Expenditure Statement. There is no depreciation on Held for Sale assets.

Assets no longer meeting the criteria to be classified as Assets Held for Sale 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 sold or decommissioned, its carrying value is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement, offset against any sale proceeds. Disposal gains and losses do not affect the General Fund. These are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement. Any revaluation gains for the asset are transferred from Revaluation Reserve to Capital Adjustment Account.

Sale proceeds are capital receipts, which are credited to the Capital Fund for contributing towards new capital investment or reducing the Council's underlying need to borrow. Receipts are appropriated to the Capital Fund from the General Fund Balance in the Movement in Reserves Statement.

Depreciation
Depreciation spreads the cost of Property, Plant and Equipment over their useful life. Exceptions are made for assets with infinite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. 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 the difference between current value depreciation and historical cost depreciation transferred 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).

Disposal gains and losses do not affect the General Fund. These are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

When parts of infrastructure are replaced, the Code assumes the old part's value is zero, since infrastructure assets are usually replaced when 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 where a contractor provides services and makes available property, plant and equipment to provide services for the duration of the contract. Because the Council is deemed to control the services and will own the assets at contract end, the assets are shown on the Council's Balance Sheet as Property, Plant and Equipment. Initially, the assets are recorded at fair value, with matching liabilities for payments due to the contractor. These assets are revalued and depreciated like other Council-owned assets.

Payments to PFI operators each year include:

1. Service costs – charged to the relevant service line in the Comprehensive Income and Expenditure Statement.

2. Finance cost – interest on the liability, included in Financing & Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement.
3. Contingent rent – extra costs payable during the contract. This 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
4. Liability repayment – reduces the Balance Sheet liability (similar to a finance lease).
5. Lifecycle costs – added to PPE but treated as non-value adding.

Service Concession Agreements are accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. With effect from 1 April 2024, IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS16, if future payments change due to indexation or rate changes, the lease liability is recalculated. Instead of expensing the increase, the liability is updated using the new present value of future payments.

Service Concession Arrangement flexibility application
In 2022, the Scottish Government allowed councils to change how they account for PFI repayments. Service Concession Arrangement (SCA) flexibility allowed councils to spread principal repayments over a longer period. This created a one-off credit to the General Fund and ongoing annual savings until the contract ends, followed by repayments after the contract ends until the debt is fully cleared.

The Statutory Regulation in relation to this matter, Local Government Finance Circular 10/2022 (FC 10/2022), was published in September 2022 and applied to PFI/service concession agreements signed before April 2022.

The Council adopted this change in 2023/24 for all three of its PFI arrangements.

The annual unitary charge will continue to be paid to contractors 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
For its debt liability recalculation (PFI Flexibility), the Council uses the annuity method to spread revised repayments. This method best reflects how assets yield benefits over their useful life and is consistent with the Council's Loans Fund policy for borrowing repayments. The Annuity Method also considers the time value of money (paying later is less costly).

The useful lives of the assets are based on the Council's asset register (typically 40–60 years for SCA assets).

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.

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 annual adjustments will be similarly applied until the end of the contract period for each of the three SCAs. Thereafter movements from the General fund to the Capital Adjustment Account will be made for the remainder of the assets' useful lives, such that there is no General Fund benefit over the assets' useful lives.

S. Provisions, Contingent Liabilities and Contingent Assets

<u>Provisions – General</u>
A provision is made when:
1. An event creates a legal or constructive obligation for the Council.
2. It's likely the Council will have to settle it.
3. The amount can be reliably estimated.

Provisions are charged as an expense and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Provisions are reviewed annually. If payment is no longer likely or is expected to be lower than previously anticipated, the provision is reversed and credited back appropriately.

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), income will only be recognised if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities
Contingent liabilities are possible obligations that depend on uncertain future events outside the Council's control. They also occur when a provision would normally be made, but payment is unlikely, or the amount cannot be reliably estimated. Contingent liabilities are not shown on the Balance Sheet, they are only disclosed in the notes to the accounts.

Contingent Assets
Contingent assets are possible assets that depend on uncertain future events outside the Council's control. They are not shown on the Balance Sheet but are disclosed in the notes if it's probable the Council will gain economic benefits.

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
Intangible assets are non-physical items the Council controls, like software licences. They are recorded as assets when they are expected to provide future benefits or service potential. These assets are initially measured at cost and, since none can be revalued using an active market, they are carried at amortised cost. Their value is reduced (amortised) over their useful life and charged to the Comprehensive Income and Expenditure Statement. If an asset is impaired or disposed of, any loss or gain is also recorded there.

For statutory purposes, these charges (amortisation, impairment, disposal gains/losses) do not affect the General Fund Balance. They are reversed in the Movement in Reserves Statement and posted to the Capital Adjustment Account, and any sale proceeds go to the Capital Receipts Reserve.

W. Fair Value Measurement
The Council values some non-financial assets and financial instruments at fair value 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 market transaction. This assumes the sale happens in either the main market for the asset or liability, or if none exists, the most advantageous market.

Valuations use market-based assumptions and aim to reflect the asset's highest and best use. The Council applies suitable valuation techniques using available data, prioritising observable inputs over unobservable ones. Inputs are categorised within the fair value hierarchy:

- Level 1: Quoted prices in active markets for identical items.
- Level 2: Other observable inputs (direct or indirect).
- Level 3: Unobservable inputs.

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

The Code requires councils to disclose the impact of any upcoming accounting changes from new standards that have been issued but not yet adopted. There is nothing to disclose in this respect.

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 3 separate service concession arrangements (further details of these are disclosed at Note 29). The Council is also deemed to control the residual value of the property at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to these arrangements and the relevant properties (net value £239m) are 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 take 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 2026 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 2025/2026, the Council's actuaries advised that the net pensions liability had decreased by £1.3m. 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 2026, the Council has a gross balance for short-term sundry debtors of £135.025m, including local taxation and housing rent debtors. A review of the different categories of debt has concluded that an overall allowance	If collection rates were to deteriorate, an increase in the amount provided for doubtful debts would require to be charged.

	for impairment of £47.297m 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.	

5 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

2024/2025 £000		2025/2026 £000
(3,046)	(Gains) / losses on the disposal of non current assets	1,335
-	Impairment of Assets Held for Sale	1,084
(3,046)	**Total**	**2,419**

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

2024/2025 £000		2025/2026 £000
39,019	Interest payable and similar charges	40,484
(501)	Net interest on the net defined benefit liability (asset)	1,153
(1,358)	Interest receivable and similar income	(2,387)
0	Changes in the fair value of investment properties	4,800
(1,142)	Net income from investment properties	(921)
(160)	Share of Tayside Contracts surplus	(445)
(1,065)	Scottish Government contribution to DBFM interest costs	(1,094)
(852)	SG contribution to DBFM loan repayment costs	(808)
-	SG Learning Estate Investment Programme funding	(2,189)
50	Dovetail loans write off costs less Studio Dundee recovery	-
1,370	Trade Debtors Impairment Allowance	2,006
35,361	**Total**	**40,599**

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

2024/2025 £000		2025/2026 £000
(66,343)	Council Tax Income	(71,326)
(73,695)	Contribution from national non domestic rates pool	(71,406)
(318,014)	Non-ring-fenced government grants	(340,031)
(26,042)	Capital grants and contributions	(31,417)
(63)	Donated asset	(45)
(484,157)	**Total**	**(514,225)**

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 2025 £000	31 March 2026 £000
Distribution from non-domestic rate pool	73,695	71,406
Non-domestic rate income retained by authority (BRIS)	-	-
Non-domestic rate income credited to the comprehensive income and expenditure statement	**73,695**	**71,406**

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

2024/2025		2025/2026
£000		£000
312,342	Employee benefit expenses	317,038
75,676	Property costs	74,954
11,148	Supplies & services	18,115
6,095	Transport	6,264
52,169	Transfer payments	44,089
309,131	Third party payments	300,896
3,271	Support service recharges	4,133
101,789	Depreciation, amortisation and impairment	178,536
39,019	Interest payments	40,483
1,029	Precepts and levies	1,174
911,669	**Total Expenditure**	985,682
(218,425)	Fees, charges and other service income	(185,977)
(2,500)	Interest and investment income	(3,308)
(66,343)	Income from Council Tax	(71,326)
(558,085)	Government grants and contributions	(607,884)
(3,045)	Loss on disposal of non-current assets	1,335
(848,398)	**Total Income**	**(867,160)**
63,271	**(Surplus) or Deficit on the Provision of Services**	**118,522**

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. "CIES" below refers to the Comprehensive Income and Expenditure Statement.

	Usable Reserves					
2024/2025	**General Fund Balance £000**	**HRA Balance £000**	**Capital Fund £000**	**Capital Grants & Receipts Unapplied Account £000**	**Movement in Unusable Reserves £000**	**Total 2024/2025 £000**
Adjustments involving the Capital Adjustment Account:						
Reversal of items debited or credited to the CIES:						
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 CIES	2,824	222	(1,247)		(1,799)	
Insertion of items not debited or credited to the CIES:						
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					
	General Fund Balance £000	HRA Balance £000	Capital Fund £000	Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2024/2025 £000
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	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 CIES (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**	**-**

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

2025/2026	Usable Reserves					
	General Fund Balance £000	HRA Balance £000	Capital Fund £000	Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2025/2026 £000
Adjustments involving the Capital Adjustment Account:						
Reversal of items debited or credited to the CIES:						
Charges for depreciation and impairment of non-current assets	(113,483)	(20,306)	-	-	133,789	-
Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	(5,884)	-	-	-	5,884	-
Donated assets	45	-	-	-	(45)	-
Capital grants and contributions that have been applied to capital financing	30,278	1,139	-	-	(31,417)	-
Revenue expenditure funded from capital under statute	(454)	-			454	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,380)	45	-	-	1,335	-
Insertion of items not debited or credited to the CIES:						
Statutory provision for the financing of capital investment	19,124	12,580	-	-	(31,704)	-
Capital expenditure charged against the General Fund and HRA balances	2,296	-	-	-	(2,296)	-
Statutory repayment of debt (PPP) flexibility adjustment	(4,376)	-	-	-	4,376	-
Adjustments involving the Capital Fund:						
Capital Fund applied to finance new capital expenditure	-	-	1,055	-	(1,055)	-
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions applied to finance new capital expenditure	-	-	-	50	(50)	-

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

2025/2026 (continued)	Usable Reserves					
	General Fund Balance £000	HRA Balance £000	Capital Fund £000	Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2025/2026 £000
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	219	73	-	-	(292)	-
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 CIES (see note 20)	(23,650)	(559)	-	-	24,209	-
Employer's pensions contributions & direct payments to pensioners payable in the year	26,990	828	-	-	(27,818)	-
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	(359)	4	-	-	355	-
Total Adjustments 2025/2026	**(70,634)**	**(6,196)**	**1,055**	**50**	**75,725**	**-**

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.

2025/2026	Balance at 1 April 2025 £000	Transfers Out 2025/2026 £000	Transfers In 2025/2026 £000	Balance at 31 March 2026 £000	Purpose of the Earmarked Reserve
General Fund					
On-street Car Parking Balances	(1,716)	-	(1,669)	(3,385)	Statutory on-street car parking reserve
Second Homes etc Discount Reduction	(2,458)	-	(419)	(2,877)	To fund new social housing
Organisational Change Fund	(2,169)	279	-	(1,890)	To fund service transformation initiatives
Budget Carry Forwards	(1,509)	1,296	(590)	(803)	To fund underspends carried forward from previous year
Covid Costs	(1,550)	700	-	(850)	To fund Covid-related costs and income shortfalls
Covid Recovery Fund	(405)	405	-	-	To fund Covid recovery initiatives
Service Change Fund	(5,000)	149	-	(4,851)	To fund service change initiatives
Regional Performance Centre	(384)	-	(64)	(448)	To fund asset replacements
Roof maintenance cost pressures	(1,875)	1,134	-	(741)	To fund additional roof maintenance cost pressures
Cost of Living pressures	(135)	35	-	(100)	To fund Cost of Living pressures
Employability	(650)	650	-	-	To fund employability cost commitments
Service concessions flexibility	(39,773)	4,376	(4,376)	(39,773)	To fund cost of unwinding service concessions flexibility over the life of the assets
Community Regeneration Partnership	-	-	(355)	(355)	To fund CRF commitments
Children Services pressures	(1,033)	1,033	-	-	Funded cost pressures in third party payments
Ash dieback	(200)	200	-	-	To fund removal of infected and dangerous ash trees
Total - Earmarked Balances	**(58,857)**	**10,257**	**(7,473)**	**(56,073)**	
Uncommitted General Fund Balances	(8,174)	-	(506)	(8,680)	To fund unforeseen / emergency expenditure
Total - General Fund Balances	**(67,031)**	**10,257**	**(7,979)**	**(64,753)**	

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.

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 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)**	

Earmarked reserve for PFI Service Concession Arrangement Flexibilities

In accordance with Accounting Policy R on page 52 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 2025/26	(39,773)	(12,231)	12,231	(39,773)
Payable 2026/27	(39,773)	(4,567)	4,183	(40,157)
Payable 2-5 years	(40,157)	(18,822)	14,800	(44,179)
Payable 6-10 years	(44,179)	(29,082)	14,154	(59,107)
Payable 11-15 years	(59,107)	(22,640)	9,324	(72,423)
Payable 16-20 years	(72,423)	(6,618)	4,495	(74,546)
Payable 21-25 years	(74,546)	22,113	(335)	(52,768)
Payable 26-30 years	(52,768)	30,133	(5,165)	(27,800)
Payable 31-35 years	(27,800)	41,313	(9,994)	3,519
Payable 36-40 years	3,519	22,436	(14,824)	11,131
Payable 41-45 years	11,131	14,620	(19,654)	6,097
Payable 46-48 years	6,097	3,118	(9,215)	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 2025 £000		31 March 2026 £000
(757,465)	Revaluation Reserve	(746,585)
299	Financial Instruments Revaluation Reserve	348
(207,420)	Capital Adjustment Account	(130,278)
11,129	Financial Instruments Adjustment Account	10,837
28,391	Pensions Reserve	27,102
12,783	Employee Statutory Adjustment Account	13,138
(912,283)	**Total Unusable Reserves**	**(825,438)**

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.

2024/2025 £000		2025/2026 £000
(822,620)	**Balance at 1 April**	**(757,465)**
(59,418)	Upward revaluation of assets	(30,893)
84,321	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,236
24,903	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(29,657)
40,187	Difference between fair value depreciation and historical cost depreciation	38,408
65	Accumulated gains on assets sold or scrapped	2,129
(757,465)	**Balance at 31 March**	**(746,585)**

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

2024/2025 £000		2025/2026 £000
296	**Balance at 1 April**	**299**
-	Upward revaluation of investments	-
3	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	49
3		49
299	**Balance at 31 March**	**348**

Capital Adjustment Account

The Capital Adjustment Account records timing differences between how non-current assets are accounted for and how they are financed under statutory rules. It is:

- Debited when costs like depreciation, impairment, and amortisation are charged to the Comprehensive Income and Expenditure Statement (with adjustments from the Revaluation Reserve to convert fair value to historical cost).
- Credited when the Council sets aside funds to finance asset purchases or improvements.

The account also holds:

- Gains and losses on investment properties and donated assets not yet used.
- Revaluation gains on Property, Plant and Equipment before April 2007 (before the Revaluation Reserve existed).

See Note 9 for details of all transactions except those involving the Revaluation Reserve.

2024/2025 £000		2025/2026 £000
(215,219)	**Balance at 1 April**	**(207,420)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
61,326	Charges for depreciation and impairment of non-current assets	133,790
272	Revenue expenditure funded from capital under statute	454
(1,799)	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	1,335
59,799		**135,579**
(66)	Adjusting amounts written out of the Revaluation Reserve	(2,129)
(191)	Other adjustments relating to IFRS 16 adoption, donated assets and long-term debt write off	(45)
59,542	Net written out amount of the cost of non-current assets consumed in the year	**133,405**
	Capital financing applied in the year:	
(767)	Use of the Capital Fund to finance new capital expenditure	(1,055)
(26,042)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(31,417)
(13)	Application of grants to capital financing from the Capital Grants Unapplied Account	(50)
4,255	Statutory repayment of debt (PPP) flexibility adjustment	4,376
(27,036)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(31,705)
-	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	-
(2,140)	Capital expenditure charged against the General Fund and HRA balances	(2,296)
(51,743)		**(62,147)**
-	Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	5,884
(207,420)	**Balance at 31 March**	**(130,278)**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account records timing differences between how income and expenses on certain financial instruments are accounted for and how they affect Council Tax under statutory rules. It mainly manages premiums paid when loans are redeemed early. These premiums are charged to the Comprehensive Income and Expenditure Statement when incurred, then reversed to this account in the Movement in Reserves Statement. The cost is then spread back to the General Fund Balance over the remaining life of the original loans, easing the impact on Council Tax.

2024/2025 £000		2025/2026 £000
11,444	**Balance at 1 April**	**11,129**
(305)	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(282)
(10)	Difference in interest on stepped rate loans (existing 31 March 2007)	(10)

(315)	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	(292)
11,129	**Balance at 31 March**	**10,837**

The balance on the Financial Instruments Adjustment Account relates to:

31 March 2025 £000		31 March 2026 £000
10,163	Premiums and discounts associated with the refinancing of loans	9,882
966	Borrowing where the loan is a stepped interest rate loan	955
-	Loans to third parties granted at less than market interest rates	-
11,129		**10,837**

Pensions Reserve

The Pensions Reserve records timing differences between how pension benefits are accounted for and how they are funded under statutory rules. The Council reports pension costs in the Comprehensive Income and Expenditure Statement as employees earn benefits, adjusting for inflation, assumptions, and investment returns. However, actual funding happens through employer contributions or direct payments. The debit balance shows the gap between benefits earned and resources set aside, but statutory arrangements ensure funding will be available when benefits are paid.

2024/2025 £000		2025/2026 £000
32,221	**Balance at 1 April**	**28,391**
(5,368)	Actuarial (gains) or losses on pensions assets and liabilities	2,291
77	Difference between actuarial pensions contribution figure and actual pensions contribution figure	30
28,771	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	24,209
(27,310)	Employer's pensions contributions and direct payments to pensioners payable in the year	(27,819)
28,391	**Balance at 31 March**	**27,102**

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.

2024/2025 £000		2025/2026 £000
13,446	**Balance at 1 April**	**12,783**
(13,446)	Settlement or cancellation of accrual made at the end of the preceding year	(12,783)
12,783	Amounts accrued at the end of the current year	13,138
(663)	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	355
12,783	**Balance at 31 March**	**13,138**

The above balance relates entirely to untaken holidays.

13 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2024/2025 £000		2025/2026 £000
(1,358)	Interest received	(2,387)
39,019	Interest paid	40,483
(182)	Dividends received	(175)

14 Cash Flow Statement – Investing Activities

2024/2025 £000		2025/2026 £000
119,686	Purchase of property, plant and equipment, investment property and intangible assets	72,226
3,094	Other payments for investing activities	3,010
(3,323)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(888)
(1,831)	Other receipts from investing activities	(2,123)
117,626	**Net cash flows from investing activities**	**72,225**

15 Cash Flow Statement – Financing Activities

2024/2025 £000		2025/2026 £000
(123,775)	Cash receipts of short and long-term borrowing	(53,800)
-	Other Receipts from Financing Activities - Financing Arrangement	-
8,068	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	8,666
11,318	Repayments of short- and long-term borrowing	19,545
(104,389)	**Net cash flows from financing activities**	**(25,589)**

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2025 £000	Financing Cash Flows £000	Non-cash Acquisition £000	Changes Other £000	31 March 2026 £000
Long-term Borrowings	(518,204)	2,834	-	-	(515,370)
Short-term Borrowings	(183,872)	(37,089)	-	-	(220,961)
Financing Arrangement Liabilities	(21,778)	388	-	-	(21,390)
Right of Use assets	(1,772)	640	(240)	-	(1,372)
On Balance Sheet PFI Liabilities	(204,029)	7,638	-	(614)	(197,005)
Total Liabilities from Financing	**(929,655)**	**(25,589)**	**(240)**	**(614)**	**(956,098)**

16 Cash Flow Statement – Cash and Cash Equivalents

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

31 March 2025 £000		31 March 2026 £000
254	Cash held by the Council	250
(11,455)	Bank current accounts	(5,042)
4,844	Short-term deposits with banks and building societies	7,442
(6,357)	**Total cash and cash equivalents**	**2,650**

17 Agency Services

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

	2024/2025 (Income) £000	2024/2025 Expenditure £000	2025/2026 (Income) £000	2025/2026 Expenditure £000
The main items of income and related expenditure which are included in the Comprehensive Income and Expenditure Accounts are:				
Non-Covid:				
Special Education services to Various Local Authorities	(1,274)	1,274	(1,397)	1,397
Scottish Water Income	(650)	-	(631)	-
Improvement Service - Implementation of National Entitlement Card	(1,667)	1,667	(1,054)	1,599
Storm Babet Flood Recovery Grant	-	-	-	-
The main items of income and related expenditure which are not included in the Comprehensive Income and Expenditure Accounts are:				
Non-Covid:				
Tay Cities Region Deal	(14,048)	14,048	(3,568)	3,568
	(17,639)	**16,989**	**(6,650)**	**6,564**

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:

	2024/2025 £000	2025/2026 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	456	473
Total	**456**	**473**

19 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are in the Teachers' Pension Scheme administered by the Scottish Government. The Council pays contributions based on a percentage of pensionable salaries. Although the scheme is technically a defined benefit scheme, it is unfunded and uses a notional fund, so the Council cannot identify its share of assets and liabilities. For accounting purposes, it is treated like a defined contribution scheme.

In 2025/26, the Council paid £27.4m (34.9% of pensionable pay) to the scheme, compared to £27.1m (34.9%) in 2024/25. No contributions were outstanding at year-end. The Council also covers extra costs for early retirements outside the scheme, which are accounted for as defined benefit obligations and are included in Note 20.

Expected contributions payable to the Scottish Public Pensions Agency for 2026/27 are £29.1m.

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 2026 were as follows –

Scheduled Bodies (11)

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

Admitted Bodies (28)

Abertay Housing Association
Angus Alive
Care Inspectorate
Culture Perth & Kinross
Dorward House
Duncan of Jordanstone College of Art
Dundee Citizens' Advice Bureau
Dundee Contemporary Arts Ltd
Dundee Science Centre
Dundee Voluntary Action
Forfar Day Care Committee
Highlands & Islands Airports Ltd
idverde
Leisure and Culture Dundee
Live Active Ltd
Mitie PFI Ltd
Montrose Links Trust
Montrose Port Authority
Perth & Kinross Countryside Trust
Perth & Kinross Society for the Blind
Perth Citizens' Advice Bureau
Perth Theatre Co Ltd
Robertsons Facilities Management
Rossie Secure Accommodation Services
Scottish Social Services Council
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, covering 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
The Council contributes to employees' post-employment benefits as part of their terms and conditions. Although payments are made after retirement, the obligation is recorded when benefits are earned.

The Council is part of the Local Government Pension Scheme (Tayside Pension Fund), a funded defined benefit scheme where both the Council and employees pay contributions which are invested to cover future liabilities. Benefits are based on career-average salary and service length.

The Council also pays discretionary pensions outside the main scheme. These are unfunded, so no assets exist to cover pension obligations.

Key risks include life expectancy, inflation, bond yields, investment performance, and legislative changes. These risks are partly managed by statutory rules that govern how pension costs are charged to the General Fund and Housing Revenue Account (see Note 1, item F)

Transactions relating to post employment benefits
The Council records the cost of retirement benefits when employees earn them, not when pensions are paid. However, Council Tax is based on the cash paid in the year, so these costs are reversed out of the General Fund through 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 2024/2025 £000	2025/2026 £000
Cost of Services:		
Service cost comprising:		
● current service cost	28,877	22,613
● past service costs	-	47
● (Gains)/Losses on settlements and curtailments	395	396
Financing and Investment Income and Expenditure		
● net interest on the defined liability	(1,046)	484
● administration expenses	545	669
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**28,771**	**24,209**
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)	30,867	(130,425)
● Other actuarial gains / (losses) on assets: impact of asset ceiling	145,308	166,561
● Changes in demographic assumptions	(3,664)	11,645
● Changes in financial assumptions	(175,083)	(49,223)
● Experience loss / (gain) on defined benefit obligation	(2,796)	3,733
● Difference between actuarial pensions contribution figure and actual pensions contribution figure	77	30
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**23,480**	**26,530**
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	(28,771)	(24,209)
Actual amount charged against the General Fund Balance for pensions in the year:		
● employers' contributions payable to scheme	27,310	27,819

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 2025 £000	Year to 31 March 2026 £000
Present value of defined benefit obligation	(1,143,235)	(1,139,806)
Fair value of plan assets	1,794,264	1,994,727
Sub total	**651,029**	**854,921**
IFRIC14 adjustment: effect of asset ceiling	(651,029)	(854,921)
Discretionary benefits arrangements	(28,391)	(27,102)
Net asset/(liability) arising from defined benefit obligation	**(28,391)**	**(27,102)**

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

	Year to 31 March 2025 £000	Year to 31 March 2026 £000
Opening defined benefit obligation	1,315,748	1,171,626
Current service cost	28,877	22,613
Interest cost	62,811	65,157
Contributions by scheme participants	9,638	9,523
Remeasurement (gains) and losses:		
● Changes in financial assumptions	(175,083)	(49,223)
● Changes in demographic assumptions	(3,664)	11,645
● Experience loss / (gain) on defined benefit obligation	(2,796)	3,733
Curtailments	395	396
Benefits paid	(61,463)	(65,803)
Past service costs	-	47
Unfunded pension payments	(2,837)	(2,806)
Closing defined benefit obligation	**1,171,626**	**1,166,908**

The Closing defined benefit obligation includes liabilities relating to discretionary benefits arrangements of £27.102m (31 March 2025: £28.391m).

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

	Year to 31 March 2025 £000	Year to 31 March 2026 £000
Opening fair value of fund assets	1,765,033	1,794,264
Interest	88,072	102,004
Remeasurement gains and (losses):		
● Return on plan assets, excluding the amount included in the net interest expense	(30,867)	130,425
● Other actuarial gains / (losses)	-	-
Employer contributions	27,233	27,789
Administration Expenses	(545)	(669)
Contributions by scheme participants	9,638	9,523
Benefits paid	(64,300)	(68,609)
Closing fair value of fund assets	**1,794,264**	**1,994,727**
Effect of asset ceiling	(651,029)	(854,921)
Adjusted closing fair value of fund assets	**1,143,235**	**1,139,806**

IFRIC14 adjustment: effect of asset ceiling

	Year to 31 March 2025 £000	Year to 31 March 2026 £000
Opening balance at 1 April	481,506	651,029
Effect of asset ceiling	169,523	203,892
Closing balance at 31 March	**651,029**	**854,921**

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 £854.921m. 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 2025		31 March 2026	
	£000	%	£000	%
Equities				
Consumer	136,193	7	118,955	5
Manufacturing	120,065	7	132,606	7
Energy and Utilities	39,424	2	52,652	3
Financial Institutions	141,569	8	130,656	7
Health and Care	87,809	5	81,904	4
Information Technology	177,409	10	251,562	13
Investment Funds Unit Trusts	482,050	27	688,382	36
Others	7,168	-	39,002	2
	1,191,687	**66**	**1,495,719**	**77**
Gilts				
Government Bonds	114,442	6	120,845	6
	114,442	6	120,845	6
Other Bonds				
Corporate Bonds (Investment Grade)	47,051	3	112,235	4
Investment Funds Unit Trusts	65,871	4	-	-
Others	5,228	1	11,223	-
	118,150	**8**	**123,458**	**4**
Property				
UK Property	272,254	15	199,591	10
Overseas Property	-	-	-	-
	272,254	**15**	199,591	10
Cash				
Cash and Cash Equivalents	97,731	5	55,114	3
Foreign Exchange	-	-	-	-
	97,731	**5**	**55,114**	**3**
Total	**1,794,264**	**100**	**1,994,727**	**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 2025			31 March 2026		
	Quoted %	Unquoted %	Total %	Quoted %	Unquoted %	Total %
Equities	39	27	66	71	6	77
Gilts	6	-	6	6	-	6
Other Bonds	8	-	8	4	-	4
Property	15	-	15	10	-	10
Cash etc	5	-	5	3	-	3
Total	**73**	**27**	**100**	**94**	**6**	**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 2025	31 March 2026
Life expectancy (years) from age 65 for current pensioners i.e. those retiring today:		
Men	18.8	19.4
Women	21.7	21.9
Life expectancy (years) from age 65 for future pensioners i.e. those retiring in 20 years time:		
Men	20.2	20.7
Women	23.2	23.4
Rate of inflation (RPI)	3.2%	3.3%
Rate of increase in salaries	3.9%	3.9%
Rate of increase in pensions	2.9%	2.9%
Rate for discounting scheme liabilities	5.8%	6.1%
Take-up of option to convert annual pension into retirement lump sum	50%	50%

Sensitivity Analysis
Estimating the defined benefit obligation depends on actuarial assumptions. Sensitivity analysis shows how changes in one assumption (while others stay the same) could affect the obligation. 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)	725	(709)
Rate of increase in salaries (increase or decrease by 0.1%)	-	-
Rate of increase in pensions (increase or decrease by 0.1%)	701	(681)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(670)	690

Impact on Future Cash Flows
The scheme aims to keep employer contribution rates stable. Contributions are reviewed every 3 years through an actuarial valuation. The valuation as at 31 March 2024 has set rates for 1 April 2025 to 31 March 2028. There's no minimum funding requirement, but contributions target full funding (100%) based on actuarial assumptions.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2027 are £24.513m. The actuarial assumption for the duration of past service liabilities is 14 years (2025/26: 14 years).

Expected contributions for the Discretionary Benefit Scheme in the year to 31 March 2027 are £3.067m.

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 2026 and 02 October 2026 that would require adjustments to the 2025/2026 Annual Accounts (i.e. no adjusting events).

22 Related Parties

The Council must disclose significant transactions with related parties—individuals or organisations that can potentially control or influence or be controlled or influenced by the Council. This helps readers understand whether the Council's independence or the other party's bargaining freedom could be affected.

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. 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 2024/2025		As at 31 March 2025			During 2025/2026		As at 31 March 2026	
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
1,604	-	-	1,906	Tayside Pension Fund	1,680	-	1,680	-

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

Other Entities Controlled or Significantly Influenced by the Council

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

During 2024/2025		As at 31 March 2025			During 2025/2026		As at 31 March 2026	
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
59	-	50	-	Ardler Village Trust Comp	120	-	-	-
-	16,021	-	-	Discovery Education PLC	-	16,578	-	-
127	841	29	-	Dovetail Enterprises (1993) Ltd	5	1	2	-
12	-	-	-	Dundee Contemporary Arts Ltd	9	-	1	-
148,431	112,278	-	1,426	Dundee Health & Social Care Integration Joint Board	156,022	116,999	8,976	1,864
-	540	-	-	Dundee Rep Theatre	-	-	-	-
5	325	-	-	Dundee Science Centre Enterprises Ltd	8	35	-	-
26	2,851	259	-	Hub East Central (Baldragon) Ltd	-	2,869	-	-
402	11,797	535	5	Leisure and Culture Dundee	566	11,813	625	363
15	13	-	-	Michelin Scotland Innovation Parc Limited	-	9	-	-
-	14	-	-	Studio Dundee Joint Venture Company Limited	-	17	-	-
-	-	121	-	Tay Cities Deal Joint Committee	-	12	-	125
212	-	102	163	Tay Road Bridge Joint Board	473	-	136	-
2,761	35,966	18,190	1,000	Tayside Contracts Joint Committee	2,972	29,484	13,754	1,727
106	956	192	132	Tayside Valuation Joint Board	92	1,176	201	-
-	352	-	-	V&A Dundee	-	350	-	-

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 2025 £000	31 March 2026 £000
Operational Building	20,609	22,347
Land	670	670
Total	**21,279**	**23,017**

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

Financing Arrangement Liabilities (net present value of minimum financing arrangement payments):	31 March 2025 £000	31 March 2026 £000
Current	388	400
Non-Current	1,675	1,726
Finance Costs payable in future years	19,716	19,203
Total Minimum Financing Arrangement Payments	**21,779**	**21,329**

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

	Minimum Financing Arrangement Payments		Financing Arrangement Liabilities	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Not later than one year	753	759	365	359
Later than one year and not later than five years	3,069	3,091	1,394	1,366
Later than five years	25,357	24,436	5,641	5,232
	29,179	**28,286**	**7,400**	**6,957**

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 2026 the minimum payments expected to be received under non-cancellable sub-leases was £0.315m (£2.530m at 31 March 2025).

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%
2025/2026	4.49%

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 2025 £000	31 March 2026 £000
Value at 1 April	-	**1,772**
Initial recognition on adoption of IFRS 16	2,293	-
Additions in year	93	239
Principal repaid in year	(614)	(640)
Value at 31 March	**1,772**	**1,371**

Analysed by:	31 March 2025 £000	31 March 2026 £000
Other land and buildings	323	292
Vehicles, plant and equipment	1,449	1,079
Value at 31 March	**1,772**	**1,371**

Finance Lease Liabilities	31 March 2025 £000	31 March 2026 £000
Within one year	571	537
Between 2 and 5 years	1,009	715
Over 5 years	192	119
Total liabilities	**1,772**	**1,371**

Interest expense of £72k was charged to the Council Comprehensive Income and Expenditure in 2025/2026.

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 2025 £000	31 March 2026 £000
Not later than one year	162	119
Later than one year and not later than five years	55	122
Later than five years	142	130
	359	**371**

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:

	2024/2025 £000	2025/2026 £000
Minimum lease payments	274	233
Less Employee Contributions	(33)	(21)
	241	**212**

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 2025/26.

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:

	2024/2025 £000	2025/2026 £000
Not later than one year	7,467	8,412
Later than one year and not later than five years	23,726	25,092
Later than five years	93,456	96,212
	124,649	**129,716**

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:

	2024/2025 £000	2025/2026 £000
Rental income from investment property	1,404	1,251
Direct operating expenses arising from investment property	(262)	(330)
Net gain/(loss)	**1,142**	**921**

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:

	2024/2025 £000	2025/2026 £000
Balance at start of the year	13,073	13,073
Disposals	-	-
Net gains/(losses) from fair value adjustments	-	(5,338)
Transfers:		
- (to)/from Property, Plant and Equipment	-	(1,828)
Balance at end of the year	**13,073**	**5,907**

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 2026 are as follows:

Other significant observable inputs (Level 2)	Fair Value as at 31 March 2025 £000	Fair Value as at 31 March 2026 £000
Recurring Fair Value measurements using:		
Assets held for Capital Appreciation	7,589	691
Office Units	134	-
Commercial Units	5,350	5,216
Total	**13,073**	**5,907**

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.

	2024/2025 £000	2025/2026 £000
Opening Gross Book Value	5,882	6,706
Additions	824	952
Closing Gross Book Value	**6,706**	**7,658**
Opening Accumulated Amortisation	3,123	4,031
Amortisation Charge for the Year	908	1,050
Closing Accumulated Amortisation	**4,031**	**5,081**
Closing Net Book Value	**2,675**	**2,577**

26 Impairment Losses

Impairment losses charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement during 2025/2026 totalled £88.926m (2024/2025 £20.364m).

Of this total, £38.214m (2024/2025 £20.412m) relates to expenditure in the year which did not add value to assets. £14.127m (2024/2025 £14.724m) relates to expenditure on Council Houses, £3.622m (2024/2025 £2.691m) relates to expenditure on schools and the remaining £20.465m (2024/2025 £2.997m) relates to expenditure on other Council land & buildings and infrastructure.

The remaining £50.712m (2024/2025 £0.048m) relates to impairment charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement due to revaluation losses relating to land and buildings. These are largely technical revaluation adjustments required to notional asset carrying values, for example, following reclassification from one asset category to another. The valuation bases for asset categories vary, as disclosed in note 1 (P).

27 Property, Plant and Equipment
Movements in 2025/2026:

	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 PPE £000	DBFM Assets Included in PPE £000	SCA Assets Included in PPE £000
Cost or Valuation												
At 1 April 2025	**508,308**	**1,057,161**	**120,906**	**-**	**2,616**	**6,493**	**6,621**	**122,436**	**1,824,541**	**155,975**	**40,955**	**56,269**
Adjustments	-	-	-	-	608	-	-	2	**610**	-	-	-
Additions	14,127	20,876	4,487	11,169	191	856	-	16,842	**68,548**	502	112	**-**
Revaluation inc/(dec) recognised in the Revaluation Reserve	6,995	(2,047)	-	-	-	-	-	-	**4,948**	-	**-**	**-**
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(14,127)	(76,954)	(75)	(3,515)	-	-	-	(236)	**(94,907)**	(502)	(112)	**-**
Disposals		(1,062)	(648)	-	(315)	-	-	-	**(2,025)**	-	**-**	**-**
Reclassification within PPE	-	98,740	-	-	-	-	3,723	(110,222)	**(7,759)**	-	**-**	**-**
At 31 March 2026	**515,303**	**1,096,714**	**124,670**	**-**	**3,100**	**7,349**	**10,344**	**28,822**	**1,786,302**	**155,975**	**40,955**	**56,269**
Accumulated Depreciation and Impairment												
At 1 April 2025	**-**	**(24,237)**	**(103,123)**	**-**	**(619)**	**-**	**-**	**-**	**(127,979)**	**(996)**	**-**	**(2,877)**
Depreciation charge	(17,758)	(46,945)	(3,901)	(11,722)	(643)		-	-	**(80,969)**	(7,513)	(1,521)	(1,439)
Depreciation written out to the Revaluation Reserve	17,758	5,124	-	-	-			-	**22,882**	-	-	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	5,980	-	-	-		-	-	**5,980**	-	-	-
Disposals	-	16	546	-	315	-	-	-	**877**	-	-	-
Adjustments					(556)				**(556)**			
At 31 March 2026	**0**	**(60,062)**	**(106,478)**	**-**	**(1,503)**	**-**	**-**	**-**	**(168,043)**	**(8,509)**	**(1,521)**	**(4,316)**
Net Book Value:												
At 31 March 2026	**515,303**	**1,036,652**	**18,192**	**212,557**	**1,597**	**7,349**	**10,344**	**28,822**	**1,830,816**	**147,466**	**39,434**	**51,953**
At 31 March 2025	**508,308**	**1,032,924**	**17,783**	**216,624**	**1,997**	**6,493**	**6,621**	**122,436**	**1,913,186**	**154,979**	**40,955**	**53,392**

Comparative 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	-	-	-	-	2,253	-	-	-	**2,253**			
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**	**1,834,346**	**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**

Right of Use assets

Right of Use assets comprise Other Land & Buildings £0.278m and Vehicles, Plant & Equipment £1.319m as at 31 March 2026.

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 2026, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2026/2027 and future years budgeted to cost £35m. Similar commitments at 31 March 2025 were £44m. The major commitments are:

- Linlathen Phase 1 - Proposed Energy Efficiency Measures - £9.7m
- Increased Supply of Council Housing, Blackness Road - £5.4m
- Phase One Rectification Roofs - £1.9m
- MSD Pump/Tank replacement- £1.7m
- Vehicle Fleet Purchases - £1.3m

This gross expenditure of £35m will be funded from a combination of Council Borrowing, Grants and Contributions.

Effects of Changes in Estimates

In 2025/26, 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 2026, 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 2026, 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 2021/22 was the first year of the current revaluation programme. The effective date for the 2025/26 revaluations is 31 March 2026.

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 2026	-	(53,001)	-	-	**(53,001)**
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**	**107,572**	**210**	**1,906**	**149,442**

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.

	2024/2025 £000	2025/2026 £000
Opening Capital Financing Requirement	846,362	991,235
Capital investment		
Property, Plant and Equipment	121,146	67,480
Intangible Assets	824	953
Revenue Expenditure Funded from Capital under Statute	272	454
Sources of finance:		
Capital receipts	(2,076)	(888)
Government grants and other contributions	(26,042)	(31,417)
Transfer from Capital Fund & Grants Unapplied Account	(780)	(1,105)
Increase in debt required per IFRS 16 (see note below)	76,450	664
Application of PFI retrospective flexibility	-	-
Application of PFI in-year flexibility	4,255	4,376
Sums set aside from revenue:		
• Direct revenue contributions	(2,140)	(2,296)
• Loans fund principal	(27,036)	(31,704)
Closing Capital Financing Requirement	**991,235**	**997,752**
Explanation of movements in year		
Increase / (Decrease) in underlying need to borrowing (unsupported by government financial assistance)	72,142	9,953
Increase/ (Decrease) in PFI debt repayment flexibility	4,255	4,376
Increase/ (Decrease) in PFI/PPP obligation	61,035	(4,866)
Increase/ (Decrease) in DBFM obligation	3,870	(857)

Increase/ (Decrease) in Waste Service Concession Arrangement	2,175	(1,301)
Increase/ (Decrease) in Financing Arrangement	(376)	(388)
Increase/ (Decrease) in Right of Use liability	1,772	(400)
Increase/(decrease) in Capital Financing Requirement	**144,873**	**6,517**

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 iii.

29 Private Finance Initiatives and Similar Contracts

i) Education Services PFI Scheme

In 2025/26, the Council was in year 18 of a 30-year PFI contract with Discovery Education PLC. The contract covers the construction, maintenance, and facilities management of six new primary schools and two new secondary schools in the city. The Council can specify the services provided, prioritising education during the school day, followed by community use. The contract sets minimum service standards. If facilities are unavailable or standards are not met, payment deductions apply. The contractor is responsible for building the schools, maintaining them to an acceptable standard, and providing facilities management. At the end of the contract, the schools will transfer back to the Council at no cost.

Property, Plant, and Equipment
The schools are recorded as tangible fixed assets on the Authority's Balance Sheet. Changes in their value during the year are shown 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 2026 (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 2026/27	4,745	6,021	5,297	1,477	17,540
Payable within 2-5 years	20,195	27,197	18,170	9,094	74,656
Payable within 6 - 10 years	28,217	49,655	14,486	11,954	104,312
Payable within 11 - 15 years	12,533	29,952	2,171	1,681	46,337
TOTAL	**65,690**	**112,825**	**40,124**	**24,206**	**242,845**

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:

	2024/2025 £000	2025/2026 £000
Balance at the start of the year	**56,657**	**117,692**
Debt remeasurement required per IFRS 16	65,988	502
Payments during the year	(4,953)	(5,368)
Balance at year-end	**117,692**	**112,826**

ii) Baldragon DBFM Project

In 2025/26, the Council was in year 9 of a 25-year DBFM contract with Hub East Central (Baldragon) Ltd to design, build, maintain, and manage facilities for a new secondary school in the city. Dundee City Council moved into the school on 11 December 2018. The Council can specify services, prioritising education during the school day, then community use. The contract sets minimum service standards. If facilities are unavailable or standards are not met, payment deductions apply. The contractor is responsible for building the school, maintaining it to an acceptable standard, and providing facilities management. At the end of the contract, the school will transfer back to the Local Authority at no cost.

Property, Plant and Equipment
The school is recorded as tangible fixed assets on the Authority's Balance Sheet. Changes in value during the year is shown 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 2026 (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 2026/27	328	1,010	1,265	273	2,876
Payable within 2-5 years	1,400	4,582	4,547	1,182	11,711
Payable within 6 - 10 years	1,956	6,928	4,327	1,938	15,149
Payable within 11 - 15 years	2,212	8,641	2,499	2,432	15,784
Payable within 16 - 20 years	818	4,975	374	342	6,509
TOTAL	**6,714**	**26,136**	**13,012**	**6,167**	**52,029**

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:

	2024/2025 £000	2025/2026 £000
Balance at the start of the year	**23,123**	**26,993**
Debt remeasurement required per IFRS 16	4,818	112
Payments during the year	(948)	(969)
Balance at year-end	**26,993**	**26,136**

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 2026 (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 2026/27	4,908	1,434	4,614	-	10,956
Payable within 2-5 years	20,353	6,364	17,285	323	44,325
Payable within 6 - 10 years	24,307	10,580	18,637	1,968	55,492
Payable within 11 - 15 years	25,017	16,292	13,229	1,960	56,498
Payable within 16 - 20 years	23,693	23,373	5,621	473	53,160
Payable within 21 - 25 Years	-	-	-	-	0
TOTAL	**98,278**	**58,043**	**59,386**	**4,724**	**220,431**

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:

	2024/2025 £000	2025/2026 £000
Balance at the start of the year	**57,169**	**59,344**
Debt remeasurement required per IFRS 16	3,352	-
Repayments during the year	(1,177)	(1,301)
Balance at year-end	**59,344**	**58,043**

iv) Application of PFI Service Concession Arrangement Flexibilities

In accordance with Accounting Policy R on page 52 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 £52.004m as at 31 March 2026 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 2026 had the following impact on the 2025/26 Balance sheet (Capital Adjustment Account) and Movement in Reserves statement:

	Prior years £000	In-year £000	Total £000
Capital Adjustment Account (note 12)	47,628	4,376	52,004
Movement in Reserves Statement (Note 9)	(47,628)	(4,376)	(52,004)

30 Assets Held for Sale

	2024/2025 £000	2025/2026 £000
Balance at start of year	4,493	**4,448**
Assets newly classified as held for sale:		
Transferred from Property, Plant and Equipment	-	9,586
Revaluation gains/(losses)	-	(1,084)
Assets sold	(45)	(537)
Balance at year-end	**4,448**	**12,413**

31 Short Term Debtors

	31 March 2025 £000	31 March 2026 £000
Central government bodies	24,171	34,465
Other local authorities	7,938	18,022
NHS bodies	1,399	1,811
Public corporations and trading funds	165	216
Other entities and individuals	33,614	33,214
Total	**67,287**	**87,728**

32 Short Term Creditors

	31 March 2025 £000	31 March 2026 £000
Central government bodies	15,469	18,667
Other local authorities	3,539	1,887
NHS bodies	366	371
Public corporations and trading funds	719	535
Other entities and individuals	57,282	56,091
Total	**77,375**	**77,551**

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 2025	**2,562**	**167**	**164**	**277**	**3,170**
Additional provisions made in year	2,009	-	-	-	2,009
Amounts used in year	(1,804)	(154)	-	-	(1,958)
Unused amounts reversed in year	(243)	-	(107)	(277)	(627)
Balance at 31 March 2026	**2,524**	**13**	**57**	**0**	**2,594**

Self-Insured/Uninsured Losses

The Council operates a self-insurance arrangement under its Risk Management Policy to cover potential losses. This provision relates to ongoing insurance claims and legal cases and reflects the Council's share of estimated settlement costs. Insurance policies remain in place for major losses, such as the Braeview Academy fire. The provision includes all known liabilities, but claim settlement times vary and are outside the Council's control. The Council manages its own Insurance Fund and the residual funds of the former Tayside Regional and Dundee District Councils.

Claims Analysis:

- Employers' Liability: Claims have reduced over the last three years due to better health and safety and successful defence of older claims, lowering required provisions.
- Public Liability/Third Party: Values appear similar, but large reserves for unresolved court cases make comparisons difficult. Insurers are taking a tougher stance, leading to successful defences and reduced liability.
- Property Damage: Risk management investment has kept self-insured property costs stable.
- Motor Insurance: Accident claims remain steady, but injury claims over the last three years have significantly increased reserves and costs.

Construction Services

Following Covid-19, a provision was 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. This part of the provision has been released following a review as at 31 March 2026. The remaining provision relates to anticipated remedial works.

Corporate Services

A provision was 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 administration on 31 March 2025. Following a review as at 31 March 2026, this provision was released.

34 Contingent Liabilities

Guaranteed Minimum Pension (GMP)
The High Court's Lloyds ruling on GMP equalisation led some pension schemes to change their accounting. However, HM Treasury confirmed this ruling does not affect how public service pension schemes, including the Local Government Pension Scheme (LGPS), handle GMP equalisation and indexation.

In March 2021, the Government published the outcome of its consultation which concluded that all public service pension schemes must continue to provide full inflation increases (indexation) for members with GMP who reach State Pension Age after 5 April 2021. This makes permanent the interim solution that has applied since April 2016.

Tayside Pension Fund pays limited increases for members who reached State Pension Age by 6 April 2016, and the Government covers the rest. The Fund pays the full inflation increase for members reaching State Pension Age after that date. Since this approach matches the outcome of the Government consultation, no changes to pension liability values are needed.

The above Contingent Liability was also disclosed at 31 March 2025.

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 2025.

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 2025.

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 2025.

35 Contingent Assets

There were no Contingent Assets at 31 March 2026 (31 March 2025: nil).

36 Grant Income

The Council credited grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/2026. These included the following grants and contributions:

Credited to Taxation and Non-Specific Grant Income	2024/2025 £000	2025/2026 £000
RSG & Non-Specific Grants	(318,014)	(340,031)
Contribution from NNDR Pool	(73,695)	(71,406)
Capital Grants	(26,042)	(31,417)
Council Tax	(66,343)	(71,326)
Extended Producer Responsibility	-	(3,070)
Total	**(484,094)**	**(517,250)**

Credited to Services:	2024/2025 £000	2025/2026 £000
Private Sector Housing Grant	(649)	(650)
UK Government: UK Shared Prosperity Fund	(2,642)	(1,235)
UK and Scottish Governments: Employability	(5,292)	(3,697)
Scottish Government: Growth Accelerator Model	(2,898)	(3,398)
NHS Tayside: Alcohol & Drugs Project Team	(1,575)	(572)
Angus Council: Contribution to Joint Equipment Service	(976)	(1,045)
NHS Tayside: Integrated Care Fund	(2,178)	(2,178)
NHS Tayside: Social Care Integration Fund	(10,102)	(10,102)
NHS Tayside: Integration Funding	(12,859)	(17,223)
Various: Ukrainian Refugees	(1,106)	(1,200)
UK Government - Unaccompanied Asylum Seekers	(1,303)	(1,650)
Scottish Government: Attainment Challenge - SEF	(2,453)	(1,384)
Scottish Government: Pupil Equity Fund	(4,899)	(4,581)
Scottish Government: School Aged Childcare Early Adopters project	(672)	(1,036)
Criminal Justice Grant	(4,929)	(5,697)
Improvement Service: National Entitlement Card	(1,666)	(1,623)
DWP: Rent Allowances/Rebate Subsidies (previously Housing Benefit Subsidy)	(44,640)	(36,317)
DWP: Housing Benefit / Council Tax Benefit Administration	(769)	(722)
Other Miscellaneous Grants	(14,425)	(9,683)
Total	**(116,033)**	**(103,993)**

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 2025 £000	31 March 2026 £000
Section 75 Contributions	(4,171)	(5,514)
UK Govt: Department for Transport: Green Transport (Bell St)	(6,304)	-
UK Govt: Community Regeneration Partnership	-	(18,970)
UK Govt: Pride in Place	-	(750)
Scottish Government: Dundee Museum of Transport	-	(995)
Other Miscellaneous Capital Grants Receipts in Advance	(1,069)	(1,287)
Total	**(11,544)**	**(27,516)**

Revenue Grants Receipts in Advance:	31 March 2025 £000	31 March 2026 £000
Scottish & UK Government: Home Office: Ukrainian Refugees	(3,528)	(3,479)
Other Miscellaneous Grants	(2,104)	(2,359)
Total	**(5,632)**	**(5,838)**

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 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Investments				
Equity Instruments Designated at Fair Value Through Other Comprehensive Income & Expenditure	-	-	3,156	3,106
Unquoted equity investment at cost	29	29	-	-
Total investments	**29**	**29**	**3,156**	**3,106**
Debtors				
Loans and receivables:				
Cash and Bank	-	-	254	250
Other Short Term Deposits	-	-	4,844	7,442
Soft Loans	-	-	-	-
Other Loans at Market Rates	11,942	12,695	-	-
Financial assets carried at contract amounts:				
Sundry Debtors including trade receivables	-	-	67,287	87,728
Total Debtors	**11,942**	**12,695**	**72,385**	**95,420**
Borrowings				
Financial liabilities at amortised cost:				
Borrowing Repayable:				
Public Works Loan Board	(487,220)	(494,307)	(16,271)	(29,435)
Lender Option/Borrower Option	(30,965)	(20,955)	(411)	(209)
Other	(19)	(108)	(165,566)	(189,711)
Temporary Advances from Other Accounts	-	-	(1,624)	(1,606)
Bank Overdraft	-	-	(11,455)	(5,042)
Total borrowings	**(518,204)**	**(515,370)**	**(195,327)**	**(226,003)**
Creditors				
Financial liabilities carried at contract amount:				
Sundry creditors including trade payables	-	-	(77,375)	(77,551)
Total Creditors	**-**	**-**	**(77,375)**	**(77,551)**

Debtor Impairment Allowances

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 2026, these are as follows:

- Council Tax - the allowance of £26.890m (31 March 2025: £25.795m) 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 £6.023m (31 March 2025: £5.752m) 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 £8.103m (31 March 2025: £6.069m) 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 £5.675m (31 March 2025: £5.214m) 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 £0.607m (31 March 2025: £0.840m) 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.

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:

2024/2025 £000		Financial Liabilities Liabilities measured at amortised cost £000	2025/2026 Financial Assets Loans and receivables £000	Financial Assets Investments £000	2025/2026 Total £000
39,019	Interest Expense	40,483	-	-	40,483
39,019	Total expense in Surplus or Deficit on the Provision of Services	40,483	-	-	40,483
(1,358)	Interest Income	-	(2,387)	-	(2,387)
(1,358)	Total income in Surplus or Deficit on the Provision of Services	-	(2,387)	-	(2,387)
2	(Gains) or Losses on revaluation	-	-	50	50
2	(Gains) or Losses in Other Comprehensive Income & Expenditure	-	-	50	50
37,663	Net (gain)/loss for the year	40,483	(2,387)	50	38,146

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 2026 of 1.26% to 9.13% for loans from PWLB and 4.20% to 5.40% 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 2025		31 March 2026				
	Note	Carrying Amount £000	Fair Value £000	Principal Amount Outstanding £000	LOBO Accounting Adjustment £000	Add Accrued Interest £000	Carrying Amount £000	Fair Value £000
Financial liabilities:								

Borrowing Repayable:								
Public Works Loan Board	i	(502,913)	(376,569)	(518,820)	-	(4,921)	(523,741)	(384,325)
Lender Option/ Borrower Option (LOBO)	i	(31,376)	(22,001)	(20,000)	(955)	(209)	(21,164)	(13,486)
Other	i	(165,566)	(165,566)	(187,998)	-	(1,821)	(189,819)	(189,819)
Temporary Advances from Other Accounts	ii	(1,624)	(1,624)	(1,606)	-	-	(1,606)	(1,606)
Bank Overdraft	iii	(11,455)	(11,455)	-	-	-	(5,042)	(5,042)

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 2026, using bid prices where applicable.

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

ii) Temporary Advances from Other Accounts

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

iii) Bank Overdraft

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

	Note	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
Loans and receivables:					
Cash and Bank	i	254	254	250	250
Other Short term Deposits	i	4,844	4,844	7,442	7,442
Short-term debtors:					
Soft Loans	ii	-	-	-	-
Long-term debtors:					
Other Loans at Market rates	iii	11,942	11,942	12,695	12,695

- 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.

- 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.

- 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 is the chance that money owed to the Council, such as deposits with banks or amounts payable by customers, might not be repaid. The Council reduces this risk through its Annual Investment Strategy, which:

- Only allows deposits with banks and institutions that meet strict credit ratings (Fitch, Moody's, Standard & Poor's).
- Sets maximum limits for how much can be invested with each type of institution (e.g., £12m for top-rated banks, £10m for local authorities or money market funds).

Before providing goods or services, the Council checks customers' financial position and credit limits based on parameters set by the Council.

While there is always some risk that deposits may not be recovered, this is considered very unlikely. At 31 March 2026, there was no evidence of any losses.

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 2026 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2026 %	Estimated maximum exposure to default and uncollectability at 31 March 2026 £000	Estimated maximum exposure at 31 March 2025 £000
	A	B	C	(A x C)	
Financial Institutions (F1)	7,442	-	-	-	-

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 2025 £000	31 March 2026 £000
Less than one year	174,089	210,400
Between one and two years	22,511	20,012
Between two and five years	42,539	65,027
Between five and ten years	17,500	12,954
More than ten years	436,270	398,316
	692,909	**706,709**

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

Interest rate risk

The Council is affected by changes in interest rates on its loans and investments. If rates rise:

- Variable-rate loans: Interest costs go up.
- Fixed-rate loans: Market/ fair value of the debt falls (but this doesn't affect the Council's accounts).
- Variable-rate investments: Interest income goes up.
- Fixed-rate investments: Market/ fair value falls.

Only changes in variable-rate interest payments and income affect the Council's General Fund. Changes in the fair value of fixed-rate investments with a quoted market value are reflected in Other Comprehensive Income and Expenditure.

Managing the Risk

- The Council aims to keep no more than 30% of its borrowing at variable rates.
- When rates fall and it's cost-effective, fixed-rate loans may be repaid early.
- Government grant usually adjusts with interest rates, helping offset higher costs.

- The treasury team monitors interest rate exposure, updates the annual budget, and reviews quarterly to manage any changes. They also advise whether new borrowing should be fixed or variable.

According to this assessment strategy, at 31 March 2026, 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	1,865
Increase in interest receivable on variable rate investments	Nil
Impact on Surplus or Deficit on the Provision of Services	1,865
Share of overall impact debited to the HRA	466
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)	36,241

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 2025/2026, 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.

2024/2025 Total £000	Income and Expenditure	A £000	B £000	C £000	D £000	E £000	2025/2026 Total £000
(507)	Rental income	(8)	-	-	1	(477)	(484)
(75)	Interest on investments	(6)	-	-	(28)	(37)	(71)
(582)	**Total income**	**(14)**	**0**	**0**	**(27)**	**(514)**	**(555)**
352	Expenditure	14	-	-	42	320	376
(230)	**Net (income) / expenditure**	**0**	**0**	**0**	**15**	**(194)**	**(179)**

2024/2025 Total £000	Balance Sheet	A £000	B £000	C £000	D £000	E £000	2025/2026 Total £000
	Fixed Assets						
13,383	Operational Land and Buildings	2,451	3,150	189	1	7,628	13,419
384	Investment Properties	-	-	-	351	-	351
13,767	**Total Fixed Assets**	**2,451**	**3,150**	**189**	**352**	**7,628**	**13,770**
393	Cash at Bank	-	-	-	-	539	539
83	Debtors	-	-	-	-	63	63
1,754	Funds deposited with DCC Loans Fund	185	3	7	835	1,008	2,038
2,230	**Total Current Assets**	**185**	**3**	**7**	**835**	**1,610**	**2,640**
(90)	Creditors	-	-	-	-	(114)	(114)
2,140	**Net Current Assets**	**185**	**3**	**7**	**835**	**1,496**	**2,526**
15,907	**Net Assets**	**2,636**	**3,154**	**196**	**1,187**	**9,124**	**16,296**
	Analysis of Fund Balances						
5,928	Revaluation Reserve	2,451	3,150	189	352	-	6,142
9,978	Revenue Reserve	185	3	7	835	9,124	10,154
15,906	**Total reserves**	**2,636**	**3,153**	**196**	**1,187**	**9,124**	**16,296**

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 £2.636m as at 31 March 2026 (31 March 2025: £2.461m).

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 £3.153m as at 31 March 2026 (31 March 2025: £3.081m).

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 2026 (31 March 2025: £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 £1.187m as at 31 March 2026 (31 March 2025: £1.236m).

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 £9.124m as at 31 March 2026 (31 March 2025: £8.932m).

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.

2024/20245 Total £000	Income & Expenditure	2025/2026 Total £000
(23)	Income	(19)
-	Expenditure	-
(23)	**Net (income) / expenditure**	**(19)**

2025 £000	Balance Sheet as at 31 March	2026 £000
	Current Assets	
557	Funds deposited with DCC Loans Fund	572
557	**Net Assets**	**572**
	Financed By Fund Balances and Reserves	
	Available for Use:	
557	Fund Balances	572
557		**572**

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 2025	**18,582**	**2,273**	**20,855**
Additions	45	-	45
Revaluations	120	-	120
31 March 2026	**18,747**	**2,273**	**21,020**

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 2025/26- £165k (2024/25- £63k)

There were no disposals in 2025/26 (2024/25- 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 2025 £000	31 March 2026 £000
PPP Schools Liability	112,171	106,804
DBFM School Liability (Baldragon)	26,018	25,126
Service Concession Arrangement Liability (Waste Project)	58,043	56,609
Financing Arrangement (Dundee House)	21,391	20,991
Right Of Use Liability	1,201	831
Total	**218,824**	**210,361**

Please note that Service Concession debt was remeasured during 2024/25 and 2025/26 to comply with the requirements of IFRS16. For more information on this, please refer to Note 28.

44 Long Term Debtors

	31 March 2025 £000	31 March 2026 £000
Advances to Tayside Contracts for capital expenditure	10,438	11,428
Loans to other organisations	259	257
Housing loans / mortgages	1,245	1,010
Total	**11,942**	**12,695**

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:

	2025/2026 Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	Internal Recharging Adj £000
Children & Families Services	245,681	(21,163)	224,518	-
Budgets Delegated to Dundee Health & Social Care Partnership	274,176	(157,178)	116,998	-
City Development	211,359	(48,597)	162,762	7,950
Neighbourhood Services	45,866	(25,724)	20,142	6,477
Chief Executive	18,266	(5,006)	13,260	1,428
Corporate Services	91,302	(58,939)	32,363	7,449
Construction	53,210	(52,093)	1,117	23,045
Housing Revenue Account	79,209	(65,191)	14,018	585
Discretionary NDR Relief	191	-	191	-
Tayside Valuation Joint Board	1,174	-	1,174	-
Miscellaneous Items	12,508	(5,952)	6,556	1,065
Cost Of Services	**1,032,942**	**(439,843)**	**593,099**	**47,999**

	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**

46 Revenue from Contracts with Service Recipients

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

2024/2025 £000	Revenue from contracts with service recipients:	2025/2026 £000
56,671	Housing Rents	59,198
3,260	Sheltered Housing Charge	3,459
3,190	Temporary Accommodation Properties	4,485
6,123	Residential Care	6,414
772	Non Residential Care	713
1,239	School Meals	1,211
612	Social Care Meals	540
3,410	Off Street Parking	3,628
2,411	On Street Parking	2,092
980	Building Warrants	1,203
601	Planning Applications	688
839	Trade Waste	862
629	Special Collections	699
940	Garden Waste Collections	951
533	Licensing	542
760	Burial Ground Charges	792
2,033	Miscellaneous	2,230
85,003	**Total Included in Comprehensive Income and Expenditure**	**89,707**

47 Debtors for Local Taxation

31 March 2025				31 March 2026		
Up to One Year £000	Over One Year £000	Total £000		Up to One Year £000	Over One Year £000	Total £000
1,714	956	2,670	Council Tax	1,938	1,119	3,057
3,246	2,928	6,174	NDRI	3,004	3,346	6,350
4,960	**3,884**	**8,844**	**Total**	**4,942**	**4,465**	**9,407**

48 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 2025/2026, 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 2025/2026, £3.566m drawdown of government grant had been made successfully. At the 31st March 2026, Grant due from Scottish Government was £1.950m and Grant payments due to projects were £1.950m.

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	2025/26 Approved Allocation £000	2025/26 Grant Claimed £000	2025/26 Grant Approved during year £000	Grant Claims and Payments Outstanding as at 31 March 2026 £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	-	97	97	97	32
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	1,995	15	15	15
CyberQuarter	11,700	6,000	5,700	943	959	959	368
Eden Campus	26,500	2,000	24,500	-	-	-	-
Just Tech	15,000	-	15,000	-	-	-	-
Growing the Tay Cities BioMedical Cluster	25,000	25,000	-	-	-	-	-
Perth Cultural Transformation (Perth Museum)	10,000	-	10,000	-	-	-	-
Pitlochry Festival Theatre	10,000	10,000	-	-	-	-	-
Project Beacon	5,200	-	5,200	-	-	-	-
Perth Innovation Highway	5,000	-	5,000	-	-	-	-
Regional Culture and Tourism Programme	27,000	27,000	-	800	385	385	385
Studio Dundee	3,000	3,000	-	-	-	-	-
Aviation Academy for Scotland	8,100	-	8,100	-	-	-	-
Rural Angus & Rural Perth and Kinross Highspeed Broadband	2,000	-	2,000	-	-	-	-
5G Digital Testbeds	2,000	2,000	-	125	120	120	32

Project	Grant Award £000	Funded By SG £000	Funded By UKG £000	2025/26 Approved Allocation £000	2025/26 Grant Claimed £000	2025/26 Grant Approved during year £000	Grant Claims and Payments Outstanding as at 31 March 2026 £000
Tay Cities Engineering Partnership	1,401	1,401	-	184	-	-	-
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**	**4,144**	**1,576**	**1,576**	**832**
Regional Skills and Employability Investment Programme	20,000	20,000	-	1,765	1,381	1,381	772
Tay Cities Engineering Partnership	599	599	-	173	79	79	39
Dundee Airport Investment	600	600	-	223	530	530	307
Total Revenue Grant	**21,199**	**21,199**	**-**	**2,161**	**1,990**	**1,990**	**1,118**
TOTAL	**300,000**	**150,000**	**150,000**	**6,305**	**3,566**	**3,566**	**1,950**

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:

	2024/2025 £000	2025/2026 £000
Expenditure	409	390
Income	(473)	(508)
Net Expenditure	**(64)**	**(118)**

The PMO is funded from partner local authorities, Higher and Further Education and Research partners. A combined underspend of £206,000 was carried forward to 2026/2027.

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

49 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	2025/26 £000
Expenditure							
Signage				7	89	79	28
IT Consultancy for Enforcement Software			2	2			
Planning			150	341	122		
Computer Software					101	33	12
Consultancy Support (Revenue)	1						
Equipment			1				
Communications							
Design/Development			2				
Postages						56	45
Other Revenue						16	
Staff Costs						125	134
Provision for Doubtful Debts						547	551
Office Improvements						58	
Total Expenditure	**1**	**-**	**155**	**350**	**312**	**914**	**770**
Income							
Transport Scotland (LEZ) Revenue	1		3			230	
Transport Scotland (LEZ) Capital			152	350	312	123	28
PCN Income (Including outstanding income)						1,388	1,421
Total Income	**1**	**-**	**155**	**350**	**312**	**1,741**	**1,449**

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.

2024/2025 £000		2025/2026 £000
100,791	Gross Council Tax levied and contributions in lieu	109,765
(92)	Adjustments for prior years Council Tax	(73)
100,699		109,692
	Adjusted for:	
(19,718)	Other discounts and reductions	(21,858)
(13,617)	Council Tax Reduction Scheme	(14,746)
(1,021)	Provision for Non-collection	(1,762)
66,343	**Net Council Tax Income per the Comprehensive Income and Expenditure Account**	**71,326**

The calculation of the Council Tax Base 2025/26:

	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	Total Equivalent Dwellings	Ratio to Band D	Band D Equivalents
Band A	28,293	3,213	33	16,633	509	20,689	240/360	13,808
Band B	17,514	1,449	55	8,210	294	13,876	280/360	10,792
Band C	9,989	957	67	3,883	118	8,012	320/360	7,122
Band D	9,836	510	77	3,037	92	8,525	360/360	8,525
Band E	7,839	761	82	1,840	70	6,527	473/360	8,576
Band F	2,638	90	27	514	26	2,395	585/360	3,892
Band G	1,172	17	15	190	20	1,083	705/360	2,121
Band H	42	5	-	9	5	32	882/360	78

TOTAL	54,914
Provision for non-collection (3.2%)	(1,757)
Council Tax Base	53,157

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 2025/2026 was £1,605.34.

Dundee City Council £ per year for 2025/2026:

Band A	£1,070.23
Band B	£1,248.60
Band C	£1,426.97
Band D	£1,605.34
Band E	£2,109.24
Band F	£2,608.68
Band G	£3,143.79
Band H	£3,933.08

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.

2024/2025 £000		2025/2026 £000
104,958	Gross rates levied and contributions in lieu	103,536
	Less:	
(30,918)	Reliefs and other deductions	(31,689)
(101)	Payments of interest	(219)
(5,092)	Write Off of uncollectable debt and allowance for impairment	(2,303)
68,847	**Net Non Domestic Rate Income**	**69,325**
(1,450)	Adjustment to Previous Years' Non-Domestic Rates	(2,274)
67,397	**Total Non Domestic Rate Income (before local authority retentions)**	**67,051**
-	Non Domestic Rates Retained by Authority	-
67,397	**Contribution to Non-Domestic Rate Pool**	**67,051**

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 2025/2026 was £0.498, the intermediate property rate was £0.554, payable when rateable value is between £51,000 and £100,000, and the higher property rate was £0.568, payable when rateable value exceeds £100,000.

	2025/2026 £000
Analyses of Rateable Values:	
Rateable Value at 1/04/2025	186,275
Running Roll (Full Year Rateable Value)	-
Rateable Value at 31/03/2026	197,618
Less: Wholly Exempt	(1,423)
Net Rateable Value at 31/03/2026	**196,195**
Dundee City Council's Rateable Values at 1 April 2026	**£000**
Commercial	85,819
Industrial and Freight Transport	36,754
Public Undertakings	7,211
Others	67,834
Total	**197,618**

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.

2024/2025 £000		2025/2026 £000
	Income	
56,671	Dwelling Rents	59,198
851	Non-dwelling Rents	855
4,944	Any Other Income	4,491
62,466	**Total Income**	**64,544**
	Expenditure	
(28,185)	Repairs and Maintenance	(28,609)
(14,395)	Supervision and Management	(13,758)
(148)	Rent, rates, taxes and other charges	(150)
(33,800)	Depreciation and Impairment on Non-Current Assets	(32,893)
(3,086)	Movement in the Impairment Allowance for Non-Trade Debtors	(3,133)
(79,614)	**Total Expenditure**	**(78,543)**
(17,148)	**Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement**	**(13,999)**
(489)	HRA Services' Share of Corporate and Democratic Core	(439)
(17,637)	**Net Cost for HRA Services**	**(14,438)**
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:	
222	Gain or (Loss) on Sale of HRA Non-Current Assets	45
(8,108)	Interest Payable and Similar Charges	(7,085)
-	Impairment of Assets Held for Sale	-
458	Interest and Investment Income	278
15	Pension Interest Cost and Expected Return on Pension Assets	(34)
-	Change in Fair Value of Investment Property	-
695	Capital Grants and Contributions Receivable	1,139
43	Movement in the Impairment Allowance for Trade Debtors	(19)
(24,312)	**Surplus or (Deficit) for the Year on HRA Services**	**(20,114)**

Housing Revenue Account - Movement in Reserves Statement

2024/2025 £000		Notes	2025/2026 £000
(24,312)	Surplus or (Deficit) for the Year on HRA Income and Expenditure Statement		(20,114)
20,188	Adjustments between Accounting Basis and Funding Basis Under Statute	**1**	18,783
(4,124)	Net Increase or (Decrease) Before Transfers to or from Reserves		(1,331)
4,124	Transfers (to) or from Reserves	**2**	1,331
-	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

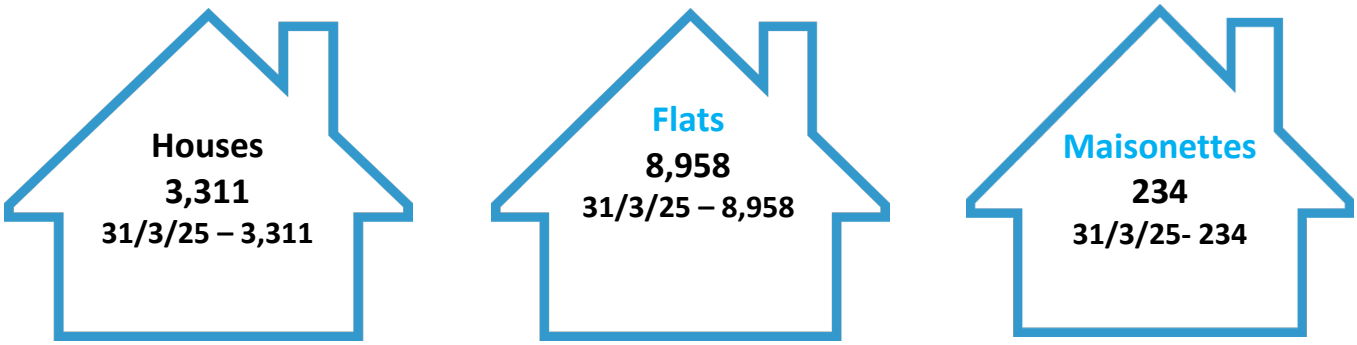
2024/2025 £000		2025/2026 £000
(222)	Gain or loss on sale of HRA non-current assets	(45)
-	Impairment of Assets Held for Sale	-
	Transfer to/from Revaluation Reserve:	
18,347	• Current Value Element of Depreciation Charge	18,530
	Transfer to/from Capital Adjustment Account:	
15,453	• Depreciation and Impairment - Housing Revenue Account Assets	14,363
(695)	• Capital Grants and Contributions	(1,139)
(12,616)	• Repayment of Debt	(12,580)
-	• Capital Financed from Current Revenue (CFCR)	-
-	Change in Fair Value of Investment Property	-
(12)	Short Term Accumulating Absences	(4)
16	HRA share of contributions to or from the Pensions Reserve	(269)
(83)	HRA Share of Transfer to/from the Financial Instruments Adjustment Account	(73)
20,188	**Total**	**18,783**

2 Transfers (to) or from Reserves

2024/2025 £000		2025/2026 £000
4,574	Transfer (to)/from the Renewal & Repair Fund	1,331
(450)	Transfer from General Fund (Funding for CFCR from Reduced Council Tax Discounts on long-term Empty Properties and Second Homes)	-
4,124	**Total**	**1,331**

3 Housing Stock

The Council's housing stock at 31 March 2026 was as follows:



4 Rent Arrears

Gross rent Arrears at 31 March 2026 were £6,241k (£5,692k at 31 March 2025).

5 Impairment of Debtors

In 2025/26 an impairment of £5,528k has been provided in the Balance Sheet for irrecoverable rents, a net increase of £440k from the provision in 2024/25.

6 Voids

The total value of uncollectable void rents was £2,107k (2024/25 £2,076k). This has been netted against rental income.

7 Accumulated Housing Revenue Account Balance

The Renewal & Repair Fund balance at 31 March 2026 was £5,277k, of which £1,861k was earmarked for the Housing Revenue Account.

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

2024/2025				2025/2026		
Gross Expenditure £000	**Gross Income £000**	**Net Expenditure / (Income) £000**		**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure / (Income) £000**
242,788	(21,908)	220,880	Children & Families Services	245,738	(21,163)	224,575
279,750	(167,840)	111,910	Dundee Health & Social Care Partnership	273,482	(157,178)	116,304
113,928	(33,098)	80,830	City Development	190,039	(32,697)	157,342
39,989	(12,372)	27,617	Neighbourhood Services	37,184	(16,319)	20,865
5,134	(2,004)	3,130	Chief Executive	5,021	(1,584)	3,437
86,206	(49,798)	36,408	Corporate Services	78,066	(41,459)	36,607
8,456	(8,009)	447	Construction	5,155	(6,003)	(848)
79,090	(61,942)	17,148	Housing Revenue Account	78,020	(64,021)	13,999
493	-	493	Discretionary NDR Relief	191	-	191
1,028	-	1,028	Tayside Valuation Joint Board	1,174	-	1,174
3,443	222	3,665	Miscellaneous Items	5,430	(752)	4,678
142	-	142	Common Good Fund	154	-	154
19,510	(8,166)	11,344	Leisure and Culture Dundee	20,210	(10,147)	10,063
879,957	**(364,915)**	**515,042**	**Cost Of Services**	**939,864**	**(351,323)**	**588,541**
		(3,405)	Other Operating Expenditure			2,130
		35,160	Financing and Investment Income and Expenditure			40,329
		(484,157)	Taxation and Non-Specific Grant Income			(514,225)
		62,640	**(Surplus) or Deficit on Provision of Services**			**116,775**
		3,039	Share of (Surplus) or Deficit on Provision of Services of Associates and Joint Ventures			2,927
		65,679	**Group (Surplus) or Deficit**			**119,702**
		24,585	(Surplus) or Deficit on revaluation of fixed assets			(29,657)
		317	Impairment losses on non-current assets charged to Revaluation Reserve			-
		2	(Surplus) or Deficit on Revaluation of available for sale financial assets			49
		(230)	Notional gain on adoption of IFRS 16			-
		(5,291)	Remeasurements of the net defined benefit liability (asset)			2,320
		-	Share of Other Comprehensive Income and Expenditure (Associates)			-
		19,383	**Other Comprehensive (Income) / Expenditure**			**(27,288)**
		85,062	**Total Comprehensive (Income) / Expenditure**			**92,414**

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.

	Revenue Reserves				Capital Reserves				
	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 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)**

	Revenue Reserves				Capital Reserves				
	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 2025	**(89,724)**	**-**	**(6,295)**	**(1,360)**	**(341)**	**(2,718)**	**(100,438)**	**(915,018)**	**(1,015,456)**
Movement in reserves during 2025/2026									
Total Comprehensive Expenditure and Income	99,587	20,115	-	-	-	-	**119,702**	(27,288)	**92,414**
Adjustments to Usable Reserves Permitted by Accounting Standards	(25,821)	(12,587)	-	-	-	-	**(38,408)**	38,408	**-**
Adjustments between Group Accounts and Council Accounts	(7,512)	-	-	-	-	-	**(7,512)**	(261)	**(7,773)**
Net (Increase)/Decrease before Transfers	**66,254**	**7,528**	**-**	**-**	**-**	**-**	**73,782**	**10,859**	**84,641**
Adjustments between Accounting Basis and Funding Basis Under Regulations	(70,634)	(6,196)	-	-	50	1,055	**(75,725)**	75,725	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	**(4,380)**	**1,332**	**-**	**-**	**50**	**1,055**	**(1,943)**	**86,584**	**84,641**
Transfers to/(from) Other Statutory Reserves	326	(1,332)	1,018	79	-	(91)	-	-	-
(Increase)/Decrease in 2025/2026	**(4,054)**	**-**	**1,018**	**79**	**50**	**964**	**(1,943)**	**86,584**	**84,641**
Balance at 31 March 2026	**(93,778)**	**-**	**(5,277)**	**(1,281)**	**(291)**	**(1,754)**	**(102,381)**	**(828,434)**	**(930,815)**

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 2025 £000		31 March 2026 £000
1,921,042	Property, Plant & Equipment	1,838,444
20,855	Heritage Assets	21,020
13,073	Investment Property	5,907
2,675	Intangible Assets	2,577
29	Long Term Investments	29
12,332	Investments in Associates	16,922
7,718	Long Term Debtors	9,267
1,977,724	**Long Term Assets**	**1,894,166**
9,676	Short Term Investments	10,812
1,175	Inventories	1,364
67,102	Short Term Debtors	85,901
-	Cash and Cash Equivalents	3,189
4,448	Assets Held for Sale	12,413
82,401	**Current Assets**	**113,679**
(183,164)	Short Term Borrowing	(220,000)
(75,110)	Short Term Creditors	(73,802)
(5,964)	Cash and Cash Equivalents	
(264,238)	**Current Liabilities**	**(293,802)**
(3,170)	Provisions	(2,594)
(518,204)	Long Term Borrowing	(515,370)
(28,689)	Pension Liability	(27,387)
(218,824)	Other Long Term Liabilities	(210,361)
(11,544)	Capital Grants Receipts in Advance	(27,516)
(780,431)	**Long Term Liabilities**	**(783,228)**
1,015,456	**Net Assets**	**930,815**
100,438	Usable reserves	102,381
915,018	Unusable Reserves	828,434
1,015,456	**Total Reserves**	**930,815**

The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

The notes on pages 116 to 120 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.

2024/2025 £000		2025/2026 £000
62,640	Net (Surplus) or Deficit on the provision of services	116,775
(71,203)	Adjust net (Surplus) or Deficit on the provision of services for non cash movements	(173,452)
3,323	Adjust for items included in the net (Surplus) or Deficit on the provision of services that are investing and financing activities	888
(5,240)	**Net cash flows from Operating Activities**	**(55,789)**
117,626	Investing Activities	72,225
(104,389)	Financing Activities	(25,589)
7,997	**Net (Increase) or Decrease in cash and cash equivalents**	**(9,153)**
2,033	Cash and cash equivalents at the beginning of the reporting period	(5,964)
(5,964)	**Cash and cash equivalents at the end of the reporting period**	**3,189**

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 2026 Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Dundee City Council (Single Entity)	73,356	825,438	898,794
Elimination of Intra-group balances within single-entity accounts	651	-	651
Tayside Contracts Joint Committee	4,614	3,645	8,259
Common Good Fund	3,322	(364)	2,958
Fleming Trust	8,164	-	8,164
Leisure & Culture Dundee	2,749	(285)	2,464
Dundee City Integration Joint Board	9,525	-	9,525
Total per Group Balance Sheet	**102,381**	**828,434**	**930,815**

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**

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 2025 £000	At 31 March 2026 £000
Dundee City Council (Single Entity)	(6,357)	(2,650)
Fleming Trust	393	539
Total per Group Balance Sheet	**(5,964)**	**(2,111)**

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	2024/2025 Group Share %	2024/2025 Net Expenditure / (Income) £000	2024/2025 Net Assets / (Liabilities) £000	2025/2026 Group Share %	2025/2026 Net Expenditure / (Income) £000	2025/2026 Net Assets / (Liabilities) £000
Subsidiaries:							
Common Good Fund	Sole Trustee	100.00	(26)	2,991	100.00	(9)	2,958
Fleming Trust	Sole Trustee	100.00	(194)	8,228	100.00	(195)	8,164
Leisure & Culture Dundee (see note below)	100% Control	100.00	10,984	2,818	100.00	9,704	2,464
Associates:							
Tayside Contracts Joint Committee	Share of Business	31.00	-	6,775	30.00	-	8,259
Design Dundee Limited (see note below)	Voting Rights	20.00	-	-	20.00	-	-
Joint Ventures:							
Dundee City Integration Joint Board	Equal Partnership	50.00	3,039	4,442	50.00	2,927	9,525
Total Group Entities			**13,803**	**25,254**		**12,427**	**31,370**
Dundee City Council (Single Entity)			82,654	990,028		98,229	898,794
Elimination of Intra-group balances within single-entity accounts			(11,395)	174		(11,247)	651
Dundee City Council (Group)			**85,062**	**1,015,456**		**99,409**	**930,815**

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 121. 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 2026 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 2026 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 2026 were used.

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. A £2m de-minimis on an organisation's net assets / liabilities has resulted in Tayside Valuation Joint Board being excluded in terms of being immaterial. For the purpose of consolidation and disclosure, unaudited accounts to the year ended 31 March 2026 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, unaudited management accounts to 31 March 2026 were used.

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

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

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

The Council also holds 10 "B" Ordinary Shares in Hub East Central (Baldragon) Midco Limited ("MidCo") representing a 10% 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. The administration process is currently close to conclusion and will likely be completed prior to the 31 March 2027.

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.

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).

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".

2024/2025 £000	Income & Expenditure Account	2025/2026 £000
	Income	
(168)	Dividends on Bonds / Shares	(163)
(168)		(163)
	Expenditure	
142	Other Expenditure	154
142		154
(26)	**(Surplus)/Deficit for Year**	**(9)**

2025 £000	Balance Sheet as at 31 March	2026 £000
	Current Assets	
2,991	Short Term Investments	2,959
2,991		2,959
	Current Liabilities	
-	Sundry Creditors	-
-		-
2,991	**Net Assets**	**2,959**
	Financed By Fund Balances and Reserves	
	Not Available for Use:	
(322)	- Financial Instruments Restatement Reserve	(364)
(322)		(364)
	Available for Use:	
3,313	- Common Good Balance	3,323
2,991		**2,959**

The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Paul Thomson CPFA
Executive Director of Corporate Services
Dundee City Council

1. SHORT TERM INVESTMENTS

Included within the Short Term Investments figure of £2,958,620 are investments in Bonds to the value of £2,836,292.

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 2026 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 2025/26 (the 2025/26 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 2026 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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 15 April 2026. My period of appointment is two years, covering 2025/26 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 and Audit 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 and Audit 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 Remuneration Report

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

Other information

The 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 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 am 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 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.

Pauline Gillen
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

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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AUDIT SCOTLAND

REPORT NO: 202-2026

Scrutiny and Audit Committee

02 October 2026

Dundee City Council – Registered Charities

Audit of the 2025/26 annual accounts

Independent Auditor's Report

1. My audit work on the 2025/26 annual accounts is now substantially complete. Subject to receipt of revised sets of annual accounts for final review, I anticipate being able to issue unmodified audit opinions in the Independent Auditor's Reports on 02 October 2026. The proposed Independent Auditor's Reports are attached at Appendix A (Dundee City Council Charitable Trusts), Appendix B (Lord Provost of Dundee Charitable Trust) and Appendix C (Fleming Trust).

Annual Audit Report

2. Under International Standards on Auditing in the UK (ISA (UK)), I am required to report specific matters identified from the audit of the annual accounts to those charged with governance of the registered charities administered by Dundee City Council in sufficient time to enable appropriate action. For the registered charities administered by Dundee City Council, those charged with governance are the members of the Scrutiny and Audit Committee at Dundee City Council. I present for the committee's consideration my draft Annual Audit Report on the 2025/26 audit. The section headed "Significant findings and key audit matters" sets out the issues identified in respect of the annual accounts, including those that I am required to report to you.

3. The Annual Audit Report also sets out conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice.

4. The Annual Audit Report will be issued in final form after the audit of the annual accounts has been completed.

Uncorrected misstatements

5. I also report to those charged with governance all uncorrected misstatements in the annual accounts which I have identified during the course of my audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. There are no uncorrected misstatements to report.

Other ISA (UK) matters

7. In presenting this letter and the Annual Audit Report to the Scrutiny and Audit Committee, I seek confirmation from those charged with governance on the following matters:

- if they are aware of any instances of actual, suspected, or alleged fraud,
- if they are aware of any subsequent events that have occurred since the date of the financial statements,
- if they are content that the methods, assumptions, and data used in making accounting estimates in the annual accounts are appropriate,
- if all related party relationships and transactions they are aware of are reflected in the annual accounts, and
- if they are aware of any non-compliance with laws and regulations.

8. Any issues that I have identified from my audit in relation to other ISA (UK) matters that I am required to report to those charged with governance have been reported in the section headed “Other matters to report” in the Annual Audit Report.

Representations from the Section 95 Officer

9. As part of the completion of the audit, I am seeking written representations from the Executive Director of Corporate Services, who is the Section 95 Officer, on aspects of the annual accounts, including the judgements and estimates made.

10. A draft letter of representations is attached at Appendix D. This should be signed and returned to me by the Section 95 Officer with the signed annual accounts prior to the Independent Auditor’s Report being signed.

Appendix A: Proposed Independent Auditor's Report – Dundee City Council Charitable Trusts

Independent auditor's report to the trustees of Dundee City Council Charitable Trusts 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 statement of accounts of Dundee City Council Charitable Trusts for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2026 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charities 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charities;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charities;
- inquiring of the Trustees concerning the charities' policies and procedures 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 charities' 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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride,
Audit Scotland,
4th Floor,
102 Westport,
Edinburgh,
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Appendix B: Proposed Independent Auditor's Report – Lord Provost of Dundee Charitable Fund

Independent auditor's report to the trustees of Lord Provost of Dundee Charitable Fund 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 statement of accounts of the Lord Provost of Dundee Charitable Fund for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2026 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charity 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures 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 charity'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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride,
Audit Scotland,
4th Floor,
102 Westport,
Edinburgh,
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Appendix C: Proposed Independent Auditor's Report – Fleming Trust

Independent auditor's report to the trustees of Fleming Trust 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 statement of accounts of Fleming Trust for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2026 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charity 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. 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 charity's ability 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are 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 trustees 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charity's operations, or have no realistic alternative but to do so.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;

- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures 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 charity'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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride,
Audit Scotland,
4th Floor,
102 Westport,
Edinburgh,
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Appendix D: Letter of Representations (ISA (UK) 580) [the Section 95 Officer should reproduce this on the audited body's letterhead]

02 October 2026

Joni McBride
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Dundee City Council Charitable Trusts, Lord Provost of Dundee Charitable Trust and Fleming Trust

Annual accounts 2025/26

Dear Joni McBride

This representation letter is provided in connection with your audit of the annual accounts of Dundee City Council Charitable Trusts, Lord Provost of Dundee Charitable Trust and Fleming Trust, hereafter referred to as 'the Trusts', for the year ended 31 March 2026 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, and for expressing other opinions on the Remuneration Report, Management Commentary, and Annual Governance Statement.

I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of the Trusts' annual accounts for the year ended 31 March 2026.

General

I have fulfilled my responsibilities for the preparation of the 2025/26 annual accounts as set out in your 2025/26 Annual Audit Plan. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the Trusts have been recorded in the accounting records and are properly reflected in the financial statements.

I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

The annual accounts have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 including all relevant presentation and disclosure requirements. The financial

statements also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 and guidance issued by the Office of the Scottish Charity Regulator (OSCR).

In accordance with the Local Authority Accounts (Scotland) Regulations 2014, I have ensured that the financial statements give a true and fair view of the financial position of the Trusts at 31 March 2026 and the transactions for 2025/26.

Accounting Policies and Estimates

The financial statements have been prepared on a receipts and payments basis or an accruals basis in accordance with the applicable regulations and the founding documents of the Trusts.

All material accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2025/26 Code, where applicable. Where the 2025/26 Code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to the Trusts circumstances and have been consistently applied.

The methodology, significant assumptions, and data used in making accounting estimates are reasonable, and have been properly reflected and disclosed in the financial statements in accordance with the 2025/26 Code. Judgements made in making estimates have been based on the latest available and reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

I have assessed the Trusts ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on the Trusts ability to continue to adopt the going concern basis of accounting.

Assets

All assets at 31 March 2026 of which I am aware have been reported in the financial statements.

All assets as at 31 March 2026 have been valued and in line with the accounting polices around asset valuations.

I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2026.

There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised in the financial statements.

Owned assets are free from any lien, encumbrance, or charge, except as disclosed in the financial statements.

Liabilities

All liabilities at 31 March 2026 of which I am aware have been reported in the financial statements.

Litigation and Claims

All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2025/26 Code.

Fraud

I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24, as adopted by the 2025/26 Code. I have made available to you the identity of all of the Trusts related parties and all the related party transactions of which I am aware.

Corporate Governance

The business of the Trusts is recorded in the systems of Dundee City Council. As section 95 officer for Dundee City Council, I confirm that there are no issues or deficiencies in internal control that require to be disclosed within the financial statements of the Trusts.

Events Subsequent to the Date of the Balance Sheet

All events subsequent to 31 March 2026 for which IAS 10, as adopted by the 2025/26 Code, requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

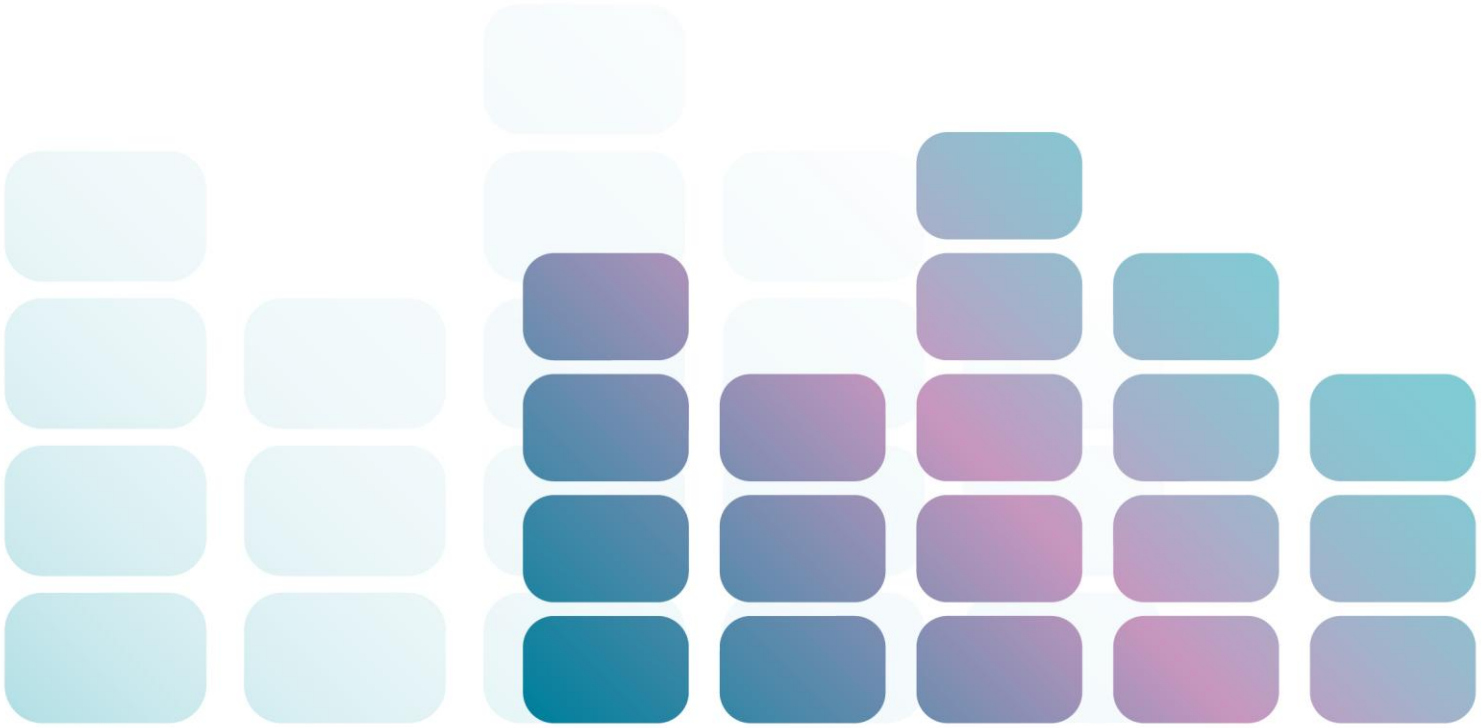
Paul Thomson

Executive Director of Corporate Services, Dundee City Council, for and on behalf of the trustees of the Trusts administered by Dundee City Council

Section 95 Officer

Dundee City Council Section 106 Charities

2025/26 Annual Audit Report



AUDIT SCOTLAND

Prepared for Dundee City Council Section 106 Charities and the Controller of Audit
October 2026

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key messages

Audit of the annual accounts

1 All audit opinions stated that the annual accounts were free from material misstatement.

2 Adjustments totalling £261,000 were made in relation to the valuation of land and buildings for Dundee City Council Charitable Trusts.

3 There were no significant findings or key audit matters to report for Lord Provost of Dundee Charity Fund and Fleming Trust.

Financial sustainability and Best Value audit

4 The Trusts have effective and appropriate arrangements in place for securing financial sustainability.

5 The Trusts have effective and appropriate arranges in place for securing Best Value.

Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2025/26 audit of Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust annual accounts.

2. The Annual Audit Report is addressed to Dundee City Council Charitable Trusts, Lord Provost of Dundee Charity Fund and Fleming Trust, hereafter referred to as 'the Trusts' and the Controller of Audit and will be published on Audit Scotland's website in due course.

Appointed auditor and independence

3. Joni McBride, of Audit Scotland, has been appointed as external auditor of the Trusts for the period from 2025/26 until 2026/27. Joni McBride as engagement lead and the audit team are independent of the Trusts in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the Trusts, including no provision of non-audit services.

Scope of the audit

4. Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charity's legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity administered by the council, irrespective of the size of the charity.

5. The council administers seven charities registered under section 106 but is only required to produce three sets of accounts covering these. The Dundee City Council Charitable Trusts (incorporating four trust funds), and the Lord Provost of Dundee Charity Fund accounts were both prepared on a receipts and payments basis. The Fleming Trust accounts were required to be prepared an accruals basis due to the size and asset base of the trust. The movement in the funds held by these charities during the year is shown in Exhibit 1.

6. Our duties as auditors of the charities administered by Dundee City Council are to:

- express an opinion on whether the charity's financial statements properly present the charity's financial position and are prepared in accordance with charities legislation

- read the trustees' annual report and express an opinion as to whether it is consistent with the financial statements
- report on other matters by exception to the trustees and to the Office of the Scottish Charity Regulator (OSCR).

Exhibit 1

Movement in funds held by charities administered by Dundee City Council

Charitable Trust Fund	Scottish Charity Number	Opening balance at 1 April 2025 £	Closing balance at 31 March 2026 £
Belmont Trust Estate	SC018900	2,461,704	2,375,021
Camperdown Estate	SC018899	3,081,268	3,153,268
William Dawson Estate Trust	SC018920	196,215	196,455
Hospital Fund	SC018896	1,236,066	1,187,485
Total funds of Dundee City Council Charitable Trusts		**6,975,253**	**6,912,229**
Lord Provost of Dundee Charity Fund	**SC027022**	**51,131**	**50,165**
Fleming Trust	**SC052182**	**8,929,429**	**9,124,065**

Source: Trustees report and accounts for the year ended 31 March 2026

Acknowledgements

7. We would like to thank the Trusts and its staff, particularly those involved in preparation of the annual accounts, for their cooperation and assistance during the audit.

Audit of the annual accounts

Main judgements

All audit opinions stated that the annual accounts were free from material misstatement.

Adjustments totalling £261,000 were made in relation to the valuation of land and buildings for Dundee City Council Charitable Trusts.

There were no significant findings or key audit matters to report for Lord Provost of Dundee Charity Fund and Fleming Trust.

Audit opinions on the annual accounts

8. The trusts annual accounts were approved by the Scrutiny and Audit Committee on 02 October 2026 and certified by the appointed auditor on 02 October 2026. The Independent Auditor's Report is included in the Trusts annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

9. The unaudited annual accounts and all working papers were received on 19 June 2026 in accordance with the agreed audit timetable.

Audit Fee

10. The audit fee for the 2025/26 audit was reported in the Annual Audit Plan and was set at £8,450. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Audit outputs and completion

11. The target date for issuing audit outputs and completion of the audit is set by the Accounts Commission. In setting the target date, consideration is given to the statutory date for approving the annual accounts, which is 30 September 2026 for local government bodies.

12. During the audit, the date of the Scrutiny and Audit Committee was moved to 02 October 2026 by the council and the audit team worked towards completion of the audit by this later.

Materiality

13. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual accounts.

14. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

15. Materiality levels for the audit of the Trusts were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual accounts. No changes were required to the materiality levels, which are outlined in Exhibit 2.

Exhibit 2
2025/26 Materiality levels for the trusts

Materiality	Dundee City Council Charitable Trusts	Lord Provost Charity Fund	Fleming Trust
Planning materiality: 2 per cent of net assets	£140,000	£1,200	£179,000
Performance materiality: 75 per cent of planning materiality	£105,000	£765	£134,000
Reporting threshold: 5 per cent of planning materiality	£7,000	£50	£9,000

Source: Audit Scotland

Significant findings and key audit matters

16. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged with governance, which for the Trusts is the Trustees via the Dundee City Council Scrutiny and Audit Committee.

17. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of

the financial statements and require most attention when performing the audit.

18. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

19. The significant findings and key audit matters to report are outlined in Exhibit 3.

Exhibit 3
Significant findings and key audit matters

Significant findings and key audit matters
Dundee City Council Charitable Trusts The Charities Accounts (Scotland) Regulations 2006 require any charity which prepares financial statements on a Receipts and Payments basis to also include a Statement of Balances. This statement should summarise assets held by the charity either at their current value, if available, or at cost. The Belmont Trust Estate holds land and building assets, and a Professional Valuer was engaged to provide a current value for these. We found that the valuation provided by the Professional Valuer had been incorrectly included in the Statement of Balances, resulting in the total balance of assets being overstated by £261,000. **Outcome:** Management corrected the audited 2025/26 annual accounts to reflect the correct valuation.

Source: Audit Scotland

Qualitative aspects of accounting practices

20. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the trust's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

21. The appropriateness of accounting policies adopted by the Trusts was assessed as part of the audit. These were considered to be appropriate to the circumstances of the Trusts, and there were no significant departures from the accounting policies set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Accounting estimates

22. Accounting estimates are used in a number of areas in the Trusts financial statements, including the valuation of land and buildings assets. Audit work considered the process management of the Trusts has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.
- There was no evidence of management bias in making the accounting estimates.

Disclosures in the financial statements

23. The adequacy of disclosures in the financial statements was assessed as part of the audit and these were found to be appropriate.

Significant matters discussed with management

24. All significant matters identified during the audit and discussed with the Trusts management have been reported in the Annual Audit Report.

Audit adjustments

25. Audit adjustments were required to the financial statements of Dundee City Council Charitable Trusts to correct misstatements that were identified from the audit. Details of all audit adjustments are outlined in Exhibit 4.

26. No audit adjustments were required to the financial statements of Fleming Trust or Lord Provost of Dundee Charity Fund greater than the reporting threshold of £9,000 or £50 respectively.

Exhibit 4
Audit adjustments

Details	Financial statements lines impacted	Statement of Financial Activities		Statement of Balances
Audit adjustments to financial statements		**Receipts**	**Payments**	
		£	**£**	**£**
Dundee City Council Charitable Trusts				
Belmont Trust's Land and Buildings were overstated by £261,000. Refer to Exhibit 3 above.		NA	NA	(261,000)

Source: Audit Scotland

27. Management of the Trusts processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatements to report.

Significant risks of material misstatement identified in the Annual Audit Plan

28. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in Exhibit 5.

29. In addition to the risk set out in the Annual Audit Plan, following receipt of the Annual Accounts and working paper package, we considered that a significant judgement was required in relation to estimation in the valuation of Investment Property and Other Land & Buildings for Dundee City Council Charitable Trusts. Focused audit work was undertaken, and we were satisfied that the valuation process was conducted by a suitably qualified Valuer, following the appropriate RICS standards. We were satisfied that the final valuations were not materially misstated, although we noted an error as described in Exhibit 3 above.

Conclusion on Financial Sustainability and Best Value

30. The Trusts are administered through the Dundee City Council's governance and financial management arrangements. As the Trusts do not employ staff or incur direct operating costs, the council's wider framework for financial management, governance and Best Value provides appropriate oversight of income, the custody of funds and the distribution of charitable grants.

31. Under the terms of Section 46 of the Charities and Trustee Investment (Scotland) Act 2005, we are required to report to the Office of the Scottish Charity Regulator (OSCR) any significant matter, including whether the charity continues to provide Public Benefit.

32. We were satisfied that each Trust continues to provide Public Benefit during 2025/26 and are likely to do so for the foreseeable future.

33. Collectively, these actions demonstrate effective arrangements for financial sustainability and Best Value, helping to ensure that trust resources are used efficiently and continue to support their charitable purposes.

Exhibit 5
Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	The audit team will: • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.	Audit work performed found: • The design and implementation of controls over journal processing were appropriate. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. **Conclusion:** no evidence of fraud caused by management override of controls.

Source: Audit Scotland

Dundee City Council Section 106 Charities

2025/26 Annual Audit Report

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

AS.5.0

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE – 2 OCTOBER 2026**

REPORT ON: **RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT TO TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO 31 MARCH 2026**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **203-2026**

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Council Trust Funds' external auditor on the audit of Dundee City Council Trust Funds for the year to 31 March 2026. A copy of following draft reports are also included on the agenda as separate items:

- External auditor's report (Report No 202-2026);
- Audited Dundee City Council Charitable Trusts Annual Accounts 2025/26 (Report No 204-2026);
- Audited Lord Provost of Dundee Charity Fund Annual Accounts 2025/26 (Report No 205-2026); and
- Audited Fleming Trust Annual Accounts 2025/26 (Report No 206-2026).

2 RECOMMENDATIONS

It is recommended that the Committee:

i notes the information in this report and the contents of the external auditor's report, and in particular that Audit Scotland have indicated they will issue an unqualified audit opinion on each of the 2025/26 Annual Accounts noted above.

ii authorises the Executive Director of Corporate Services to arrange for each of the Audited Annual Accounts noted above to be signed and then returned to the external auditor.

iii requires the Executive Director of Corporate Services thereafter to arrange for the above Annual Accounts, including copies of all audit certificates and accounts of the Council's subsidiary bodies to be published on the Council's website.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4 MAIN TEXT

4.1 Introduction

External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of Dundee City Council trust funds for the financial year 2025/26 was carried out by Ms Joni McBride, Senior Audit Manager (Audit Services), Audit Scotland. Local authority external auditors are appointed for a five-year period and financial year 2025/26 marked the fourth year of Audit Scotland's current appointment.

4.2 The accounts were submitted to Audit Scotland on 19 June 2026. The accounts have since been subject to a three-week statutory public inspection period and no objections were received.

4.3 External Auditor's Report

Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.

4.4 The report summarises the findings in relation to the overall audit of the Council trust funds for the year ended 31 March 2026. The attached report describes the scope of audit work undertaken during 2024/25 and any issues arising from that work.

4.5 Audit Adjustments

Through the audit process, a technical adjustment to the Charitable Trusts' financial statements was identified. Further details are provided in Exhibit 3 on page 8. This adjustment related to the valuation for Belmont Castle.

4.7 Summary of key figures

The usable funds for the charities referenced in this report are as follows:

Usable funds	**2024/25 £'000**	**2025/26 £'000**
Dundee City Council Charitable Trusts	1,046	1,031
Lord Provost of Dundee Charity Fund	51	51
Fleming Trust	1,091	1,496
Total usable funds	**2,188**	**2,578**

4.8 Action Plan

The external auditor has made no recommendations arising from the 2025/26 Council trust funds audits.

4.9 Conclusions

It is pleasing to note that the overall findings and conclusions are satisfactory. In particular, the Council can take encouragement from the fact that unqualified audit opinions will be issued.

4.10 Next steps

Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate and accounts of the Council's subsidiary bodies will then be published on the Council's website.

5 POLICY IMPLICATIONS

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

6 CONSULTATIONS

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

7 BACKGROUND PAPERS
None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES **23 SEPTEMBER 2026**

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ITEM No …3(f)(i)……

REPORT NO: 204-2026

DUNDEE CITY COUNCIL
CHARITABLE TRUSTS

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2026

AUDITED

02 October 2026

DUNDEE CITY COUNCIL CHARITABLE TRUSTS

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

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TRUSTEES' ANNUAL REPORT

LEGAL & ADMINISTRATIVE INFORMATION

Trustees

The Trustees of the Dundee City Council Charitable Trusts are the 29 councillors of Dundee City Council. Councillors are elected to serve for a period of five years. The last full Council election was held on 5 May 2022 and the first statutory meeting of the new Council took place on 23 May 2022. The following Councillors were in office during the 2025/26 financial year:

Bill Campbell (Lord Provost)	James Black
Mark Flynn (Leader of the Administration)	Ken Lynn
Daniel Coleman	Lee Mills
Stewart Hunter	Lynne Short
Bailie Kevin Keenan	Jax Finnegan
Wendy Scullin	Steven Rome
Roisin Smith	Bailie Willie Sawers
Siobhan Tolland	Bailie Will Dawson
Michael Crichton	Dorothy McHugh
Nadia El-Nakla	Bailie Christina Roberts
Bailie Fraser Macpherson	Kevin Cordell
Heather Anderson	Craig Duncan
George McIrvine	Bailie Derek Scott
Bailie Helen Wright	Pete Shears
Georgia Cruickshank	

Charitable Trusts' Principal Address

c/o Dundee City Council
City Square Complex
Dundee

External Auditor

The Charitable Trusts' appointed external auditor is:

Joni McBride - Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Banking Arrangements

The Charitable Trusts do not have a separate, dedicated bank account. Rather, funds are managed through Dundee City Council's main bank account. The Council's bankers are:

Royal Bank of Scotland plc
3 High Street
Dundee
DD1 9YL

ANNUAL REPORT 2025/26

Administrative Details

During the 2025/26 financial year, Dundee City Council acted as sole trustee for 4 Charitable Trusts that were registered with the Office of the Scottish Charity Regulator (OSCR). The Council administers these funds but the associated assets are not available to the Council and have not been included in the Council's Single Entity Balance Sheet. The Charitable Trusts are subsidiaries of Dundee City Council but are not included in the Council's Group Balance Sheet on grounds of immateriality.

Objectives & Activities

The key objectives and activities of the 4 registered Charitable Trusts for which the City Council acted as sole trustee during the 2025/26 financial year are listed below. The trustees have not identified any major risks to which the Charitable Trusts and Endowments are exposed.

Belmont Trust Estate (SC018900)

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.

Camperdown Estate Trust (SC018899)

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.

William Dawson Trust (SC018920)

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.

Hospital Fund (SC018896)

Issued under The Dundee Churches and Hospital Act 1864, "for behoof of the Poor of the Town".

Structure, Governance & Management Arrangements

During the 2025/26 financial year, the City Council was, in law, the sole trustee for the 4 registered Charitable Trusts listed above. Elected members of the Council are automatically appointed as trustees on an ex-officio basis. In most cases, however, responsibility for the day-to-day management of these trusts and endowments has been delegated to the relevant chief officers of the Council. The exception to this, where the elected members of the Council have a more active role as trustees, is as follows:

Hospital Fund (SC018896)

The Council's City Governance (CG) Committee (previously the Policy and Resources ("P&R") Committee) meets annually to approve disbursements from the Hospital Fund. All 29 members of the Council sit on the City Governance Committee, which is chaired by the Leader of the Administration. At a meeting held on 14 January 2013 it was agreed that no new applications would be invited and that instead a budget of £25,000 would be provided to pilot a targeted welfare benefit advice service in Dundee in 2013/14. It was subsequently agreed to extend this pilot to 31 March 2017. A peer review was carried out in March 2017 and it was agreed to continue the project for a further three financial years, to 31 March 2020. The P&R Committee held on 24 August 2020 agreed to extend this funding to 31 March 2021. At the P&R Committee on 31 October 2022, retrospective approval was given for the 2021/22 payment, as well payments for 2022/23. The P&R Committee held on 15 May 2023 agreed to increase the amount to £30,000 and to extend the funding to 31 March 2026. The CG Committee held on 11 May 2026 agreed to extend the funding to 31st March 2027. It was also agreed to maintain

this funding at £30,000 and to increase the lifetime grant payment to pensioners from £80 to £100.

Financial Administration

The financial administration of the 4 registered Charitable Trusts for which the City Council acted as sole trustee during the 2025/26 financial year is undertaken in accordance with the Council's approved Financial Regulations. The Financial Regulations contain the following specific references to Trusts and Charitable Funds:

"11.19 The Executive Director of Corporate Services shall ensure the proper and safe custody and control of all charitable funds held by the Council and shall ensure that all expenditure is in accordance with the conditions of the trustees etc.

- All officers acting as trustees by virtue of their official position shall deposit all securities etc relating to the trust or charitable fund with the Executive Director of Corporate Services.

- All investments of money shall be made by the Executive Director of Corporate Services in the name of Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.

  The Executive Director of Corporate Services and other relevant officers shall ensure compliance with the requirements of the Office of the Scottish Charities Regulator (OSCR)."

Financial Review

For the 2025/26 financial year, the total net deficit on the 4 registered Charitable Trusts was (£15,341) (2024/25: surplus £36,382). Total receipts were £52,773 (2024/25: £93,053) comprising investment income of £34,051 (2024/25: £44,055) and property rental income of £18,722 (2024/25: £48,998). Investment income relates solely to interest on surplus funds that are deposited with Dundee City Council's Loans Fund.

Property rental income relates to income from property leases at Belmont Trust Estate of £8,222 (2024/25: £8,222) and rental income of £10,500 from the buildings in Reform Street Dundee that are owned by the Hospital Fund. Payments for rents returned totalled (£11,342). This relates to credit notes for rental income accounted for in 2024/25, relating to commercial premises vacated since 10 April 2025. Rental income during 2024/25 totalled £48,998.

Total payments were £68,114 (2024/25: £56,671) inclusive of rents returned (£11,342). The net deficit of £15,341 (2024/25: surplus of £36,382) resulted in total usable charity funds of £1,030,750 as at 31 March 2026 (£1,046,091 as at 31 March 2025). Cash-backed reserves (i.e. Capital Account and Surplus Income) are operated in accordance with the charities' aims and objectives, as set out in the original founding documents. These documents will usually include restrictions on how such funds can be applied.

Achievements & Performance

During the 2025/26 financial year, within the total payments of £68,114 (2024/25: £56,671), the following costs were incurred in pursuit of the charities' objectives:

Belmont Trust Estate - £5,013 (2024/25: £6,980) was spent on repairs and maintenance and other property costs. In addition, there was a property insurance charge of £9,388 (2024/25: £9,388).

Hospital Fund - actual expenditure relates mainly to grants to local pensioners in financial need during the 2025/26 financial year was £1,280 (16 grants of £80) (2024/25: £1,760 (22 grants of £80)). A contribution from the fund of £30,000 was provided towards a targeted welfare benefit advice service in Dundee. In addition, expenditure of £10,639 (2024/25: £8,154) was incurred on property costs related to the buildings in Reform Street Dundee that are owned by the Hospital Fund.

Trustee Remuneration & Expenses

No trustees received any remuneration or expenses during the 2025/26 financial year (2024/25: £nil).

Signed on behalf of the trustees

Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

02 October 2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements which properly present an analysis of the incoming/outgoing cash and bank transactions for each financial year on a receipts and payments basis.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 9(1), (2), and (3) of The Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by the trustees on 02 October 2026 and signed on their behalf by:

Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

FINANCIAL STATEMENTS INTRODUCTION

Basis of Preparation

The following accounts have been prepared in accordance with the "connected charities" provision contained in Regulation 7 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Connected charities are defined as those having common or related charitable purposes, or charities which have common control or unity of administration. The City Council considers the 4 Charitable Trusts for which it acted as sole trustee during the 2025/26 financial year to be "connected" and has therefore taken the opportunity to prepare accounts collated into a single document.

External Audit

The financial statements are the subject of an external audit. Also, details of Charitable Trust Funds are incorporated within the City Council's Annual Accounts.

Further Information

Any queries regarding this document should, in the first instance, be addressed to:

Francois de Villiers FCA, CA(SA)
Accounting Strategy Manager, Corporate Services
Dundee City Council
50 North Lindsay Street
Dundee
DD1 3RF

(Email: francois.devilliers@dundeecity.gov.uk)
(Telephone: 07385 931075)

DUNDEE CITY COUNCIL CHARITABLE TRUSTS

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2026

	Belmont Trust Estate	Camperdown Estate Trust	William Dawson Trust	Hospital Fund	**Total**
	£	£	£	£	**£**
Receipts					
Investment Income	6,180	84	241	27,546	**34,051**
Rent	8,222	0	0	10,500	**18,722**
	14,402	**84**	**241**	**38,046**	**52,773**
Payments					
Charitable Activities	14,402	84	0	42,286	**56,772**
Rents returned	0	0	0	11,342	**11,342**
	14,402	**84**	**0**	**53,628**	**68,114**
Surplus / (Deficit) for the Year	**0**	**0**	**241**	**(15,582)**	**(15,341)**

These funds are deemed to be restricted, permanent endowment (capital) funds.

DUNDEE CITY COUNCIL CHARITABLE TRUSTS

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Belmont Trust Estate £	Camperdown Estate Trust £	William Dawson Trust £	Hospital Fund £	**Total £**
Receipts					
Investment Income	8,037	109	298	35,611	**44,055**
Rent	8,222	0	0	40,776	**48,998**
	16,259	**109**	**298**	**76,387**	**93,053**
Payments					
Charitable Activities	16,259	109	0	40,303	**56,671**
	16,259	**109**	**0**	**40,303**	**56,671**
Surplus / (Deficit) for the Year	**0**	**0**	**298**	**36,084**	**36,382**

These funds are deemed to be restricted, permanent endowment (capital) funds.

DUNDEE CITY COUNCIL CHARITABLE TRUSTS

STATEMENT OF BALANCES AT 31 MARCH 2026

	Belmont Trust Estate	Camperdown Estate Trust	William Dawson Trust	Hospital Fund	**Total**
	£	£	£	£	**£**
Opening Cash Balance	0	0	0	0	**0**
Surplus / (Deficit) for the Year	0	0	241	(15,581)	**(15,340)**
Transfer (to) / from DCC Loans Fund	0	0	(241)	15,581	**15,340**
Closing Cash Balance	**0**	**0**	**0**	**0**	**0**
Investments					
Funds Deposited with DCC Loans Fund	185,495	2,534	7,468	835,253	**1,030,750**
Investment Properties	0	0	0	351,000	**351,000**
Tangible Fixed Assets					
Operational Land and Buildings	2,189,526	3,150,734	188,987	1,232	**5,530,479**
	2,189,526	**3,150,734**	**188,987**	**1,232**	5,530,479
Total net assets	**2,375,021**	**3,153,268**	**196,455**	**1,187,485**	**6,912,229**

The notes at pages 13 to 14 form part of these accounts.

The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

DUNDEE CITY COUNCIL CHARITABLE TRUSTS

STATEMENT OF BALANCES AT 31 MARCH 2025

	Belmont Trust Estate	Camperdown Estate Trust	William Dawson Trust	Hospital Fund	**Total**
	£	£	£	£	**£**
Opening Cash Balance	0	0	0	0	**0**
Surplus / (Deficit) for the Year	0	0	298	36,084	**36,382**
Transfer (to) / from DCC Loans Fund	0	0	(298)	(36,084)	**(36,382)**
Closing Cash Balance	**0**	**0**	**0**	**0**	**0**
Investments					
Funds Deposited with DCC Loans Fund	185,495	2,534	7,228	850,834	**1,046,091**
Investment Properties	0	0	0	384,000	**384,000**
Tangible Fixed Assets					
Operational Land and Buildings	2,276,209	3,078,734	188,987	1,232	**5,545,162**
	2,276,209	**3,078,734**	**188,987**	**1,232**	5,545,162
Total net assets	**2,461,704**	**3,081,268**	**196,215**	**1,236,066**	**6,975,253**

The notes at pages 13 to 14 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The following accounting policies set out the basis upon which the financial statements have been prepared and explain the accounting treatment of both general and specific items.

General Basis of Preparation

These accounts have been prepared on a receipts and payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as Amended).

Tangible Fixed Assets - Basis of Valuation

The following valuation bases have been used to value the different types of tangible fixed asset shown in the Statement of Balances:

Operational Land & Buildings - considered to be specialised assets for which there is no market value, therefore valued at depreciated replacement cost with appropriate allowance for age and obsolescence.

Non-Operational Investment Properties - open market value.

Tangible fixed assets were re-valued, as required, at 31 March 2026. The valuations were carried out by Mr Alastair Kay BSc MRICS, an employee of the City Council's City Development Service.

Investments

There are no external investments, rather all surplus funds are deposited in earmarked accounts held by Dundee City Council. All such deposits are valued at historical cost in the Balance Sheet.

Going Concern

The accounts are prepared on the going concern basis as it is considered by the trustees that the remaining Charitable Trusts are financially sustainable for the foreseeable future.

2. Analysis of Tangible Fixed Assets

The assets owned by these charities are as follows:

Belmont Trust Estate - Estate of Belmont, Belmont Castle, Belmont Camp, Stables Flats x3

Camperdown Estate Trust - Estate of Camperdown, Mansion House, Golf Course and Club Rooms, Kiosks x2, Recreational Facilities, Gardener’s Cottage

William Dawson Trust - Dawson Park & Extension, Pavilion, Car Park, Entrance Gate

Hospital Fund - Properties at 63 Reform Street Dundee, Ground at Stirling Street, Stirling Park and Carmichael Street Dundee

3. Investment Income

There are no external investments, rather all surplus funds are deposited in earmarked accounts held by Dundee City Council. Interest receivable is based on the Loans Fund interest on revenue balances (IORB) rate and is paid twice yearly. The average IORB rate during 2025/26 was 3.33% (2024/25: 4.25%).

4. Governance Costs

Any governance costs associated with the management of charitable funds (including administration costs and the relevant share of the annual audit fee) are absorbed by Dundee City Council. These costs are estimated at £5,450 in 2025/26, being £2,000 administration costs and £3,450 audit fee. (2024/25: £5,300 being £2,000 administration costs and £3,300 audit fee).

5. Related Party Transactions

During 2025/26, all surplus funds were deposited in earmarked accounts held by Dundee City Council. At 31 March 2026, a total balance of £1,030,750 (31 March 2025: £1,046,091) was held with Dundee City Council. Investment income of £34,051 (2024/25: £44,055) was received from Dundee City Council's Loans Fund during 2025/26.

6. Comparative Information

The 2024/25 Statement of Receipts and Payments and the Statement of Balances as at 31 March 2025 are shown on pages 10 and 12 respectively, for comparative purposes.

7. Events After the Reporting Period

There were no events that occurred between 1 April 2026 and 2 October 2026 that would require adjustment to the 2025/26 financial statements.

8. Parent Entity

The Dundee City Council Charitable Trusts are subsidiaries of Dundee City Council, a local authority established under the Local Government etc. (Scotland) Act 1994. Copies of the Group Accounts of Dundee City Council can be obtained from the contact listed on page 8.

Independent auditor's report to the trustees of Dundee City Council Charitable Trusts 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 statement of accounts of Dundee City Council Charitable Trusts for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion, the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2026 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charities 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charities;

- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charities;

- inquiring of the Trustees concerning the charities' policies and procedures 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 charities' 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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

ITEM No …3(f)(ii)…….

SCOTTISH CHARITY NUMBER: SC027022

REPORT NO: 205-2026

LORD PROVOST OF DUNDEE CHARITY FUND

TRUSTEES REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

LORD PROVOST OF DUNDEE CHARITY FUND

SCOTTISH CHARITY NUMBER SC027022

Trustees' Report and accounts for the year ended 31 March 2026

The Lord Provost of Dundee Charity Fund was established for the benefit of the public of the City of Dundee. The purposes of the Charity Fund, as recorded in the Deed of Trust, are to relieve the poverty and advance the education of, and to provide recreational or leisure facilities in the interests of social welfare for the public of the City of Dundee and in order to make donations to registered charities and to Scottish Charities. The Trustees may have sole discretion and by unanimous decision after meeting all liabilities, pay out the whole value of the Trust Fund to or for behoof of such one or more of the purposes as they in their sole discretion shall decide and so bring the Trust to an end. The Trustees have not defined a minimum reserve as there is no requirement to do so and view any risk as limited.

During the 2025/26 financial year, the charity continued to provide financial assistance to the public of the City of Dundee, through donations to registered charities, senior citizen groups and vulnerable groups within Dundee.

The account at year end reported a deficit of (£515) (2024/25 £11,175) which reduces funds available leaving a closing balance of £50,616 (2024/25 £51,131).

Next year, we will continue with our fundraising activities to provide financial assistance to the public of the City of Dundee, through donations to registered charities, senior citizen groups and vulnerable groups within Dundee.

The Charity's Trustees are defined in the Deed of Trust. The Charity's Trustees are:

- Lord Provost (Bill Campbell)
- Chief Executive (Gregory Colgan)
- Head of Democratic and Legal Services (Roger Mennie)

The Charity can be contacted at the following address, The Lord Provost, City Chambers, 21 City Square, DUNDEE, DD1 3BT.

The accounts for the year are attached and form part of this report.

This report was approved by the Trustees on 02 October 2026.

Signed, on behalf of the Trustees

Gregory Colgan
Trustee

LORD PROVOST OF DUNDEE CHARITY FUND

SCOTTISH CHARITY NUMBER SC027022

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements which properly present an analysis of the incoming/outgoing cash and bank transactions for each financial year on a receipts and payments basis.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities

The trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 9(1), (2), and (3) of The Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by the trustees on 02 October 2026 and signed on their behalf by:

Gregory Colgan
Trustee

LORD PROVOST OF DUNDEE CHARITY FUND

SCOTTISH CHARITY NUMBER SC027022

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 31 MARCH 2026

Receipt	**Note**	**2025/26**	**2024/25**
		£	**£**
Grants/Donations	4	-	3,150
Fundraising Charity Dinner	5	-	18,420
Interest on fund Dundee City Council	6	1,000	1,275
Bank Interest	6	211	256
Total Receipts		**1,211**	**23,101**
Payment			
Donations/Grants	4	1,500	2,300
Fundraising Dinner	5	227	9,626
Total Payments		**1,727**	**11,926**
Surplus / (Deficit) For Year		**(516)**	**11,175**

STATEMENT OF BALANCES AS AT 31 MARCH 2026

Funds Reconciliation	**2025/26**	**2024/25**
	£	**£**
Cash At Bank 01/04/25 (01/04/24)	51,131	39,956
Surplus/ (Deficit) for year	(516)	11,175
Cash At Bank 31/03/26 (31/03/25)	**50,615**	**51,131**
Bank & Cash Balances		
Bank Accounts	20,615	21,131
Temporary Loan Invested with Dundee City Council	30,000	30,000
	50,615	**51,131**

All Funds are unrestricted

The Notes on page 4 form an integral part of these accounts.
The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Gregory Colgan
Trustee

Notes to the Accounts – For year Ended 31 March 2026

1 Basis of Accounting
These accounts have been prepared on the Receipts & Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as Amended).

2 Nature Purpose of funds
All funds are unrestricted and may be used at the discretion of the trustees in furtherance of the objects of the Charity.

3 Remuneration & Expenses
No remuneration or Expenses were paid to a charity trustee, or anyone connected to a charity trustee.

4 Grants & Donations Made
The charity made 3 donations to organisations totalling £1,500 (2024/25: 6 charity donations totalling £2,300).

5 Fundraising
During 2024/25, the Lord Provost hosted a Charity Dinner to re-engage the Citizens of Dundee with the Lord Provost Charity Fund. No similar event was held during 2025/26.

6 Interest Receivable
The Charity has £30,000 deposited with Dundee City Council and receives interest on this alongside bank interest.

7 Governance Costs
The financial statements are the subject of a separate external audit. Any costs associated with the Charity Fund (incl. admin and relevant share of annual audit fee) are absorbed by Dundee City Council. The cost of audit to Dundee City Council for 2025/26 is £1,900 and the estimated notional cost of staff time is £135, (2024/25: audit fee £1,800 and staff time £130). The auditor for 2025/26 is Joni McBride, Senior Audit Manager, Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN.

8 Parent Entity
The Lord Provost of Dundee Charity Fund is a subsidiary of Dundee City Council, a local authority established under the Local Government etc. (Scotland) Act 1994. Copies of the Group Accounts of Dundee City Council can be obtained from the contact listed in note 9.

9 Events after the reporting date
There were no events that occurred between 1 April 2026 and 2 October 2026 that would require adjustment to the 2025/26 financial statements.

Any queries regarding this document should, in the first instance, be addressed to:
Elaine Urquhart
Corporate Finance
Dundee City Council
50 North Lindsay Street
Dundee
DD1 1NZ
(Email: elaine.urquhart@dundeecity.gov.uk)
(Telephone: 01382-433355)

Independent auditor's report to the trustees of Lord Provost of Dundee Charitable Fund 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 statement of accounts of the Lord Provost of Dundee Charitable Fund for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2026 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charity 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures 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 charity'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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride,
Audit Scotland,
4th Floor,
102 Westport,
Edinburgh,
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

ITEM No …3(f)(iii)……

REPORT NO: 206-2026

FLEMING TRUST

SC052182

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2026

AUDITED

02 October 2026

FLEMING TRUST

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

Contents

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TRUSTEES' ANNUAL REPORT

LEGAL & ADMINISTRATIVE INFORMATION

Trustees

The Trustees of the Fleming Trust are the 29 councillors of Dundee City Council. Councillors are elected to serve for a period of five years. The last full Council election was held on 5 May 2022 and the first statutory meeting of the new Council took place on 23 May 2022. The following Councillors were in office during the 2025/26 financial year:

Bill Campbell (Lord Provost)	James Black
Mark Flynn (Leader of the Administration)	Ken Lynn
Daniel Coleman	Lee Mills
Stewart Hunter	Lynne Short
Bailie Kevin Keenan	Jax Finnegan
Wendy Scullin	Steven Rome
Roisin Smith	Bailie Willie Sawers
Siobhan Tolland	Bailie Will Dawson
Michael Crichton	Dorothy McHugh
Nadia El-Nakla	Bailie Christina Roberts
Bailie Fraser Macpherson	Kevin Cordell
Heather Anderson	Craig Duncan
George McIrvine	Bailie Derek Scott
Bailie Helen Wright	Pete Shears
Georgia Cruickshank	

Principal Address
c/o Dundee City Council
City Square Complex
Dundee

External Auditor
The appointed external auditor is:
Joni McBride - Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Banking Arrangements
Royal Bank of Scotland plc
3 High Street
Dundee
DD1 9YL

ANNUAL REPORT 2025/26

Administrative Details
During the 2025/26 financial year, Dundee City Council acted as sole trustee for the Fleming Trust. The Council administers the Fleming Trust's funds but the associated assets are not available to the Council and have not been included in the Council's Single Entity Balance Sheet. The Fleming Trust is a subsidiary of Dundee City Council and is included in the Council's Group Balance Sheet.

The Fleming Trust was registered with the Office of the Scottish Charity Regulator (OSCR) on 12 December 2022 with charity registration number SC052182. There was no change to the Fleming Trust's objectives, governance arrangements and activities upon registration.

Objectives & Activities
Estate gifted in 1929 by the late Robert Fleming Esq. with the following objects: "the clearance and demolition of slum dwelling houses and the provision of suitable accommodation for re-housing the displaced occupants of slum property in Dundee, and failing them, other persons residing or wishing to take up residence in Dundee... at rents reasonably within the capacity of the beneficiaries to pay."

The Fleming Trust's funds derive from this expendable endowment. There are restrictions as to how the income derived from this is spent.

Structure, Governance & Management Arrangements
During the 2025/26 financial year, the City Council was, in law, the sole trustee for the Fleming Trust. Elected members of the Council are automatically appointed as trustees on an ex-officio basis. "Dundee City Council as Fleming Trustees" meets typically a couple of times a year.

The Fleming Trust is governed by a Supervisory Committee comprising the Lord Provost, a Councillor and a number of individuals external to the Council. The Supervisory Committee is assisted by Council officers and an external solicitor as Clerk. The Supervisory Committee typically meets once a year.

The responsibility for day-to-day management of the Trust has been delegated to the relevant chief officers of the Council.

Risk
The trustees have not identified any major risks to which the Fleming Trust is exposed.

Financial Administration
Dundee City Council acted as sole trustee during the 2025/26 financial year. The financial administration of the Fleming Trust is undertaken in accordance with the Council's approved Financial Regulations. The Financial Regulations contain the following specific references to Trusts and Charitable Funds:

"11.19 The Executive Director of Corporate Services shall ensure the proper and safe custody and control of all charitable funds held by the Council and shall ensure that all expenditure is in accordance with the conditions of the trustees etc.

All officers acting as trustees by virtue of their official position shall deposit all securities etc relating to the trust or charitable fund with the Executive Director of Corporate Services.

All investments of money shall be made by the Executive Director of Corporate Services in the name of Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.

The Executive Director of Corporate Services and other relevant officers shall ensure compliance with the requirements of the Office of the Scottish Charities Regulator (OSCR)."

Financial Review

For the 2025/26 financial year, the total net surplus was £194,636 (2024/25: surplus of £191,258). Total income was £514,246 (2024/25: £489,835) comprising property rental income of £477,537 (2024/25: £458,134) and investment income of £36,709 (2024/25: £31,701). Property rental income relates to rents for 104 dwellings, at rates similar to those charged by Dundee City Council's Housing Revenue Account. Investment income relates solely to interest on surplus funds that are deposited with Dundee City Council's Loans Fund.

Total expenditure was £319,610 (2024/25: £298,577). This related mainly to repairs and maintenance costs of £81,823 (2024/25: £68,333), lost rents of £10,006 (2024/25: £6,085) and depreciation of £210,656 (2024/25: £210,656).

Depreciation is a non-cash expense, and a requirement in order to comply with the Charities Statement of Recommended Practice (SORP) and FRS102.

Fleming Trust owns and rents out 104 properties. It also owns the sheltered lounge at Fleming Gardens/ Hindmarsh Avenue.

Total cash generated in 2025/26 was £446,339. Cash generated from operating activities was £409,630 (2024/25: £353,837) and investment income amounted to £36,709 (2024/25: £30,701).

Total charity funds amounted to £9,124,065 as at 31 March 2026 (£8,929,429 as at 31 March 2025). The entire fund is an expendable endowment fund. Cash-backed reserves are operated in accordance with the charity's aims and objectives, as set out in the original founding document. The charity's working capital is represented by its net current assets, amounting to £1,496,534 as at 31 March 2026 (£1,091,242 as at 31 March 2025). The increase is as a result of positive cashflow resulting in increased investments placed with Dundee City Council loans fund.

Achievements & Performance

As disclosed above, during 2025/26 the Fleming Trust incurred costs of £319,610 in pursuit of its objectives, notably £81,823 (2024/25: £68,333) towards repairs and maintenance and other property costs.

Trustee Remuneration & Expenses

No trustees received any remuneration or expenses during the 2025/26 financial year (2024/25: £nil).

External Audit
These financial statements are subject to external audit.

Further Information
Any queries regarding this document should, in the first instance, be addressed to:

Francois de Villiers FCA, CA(SA)
Accounting Strategy Manager, Corporate Services
Dundee City Council
50 North Lindsay Street
Dundee
DD1 3RF
(Email: francois.devilliers@dundeecity.gov.uk)
(Telephone: 07385 931075)

Signed on behalf of the trustees on 02 October 2026

Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 02 October 2026 and signed on their behalf by:

Bailie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

FLEMING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

	note	Total funds 2024/2025	Total funds 2025/2026
		£	£
Rent		458,134	477,537
Investment Income	7	31,701	36,709
Total income		**489,835**	**514,246**
Property Insurance		5,000	5,000
Repairs & Maintenance		68,333	81,823
Landlords Supplies		5,000	5,000
Audit Fees		1,056	3,100
Legal Fees		1,447	3,525
Computer-Consumables		1,000	500
Lost Rents		6,085	10,006
Other outlays		-	-
Depreciation		210,656	210,656
Total expenditure		**298,577**	**319,610**
Net income/(expenditure)		**191,258**	**194,636**
Net movement in funds		**191,258**	**194,636**
Total funds brought forward		8,738,171	8,929,429
Total funds carried forward		**8,929,429**	**9,124,065**

These funds are deemed to be restricted, permanent endowment (capital) funds.

FLEMING TRUST

BALANCE SHEET AS AT 31 MARCH 2026

	note	As at 31 March 2025 £	As at 31 March 2026 £
Fixed assets			
Tangible assets	3	7,838,187	7,627,521
Total fixed assets		**7,838,187**	**7,627,531**
Current assets			
Debtors	4	83,027	63,019
Investments	5	708,157	1,008,157
Cash at Bank and In Hand		392,682	539,021
Total current assets		**1,183,866**	**1,610,197**
Liabilities			
Creditors falling due within one year	6	(92,624)	(113,663)
Net current assets		**1,091,242**	**1,496,534**
Total assets less current liabilities		**8,929,429**	**9,124,065**
Creditors falling due after more than one year		-	-
Net assets		**8,929,429**	**9,124,065**
The funds of the charity			
Endowment funds		8,929,429	9,124,065
Total charity funds		**8,929,429**	**9,124,065**

The notes at pages 11 to 13 form part of these accounts.

The audited accounts were authorised for issue on 02 October 2026 and signed on their behalf by:-

Baillie Willie Sawers
Senior Councillor with responsibility for Finance
Dundee City Council

FLEMING TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

	note	As at 31 March 2025 £	As at 31 March 2026 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		**353,837**	**409,630**
Cash flows from investing activities:			
Dividends, interest and rents from investments		31,701	36,709
Purchase of property, plant and equipment		-	-
Net cash provided by (used in) investing activities		**31,701**	**36,709**
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Net cash provided by (used in) financing activities		**-**	**-**
Change in cash and cash equivalents in the reporting period		**385,538**	**446,339**
Cash and cash equivalents at the beginning of the reporting period	8	715,301	1,100,839
Cash and cash equivalents at the end of the reporting period		**1,100,839**	**1,547,178**

The notes at pages 11 to 13 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

The following accounting policies set out the basis upon which the financial statements have been prepared and explain the accounting treatment of both general and specific items.

a) Basis of Preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

d) Tangible fixed assets and depreciation

All assets costing more than £6,000 are capitalised and valued at historical cost. Depreciation is charged on a straight-line basis over their estimated useful lives, from the first full operational year following acquisition. Assets with a cost over £1m are componentised and depreciated as follows:

Component	% of cost	Useful life
Building structure	50	50
Building roof	10	35
Kitchens & Boilers	15	15
Bathrooms & Radiators	15	30
Building Externals	10	45
Total	**100**	

The cost of Land is not depreciated.

e) Investments

There are no external investments, rather all surplus funds are deposited with Dundee City Council's Loans Fund. All such deposits are valued at historical cost in the Balance Sheet.

f) Going Concern

The accounts are prepared on the going concern basis as it is considered by the trustees that the Fleming Trust is financially sustainable for the foreseeable future.

2 Assumptions made about the future and other major sources of estimation uncertainty

The Annual Accounts contain estimated figures that are based on assumptions made about the future or that are otherwise uncertain. Because these balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Fleming Trust's Balance Sheet at 31 March 2026 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 estimated useful lives in accordance with Accounting Policy. The estimates are made taking into account historical experience.	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 £6,700 for every year that useful lives had to be reduced.

3 Analysis of Tangible Fixed Assets

	Land and buildings	Total
	£	£
Cost		
At 1 April 2025	8,373,295	8,373,295
Additions		
Disposals	-	-
Adjustment		
Transfers		-
At 31 March 2026	**8,373,295**	**8,373,295**
Depreciation		
At 1 April 2025	535,108	535,108
Charge for the year	210,656	210,656
Eliminated on disposals	-	-
At 31 March 2026	**745,764**	**745,764**
Net book value		
At 31 March 2026	**7,627,531**	**7,627,531**
At 31 March 2025	**7,838,187**	**7,838,187**

4 Debtors

Relates to rent receivable at year end.

5 Investments

Relates to amounts invested, and held by, Dundee City Council's Loans Fund.

6 Creditors

Relates to amount due to reimbursements payable to Dundee City Council £110,563 (2024/25: £89,624) as well as the audit fee of £3,100 (2024/25: £3,000).

7 Investment Income

There are no external investments, rather all surplus funds are deposited with Dundee City Council's Loans Fund. Interest receivable is based on the Loans Fund interest on revenue balances (IORB) rate and is paid twice yearly. The average IORB rate during 2025/26 was 3.33% (2024/25: 4.25%).

8 Cashflow Statement: cash and cash equivalents

The balance of cash and cash equivalents is made up of the following elements:

	31 March 2025 £	31 March 2026 £
Investments held with Dundee City Council's Loans Fund	708,157	1,008,157
Cash at Bank and in hand	392,682	539,021
Total cash and cash equivalents	**1,100,839**	**1,547,178**

9 Related Party Transactions

During 2025/26, all surplus funds were deposited with Dundee City Council's Loans Fund. At 31 March 2026, a total balance of £1,008,157 (31 March 2025: £708,157) was held with Dundee City Council. Investment income of £36,709 (2024/25: £31,701) was received from Dundee City Council's Loans Fund during 2025/26. Refer also to Creditors note for balances payable to Dundee City Council.

10 Events After the Reporting Period

There were no events that occurred between 1 April 2026 and 2 October 2026 that would require adjustment to the 2025/26 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Senior Councillor with responsibility for Finance.

11 Parent Entity

The Fleming Trust is a subsidiary of Dundee City Council, a local authority established under the Local Government etc. (Scotland) Act 1994. Copies of the Group Accounts of Dundee City Council can be obtained from the contact listed on page 6.

12 Audit fees

The financial statements are subject to external audit. The total audit fee for the year was £3,100 (2024/25: £3,000).

Independent auditor's report to the trustees of Fleming Trust 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 statement of accounts of Fleming Trust for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2026 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

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 am independent of the charity 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. 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 charity's ability 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities, the trustees are 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 trustees 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charity's operations, or have no realistic alternative but to do so.

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 economic 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 and charity sector to identify that the Local Government (Scotland) Act 1973, the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006 are significant in the context of the charity;
- inquiring of the Trustees as to other laws or regulations that may be expected to have a fundamental effect on the operations of the charity;
- inquiring of the Trustees concerning the charity's policies and procedures 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 charity'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

Other information

The trustees are responsible for the other information in the statement of accounts. The other information comprises the Trustees' Annual 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 Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report 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 Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements 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.

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.

Joni McBride
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

Audit Scotland is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Dundee City Council
Corporate Services
CHANGING FOR THE FUTURE

City Chambers
DUNDEE
DD1 3BY

16th September, 2025

Membership

Councillor George McIrvine
Bailie Helen Wright
Bailie Fraser Macpherson
Bailie Derek Scott
Bailie Will Dawson
Councillor Jimmy Black
Councillor Stewart Hunter
Councillor Lynne Short

Dear Colleague

You are requested to attend a MEETING of the **SCRUTINY AND AUDIT COMMITTEE** to be held remotely on Wednesday, 23rd September, 2026 at 2.00 pm. Substitute members are allowed.

Members of the Press or Public wishing to join the meeting should contact Committee Services on telephone (01382) 434228 or by email at committee.services@dundeecity.gov.uk by 5.00 pm on Monday, 21st September, 2026.

Yours faithfully

GREGORY COLGAN

Chief Executive

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

(A) SCRUTINY REPORT ITEMS

1 COUNCIL PLAN 2022/2027 – PROGRESS REPORT FOR 2025/2026 - Page 5

(Report No 126-2026 by the Chief Executive, copy attached).

(This report was remitted to the Scrutiny and Audit Committee for further consideration from the City Governance Committee held on 22nd June 2026).

2 LOCAL GOVERNMENT BENCHMARKING FRAMEWORK PERFOMANCE INDICATORS 2024/2025 - Page 91

(Report No 125-2026 by the Chief Executive, copy attached).

(This report was remitted to the Scrutiny and Audit Committee for further consideration from the City Governance Committee held on 22nd June 2026).

(B) AUDIT REPORT ITEMS

3 DUNDEE CITY COUNCIL 2024/2025 - ACCOUNTS AND AUDIT

(a) EXTERNAL AUDITOR'S REPORT TO MEMBERS OF DUNDEE CITY COUNCIL AND THE CONTROLLER OF AUDIT FOR THE YEAR TO 31ST MARCH, 2026

(Report No 199-2026 by the Executive Director of Corporate Services, copy to follow).

(b) DUNDEE CITY COUNCIL 2025/2026 ACCOUNTS AND AUDIT - RESPONSE TO THE EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT

(Report No 200-2026 by the Executive Director of Corporate Services, copy to follow).

(c) DRAFT AUDIT STATEMENT OF ACCOUNTS

(i) Dundee City Council

(Report No 201- 2026 by the Executive Director of Corporate Services, copy to follow).

(d) EXTERNAL AUDITORS ANNUAL AUDIT REPORT TO TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO 31ST MARCH, 2026

(Report No 202-2026 by the Executive Director of Corporate Services, copy to follow).

(e) RESPONSE TO EXTERNAL AUDITORS REPORT ANNUAL AUDIT REPORT TO TRUSTEES OF DUNDEE CITY COUNCIL TRUST FUNDS FOR THE YEAR TO 31ST MARCH, 2026

(Report No 203-2026 by the Executive Director of Corporate Services, copy to follow).

(f) DRAFT AUDIT STATEMENT OF ACCOUNTS

(i) Dundee City Council Charitable Trusts

(Report No 204-2026 by the Executive Director of Corporate Services, copy to follow).

(ii) Lord Provost of Dundee Charity Fund

(Report No 205-2026 by the Executive Director of Corporate Services, copy to follow).

(iii) Fleming Trust

(Report No 206-2026 by the Executive Director of Corporate Services, copy to follow).

4 INTERNAL AUDIT PLAN UPDATE AND PROGRESS REPORT - Page 141

(Report No 194-2026 by the Chief Internal Auditor, copy attached).

5 INTERNAL AUDIT REPORTS - Page 157

(Report No 191-2026 by the Chief Internal Auditor, copy attached).

6 NATIONAL FRAUD INITIATIVE - Page 167

(Report No 193-2026 by the Executive Director of Corporate Services, copy attached).

7 CORPORATE FRAUD TEAM ACTIVITY AND PERFORMANCE, INCLUDING WHISTLEBLOWING 2025/2026 - Page 181

(Report No 192-2026 by the Executive Director of Corporate Services, copy attached).

8 AUDIT SCOTLAND NATIONAL REPORTS - Page 199

(Report No 172-2026 by the Executive Director of Corporate Services, copy attached).

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REPORT TO: **CITY GOVERNANCE COMMITTEE – 22 JUNE 2026**

REPORT ON: **COUNCIL PLAN 2022-2027 - PROGRESS REPORT FOR 2025/26**

REPORT BY: **CHIEF EXECUTIVE**

REPORT NO: **126-2026**

1.0 PURPOSE OF REPORT

1.1 To provide the fourth annual progress report on the Council Plan 2022/2027.

2.0 RECOMMENDATIONS

2.1 It is recommended that Committee:

a notes the progress made in 2025/26;

b remits the report to the Scrutiny and Audit Committee for further consideration; and

c remits the Council Leadership Team to monitor progress and implement improvements as necessary to deliver the outcomes agreed.

3.0 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the agreement of this report.

4.0 BACKGROUND

4.1 The Council Plan 2022-2027 was agreed by the Policy and Resources Committee on 5 December 2022 (article II of the minute refers). 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.

4.2 In line with the Council's performance management framework, the City Governance Committee receives an annual and six-monthly progress report on the Council Plan. The annual report (attached at appendix 1) aims to capture progress during 2025/26 on the Plan's main priority themes, actions, and targets. The mid-year report due in late 2026, will also include some annual data for 2025/26 not available for this report.

4.3 The report tracks performance with the indicators set in the plan, compared to the previous 2 years, and compared to the current year targets. It also includes progress made on each of the actions in the Plan.

4.4 Each service also sets out in more detail how they aim to support the delivery of the City and Council Plan priorities within their Service Plans being brought forward to Committees after summer recess.

4.5 Key strategic partners, Dundee Health & Social Care Partnership and Leisure and Culture Dundee, both make significant contributions to the delivery of the City and Council Plan priorities. They have separate reporting and governance arrangements but will bring forward reports to City Governance Committee to note their progress as appropriate.

5.0 PERFORMANCE AND PROGRESS SUMMARY

5.1 The Council Plan annual report shows the Council is focused on tackling its key priorities as well as contributing to those agreed in the Dundee Partnership's City Plan 2022/2032. It is building on over a decade of transformation in the city's economy and quality of life in

neighbourhoods. The increased focus on reducing child poverty and inequalities and tackling climate change addresses two areas from the evaluation on the previous Plan and the Council's Best Value Audit.

5.2 The summary of Council Plan performance by priority theme in the table on Page 7 of the main report shows that, overall, 68% of the 22 performance indicators in the Council Plan are on or within 5% of the target. This is an increase from 64% of performance indicators that were on or within 5% of the target in last year's 2024/25 annual report. The Deliver Inclusive Economic Growth including Community Wealth Building theme has seen the Council now within 5% of the target for 100% of its performance indicators. The table also shows that 68% of performance indicators have improved over the previous year, the same as 68% of performance indicators in last year's annual report.

5.3 The purpose of this type of reporting is to ensure focus on delivering the levels of improvement on key measurable outcomes. The Council Leadership Team reviews all areas to ensure all plans help towards the priority outcomes. Looking across the total number of indicators in the appendix, the most improved indicators and the areas for improvement are noted below. The areas for improvement on Page 9 will be a focus during the next year to get on track towards the target.

5.4 The summary of progress on the 43 actions in the Council Plan for the Council's 5 priorities shows that 36 actions are now over 50% complete or completed. 5 actions have been completed during 2025/26.

5.5 Appendix 1 attached is the full report setting out in detail our progress and includes the following sections:

- An introduction by the Leader of the Council and Chief Executive and Background (pages 3 - 6).
- An overall summary of performance, and areas for improvement (pages 7-12).
- A section on each theme covering priorities, a performance scorecard, and some key highlights and activity for the next six months:
    - Reduce child poverty and inequalities in incomes, education, and health (pages 13-27).
    - Deliver inclusive economic growth including community wealth building (pages 28-39).
    - Tackle climate change and achieve net zero by 2045 (pages 40-53).
    - Build resilient and empowered communities (pages 54-66).
    - Design a modern council (pages 67-80).

6.0 POLICY IMPLICATIONS

6.1 The progress presented in this report and all actions will make an impact on achieving the priorities and outcomes set out in the Council Plan 2022-27 report. The Integrated Impact Assessment (IIA) for previous years' reports continues to be accurate. Article II of the Minute of the Policy & Resources Committee on 5 December refers to the original report and IIA.

7.0 CONSULTATIONS

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

8.0 BACKGROUND PAPERS

None.

GREGORY COLGAN
CHIEF EXECUTIVE

DATE: 1 JUNE 2026

ANDREA CALDER
HEAD OF CHIEF EXECUTIVE'S SERVICES

Dundee City Council
www.dundeecity.gov.uk
CHANGING FOR THE FUTURE

Dundee City Council Plan 2022-2027

Annual Progress Report 2025-26



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Introduction

by the Leader of Dundee City Council and the Chief Executive

This fourth annual progress report shows the Council is making steady progress on delivering on its Council Plan 2022-2027 objectives.

Together with the Dundee Partnership we are working to shape our future and improve the lives of the people who live, work and learn here. We are a caring city and tackling the root cause of poverty head on remains one of the biggest challenges we face, especially as the cost-of-living crisis continues to significantly affect many of our citizens.

We are **reducing child poverty and inequalities in incomes, education and health** by working to give every young person the best start in life. Closing the attainment gap is a key part of tackling the effects of child poverty and attainment levels in literacy and numeracy for our primary school pupils continues to improve to a level now above the Scottish average. We have won national awards for innovative approaches. In 2025, the city's Local Fairness Initiative in Linlathen won the Cosla Excellence SOLACE Best Team Award while What Matters To You was successful in the Strengthening Communities and Local Democracy category. We are working with communities in the North East and East End Wards to develop a whole family approach, ensuring that families get the support they need, where and when they need it.

We are **delivering inclusive economic growth** to create jobs and opportunities for all by keeping Dundee in the spotlight as a place to invest. In March, Dundee marked seven years as a living-wage city. There are approximately 120 Living Wage accredited employers headquartered in Dundee, collectively employing over 43,000 workers. Visitor numbers to the city have also increased for another year to 1.42m, bringing in £333m to the local economy. The Community Wealth Building Strategy's Action Plan has been agreed and is in progress, and we lead the way in local procurement, being the local authority with the highest proportion of local spend in Scotland. Key employment opportunities are being created through both major development projects and the expansion of industrial activity across the city, supporting job growth and benefiting communities facing the greatest challenges.

We are **tackling climate change** and making Dundee greener. We are consulting on plans for a nature network, which would create a connected network of green spaces and habitats across the city, enhance biodiversity while supporting climate resilience and community wellbeing. We launched our Air Quality Action Plan in November to improve public health and create a cleaner local environment for our citizens. We have also agreed our new Waste and Recycling Action Plan 2026/30, setting out a roadmap towards a waste-free Dundee.

We are **building resilient, empowered communities**. The past year saw Drumgeith Community Campus and Greenfield Academy officially opened. The campus is popular with pupils and local groups alike with state of the art facilities and a full programme of evening and weekend activities. The campus is delivering real benefits for the east end of the city by expanding access to services, improving facilities and supporting at risk individuals to help reduce inequalities and improve lives. The transformation of community services in Kirkton is well underway. Locals are embracing the new library and community facilities at the hub, and we are continuing to work with people in Kirkton in an ongoing effort to build a new community facility. The Community Benefits Programme continues to support local projects, several of which are benefiting from the community wishes initiative. The Capital Neighbourhood Fund has already allocated over £600k for local people to decide how to improve local community spaces and facilities.

Local government continues to face a very challenging situation. Once again, the Council has achieved a balanced budget, but we need to **Design a Modern Council** that can be sustainable for the long term. We continue with plans to rationalise our properties and redesign some services to be leaner yet able to meet people's needs. In living our values, and striving to deliver on our key priorities, we will be open and honest. We will let the data on performance targets and progress on our plans speak for themselves. Through progress reports on this Plan, and our other key plans, we will show our commitment to be inclusive, innovative and constantly learning about where we can improve.



Councillor Mark Flynn
Leader of Dundee City Council



Gregory Colgan
Chief Executive

Background

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

Dundee will be a caring city which has tackled the root causes of poverty and delivered fairness in incomes, education and health.

Dundee will have a strong, creative, smart and sustainable city economy with jobs and opportunities for all.

Dundee will be a greener city, made up of strong communities where people feel empowered, safe and proud to live.

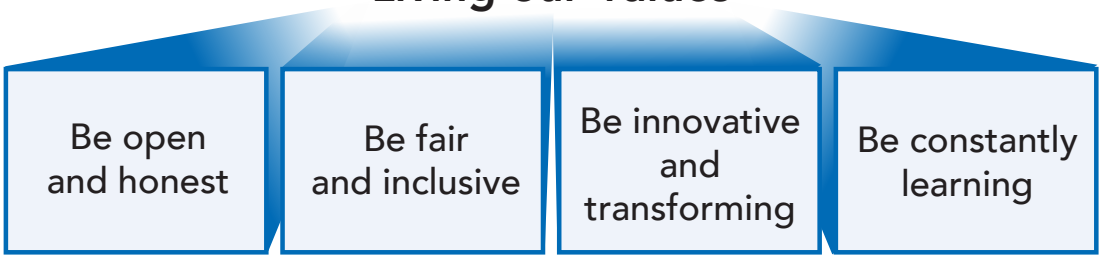


To achieve the vision, the Council Plan 2022-2027 sets out a commitment to focus on five strategic priorities for the life of the five-year plan and how the Council aims to support delivery on these. Underpinning this is our bold and ambitious culture to encourage everyone at Dundee City Council to live our values and deliver on these priorities.

The strategic priorities are:



Living our Values



Over the life of this 5-year plan, the aim is to make sure we can report on the social transformation of the city in the same positive terms as the economic transformation. Dundee, like many urban areas, has major social challenges to overcome. It is also clear that the pandemic and the cost-of-living crisis has exacerbated the challenges faced by the city.

At this stage in the year some of the annual data for 2025/26 is not available yet. Where this is the case, the report uses the most recent annual data available. For these measures where annual data is not available for 2025/26, these figures will be updated in the mid-year progress report when the 2025/26 data has become available.

Over the life of the plan, targets were set in year one (2022/23), year three (2024/25), and year five (2026/27).

Progress Summary 2025-2026

Table 1 (below) shows that, overall, 68% of the 22 performance indicators in the Council Plan are on or within 5% of the target. This is an increase from 64% of performance indicators that were on or within 5% of the target in last year's 2024/25 annual report. Within the Deliver Inclusive Economic Growth including Community Wealth Building theme, the Council is now within 5% of the target for 100% of its performance indicators.

The table also shows that 68% of performance indicators have improved over the previous year, the same as 68% of performance indicators in last year's annual report. All themes have achieved improvement in at least 67% of their performance indicators, with the exception of Build Resilient and Empowered Communities which has a lower improvement rate of 20%, although 80% of indicators within this theme are on target.

Table 1:

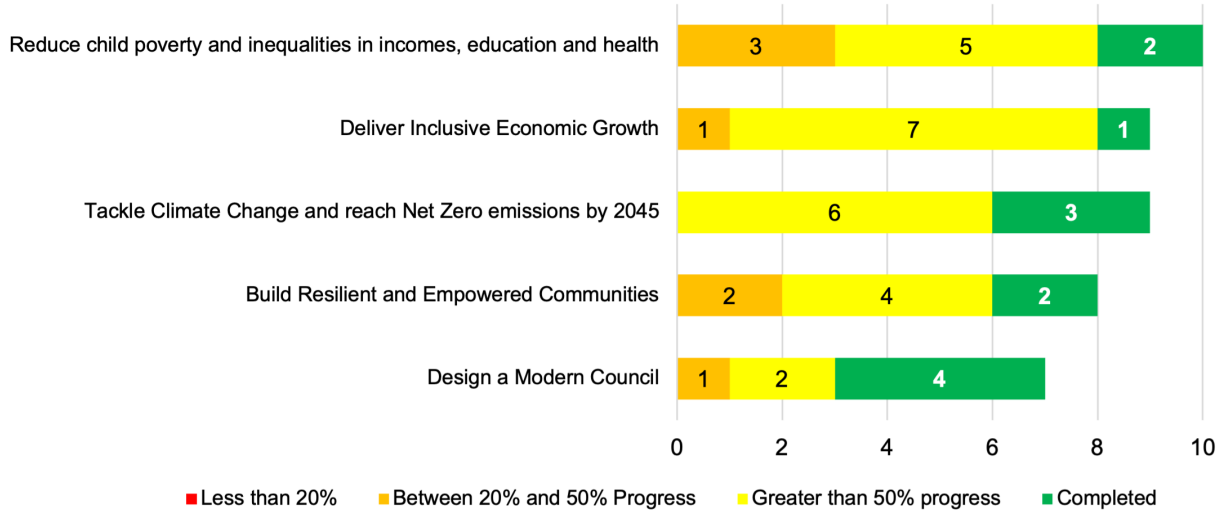
Priority Theme		Within 5% of target	Improved over previous year	Total Indicators
	Reduce Child Poverty and Inequalities in Incomes, Education and Health	3 (50%)	4 (67%)	6
	Deliver Inclusive Economic Growth including Community Wealth Building	4 (100%)	4 (100%)	4
	Tackle Climate Change and achieve Net Zero Carbon Emissions by 2045	2 (50%)	3 (75%)	4
	Build Resilient and Empowered Communities	4 (80%)	1 (20%)	5
	Design a Modern Council	2 (67%)	3 (100%)	3
TOTAL		**15 (68%)**	**15 (68%)**	**22**

Graph 1 (below) shows that all actions are in progress, which means someone has been assigned, briefed and already taken some steps towards achieving an action plan or the target. The percentage complete is a self-assessment of the progress on priorities in each theme and is defined in the Table 2 below. Responsible officers are advised to use the following definitions to help assess percentage complete. Twelve actions are now complete, including five which have been completed during 2025/26.

Table 2:

20%	The task is defined and agreed by relevant partners/stakeholders.
40%	Necessary tasks planned and implementation in early stages.
60%	Number of key actions achieved/agreed process or improvement taking shape or in place or underway.
80%	Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
100%	Action has been completed, and objectives have been achieved.

Graph 1: Council Plan Actions progress



The following sections on the five Council Plan themes highlight the activities completed or those where we are making considerable progress this year as well as the actions which need more progress.

Areas for Improvement and Improvement Action Plan

The table below outlines progress on previously highlighted areas for improvement, and highlights areas for improvement in the year ahead based on the performance indicators furthest away from the target and with no improvement on the year before.

Performance Indicator to be Improved	Indicator Performance and Planned Improvement Activity	Status/Target Completion Date	Lead Officer & Service
Annual emissions from energy use in the council's property estate in tonnes of CO2 equivalent (tCO2e).	**This indicator was previously highlighted in the Mid-Year Progress Report**, due to being above the target. However, new data since this last report shows a significant improvement in this indicator, which has decreased by 8% between 2024/24 and 2025/26. It is now within 5% of the current year target. Because this indicator has decreased and is now within close proximity of the target, it no longer needs prioritising as a highlighted area for improvement. However, work will continue to reduce the emissions from the Council's property estate through the Net Zero Transition Plan.	**Completed** Improvement shown.	Head of Design & Property

Performance Indicator to be Improved	Indicator Performance and Planned Improvement Activity	Status/Target Completion Date	Lead Officer & Service
Average Total Tariff for SIMD1.	**This indicator was previously highlighted in the Mid-Year Progress Report**. Available analysis highlights variation in attainment across SIMD Quintile 1, with outcomes strongly influenced by stage of leaving. Pupils who remain in school to S6 attain complementary tariff points in line with, or above, the Virtual Comparator, demonstrating that retention in the senior phase is a key factor in improving outcomes for young people from the most deprived areas. Planned improvement activity includes: • Continue to improve senior phase pathways, including access to a broader range of qualifications and flexible curriculum options that meet learners' needs, increase staying on rates and raise attainment. • Continue to target support at the lowest attaining 20% through focused literacy, numeracy and attainment interventions within the senior phase. • Continue to strengthen partnership working with colleges, training providers and employers to improve progression pathways and increase the proportion of young people entering sustained positive destinations. • Use Insight and school level data more rigorously to identify where attainment for SIMD Quintile 1 learners is strongest and replicate effective practice across schools. The Annual Education Plan and individual School Improvement Plans contains further improvement actions.	**30th September 2026** The date above will be when next year's data will be available for comparison to show if there has been improvement.	Head of Education, Children & Families

Performance Indicator to be Improved	Indicator Performance and Planned Improvement Activity	Status/Target Completion Date	Lead Officer & Service
Town Vacancy Rate.	**This indicator was previously highlighted in the Mid-Year Progress Report**. There is positive progress including the introduction of the City Centre Commercial Waste Project, which has significantly reduced the clutter of trade bins on streets, and encouraging better recycling. There is strong partnership approach in relation to Youth Diversionary Activity working with Dundee Youth Network, Anti- Social Behaviour Team and Police Scotland. The Business Improvement District (BID) has been approved, with city centre businesses overwhelmingly voting to create a £2.4 million, five year programme focused on cleaner streets, enhanced maintenance, safety, and coordinated events and marketing. These achievements build on to the City Centre Strategic Investment Plan, and the city centre is well positioned to accelerate momentum and reposition the city centre as a cleaner, safer, and more vibrant destination helping attract investment and fill vacant shops.	**30th September 2026** The date above will be when next year's data will be available for comparison to show if there has been improvement.	Head of Planning, Economic Development and Regulatory Services.
Increase the percentage of waste recycled within the city.	**This indicator was previously highlighted in the Mid-Year Progress Report**. Improvement in the city's recycling rate has been identified as a key priority following its recent deterioration. In response, the Waste Team has developed and published an updated Waste Strategy and Action Plan for 2026–2030. This strategy outlines a series of key actions, including initiatives linked to the Take Pride in your City Campaign, aimed at driving improvements and achieving long-term sustainability goals.	**30th September 2026** The date above will be when next year's data will be available for comparison to show if there has been improvement.	Head of Environment, Neighbourhood Services

Performance Indicator to be Improved	Indicator Performance and Planned Improvement Activity	Status/Target Completion Date	Lead Officer & Service
Increase the percentage of care experienced young people in positive destination.	**This indicator is a new area for improvement highlighted in this report.** The service is focusing on improving the attendance, attainment and positive destinations of young people in kinship care through several measures. This includes targeted support at home, in school and in the community, alongside enhanced pathways out of school into further education, training and employment. It also includes a strengthening of supported accommodation for all care leavers.	**31st March 2027** The date above will be when next year's data will be available for comparison to show if there has been improvement.	Head of Children & Families Social Work and Community Justice, Children & Families

Reduce Child Poverty and Inequalities in Incomes, Education & Health



"Dundee will be a caring city which has tackled the root causes of poverty and delivered fairness in incomes, education and health."

Dundee Plans

The Council has several plans and strategies that are focused on reducing child poverty and inequalities in the city. These include:

- Local Child Poverty and Fairness Action Plan
- Children and Families and Chief Executive's Service Plans
- Equalities Outcomes Action Plan 2025/29
- British Sign Language Plan 2024/30
- Our Promise 2023/26
- Discover Work Strategy & Action Plan 2022/2027
- Positive Destination Improvement Plan
- Local Housing Strategy 2026/2030

Strategic highlights from last year

- Latest data shows that the improving trend of school attendance levels for all children and young people living in SIMD 1 is continuing. Attendance levels have been increasing per annum over the last 4 years and now sits at 87.9%.
- Take up of free school meals for children and young people in P1-S6 continues to show an improvement year on year. Over 59.5% of children and young people are accessing free meals, the highest ever level and significantly surpassing the target of 54%. The take up of free concessionary travel continues to increase, with 82.7% of 5–21-year-olds now having an NEC card which includes a free bus pass.
- Closing the poverty-related attainment gap is a key part of tackling the effects of child poverty. The attainment gap for both literacy and numeracy for primary school children has decreased between 2023/24 and 2024/25. However, senior phase attainment remains a key area for improvement as the 2024/25 average tariff score for school leavers living in the most deprived communities within the city was 563, a decrease of 30 points from 2023/24.

- 2025/26 saw the implementation phase of "A Step Change in Positive Destinations for Young Dundonians". The plan explicitly aims to close the participation and destinations gap for young people from the most deprived communities, including SIMD1. Each secondary school now has a senior leader (Depute Head Teacher) designated as the Senior Responsible Officer for youth participation up to age 19. This role includes accountability for young people post school, not just leavers, which is critical for SIMD1 cohorts where drop off often happens.

National Performance Framework
(Aligning global, national and local aims)



Actions completed 2025/26

- Deliver on the Mainstreaming Equalities Report Action Plan 2021/25.

Actions due for completion 2026/27

2026/27 is the final year of this Council Plan, and most actions in progress are due to be completed by March 2027. All actions are currently on schedule:

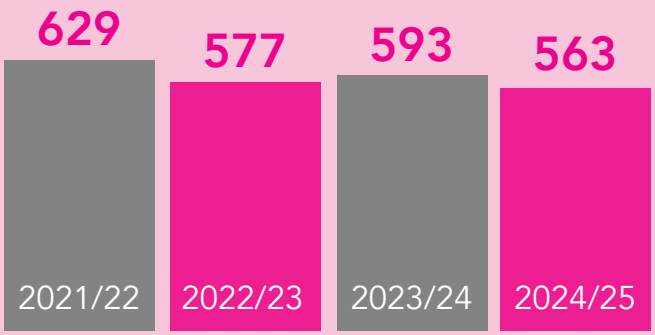
- Continue work to reduce the cost of the school day.
- Implement the recommendations of The Promise.
- Prioritise welfare support grants to children and families.
- Maintain momentum in energy efficiency and wall insulation programmes to reduce fuel poverty for children and families.
- Monitor Progress of the Local Fairness Initiatives to ensure support and engagement across council services, as well as implementing changes to services or policies, as appropriate.

82.7%

Take up in Dundee of young people aged 5-21 using a National Entitlement Card for free bus travel.

59.5%

Take up of free school meals (includes pupils from P1-S6).



Average tariff score for pupils living in SIMD Quintile 1.

Priorities in Action

Income Maximisation for Children and Families

Income maximisation is a key mechanism that the Council and other public and third sector organisations can use to reduce poverty by providing people in Dundee additional financial gains to use for everyday costs. Importantly, it can leverage large social value for a much smaller proportion of cost. A social return on investment report by the Improvement Service showed that an overall social gain of £968,175 was levered from an investment of £31,000. This equates to £32 per £1 spent, emphasising excellent value and a model to be replicated going forward.

Council Advice Services in Dundee have successfully helped secure over £17 million in financial gains for people across the city in 2024/25. Compared to the previous year, there has been a 37% increase in the total amount of money put back into people's pocket. This is largely a result of increased collaborative partnership working and more proactive community engagement. Significant financial gains and benefit claims were made in several key areas over the past year, including:

- Maximising benefit uptake with Macmillan Cancer Support – over £2 million
- Working with Midwives and Health Visitors to identify and support people eligible for financial support – over £500,000
- Pension Credit Take-Up campaign – over £2 million
- Partnership work with GP surgeries – over £3 million

A further £4.2m and £2.2m of financial gains were secured through Brooksbank Centre and the Citizen's Advice Bureau respectively, adding up to a total of £23.4m of additional money for people in the city.

In addition, the Council's money advisers have been working with people who are struggling with debt, offering advice and assistance to help them regain financial stability. As part of the proactive community engagement efforts, Council Advice Services has been holding clinics directly in local communities. These clinics are available in several locations including Lochee Hub, Broughty Ferry Library, and St Mary's Community Centre. School linked welfare and benefits advice services continued in Morgan, Baldragon and Greenfield Academies throughout 2025/26, supporting families to maximise income, prevent rent arrears and avoid crisis situations such as homelessness or fuel poverty.

The 2025/26 Council budget allocated £500,000 for cost of living support, targeted at households experiencing financial hardship, including families with children.

The Council is dedicated to supporting customers remain in their tenancies via the Discretionary Housing Payment fund. In 2025/26, over £4m of Discretionary Housing Payments/Local Authority Hardship Fund Payments have been awarded to tenants.

To help families and children the cost of school meals was frozen again in the 2026/27 budget.

Reducing the Cost of the School Day

Ongoing targeted mitigation work to reduce the cost of the school day (meals, transport, participation) continued during 2025/26, helping ensure children from low income households could fully access education. All Dundee schools have a Cost of the School Day action plan which are reviewed annually and integrated into school improvement strategies. The key city-wide pledges are:

- No child starts school without breakfast.
- No child misses P7 residential due to cost.
- Affordable school uniforms available (most schools have uniform shops).
- Leadership for Equity programme in development to enhance knowledge, awareness and improve practice.

School meal prices were frozen for the 2025/26 financial year, directly reducing daily household costs for families with children during the ongoing cost of living crisis. Most schools offer free breakfast through clubs, toast rounds, or snack boxes, and Swap shops, donations, and clothing grants are widely used.

Local Fairness Initiatives

During 2025/26, the Local Fairness Initiatives (LFIs) sustained a highly targeted, place based approach to reducing poverty and inequality, with Linlathen continuing as the most developed locality. Delivery focused on income maximisation, reducing the cost of living, improving employability, strengthening wellbeing and simplifying access to support services. Key achievements included maintaining trusted, multi agency local access points for welfare and financial advice; supporting residents to progress towards and into employment through integrated employability pathways aligned with the Child Poverty Pathfinder; improving access to coordinated housing, health and family support; and strengthening community resilience through co produced wellbeing activity and resident led initiatives. The LFIs continued to operate as a system change model rather than a short term project, embedding co production, early intervention and partnership working, with learning from Linlathen informing wider approaches across Dundee.

During 2025/26, a major external wall insulation and whole house retrofit programme commenced in Linlathen, covering 121 properties. The project forms part of a wider programme to tackle fuel poverty and improve energy efficiency in high deprivation areas.

During 2025/26, the Local Fairness Initiative received national recognition for collaborative, place based working. This included winning the APSE Service Award for Best Collaborative Working Initiative and the COSLA Excellence Award (SOLACE Best Team) in 2025. The initiative was also shortlisted for COSLA Excellence Awards in Tackling Inequalities and Improving Health & Wellbeing.

The Promise

Considerable progress is being made in Dundee to improve outcomes for care experienced children, young people and care leavers. Since implementation, 19 initiatives out of a total of 29 have been completed and the remaining 10 are making good progress. Key highlights to date include: A 14% reduction in the number of care experienced young people, from 375 in 2023 to 335 in 2025; The school attendance rate for care experienced pupils is now 82.8%, higher than the Local Government Benchmark Framework Family Group average of 80.5%; and the percentage of care experienced pupils achieving one or more awards at SCQF Level 4 or better has steadily increased from 73% in 2020–21 to 81% in 2024–25.

Work continues to strengthen the support provided by the New Beginnings Team to vulnerable parents and carers with babies and infants. Over the past year, 70% of referred babies were able to remain either at home in the care of their parent or with a kinship carer. Other initiatives to support parents and carers with babies and infants includes Alternatives Counselling helping people with emotional health concerns and Tayside Council on Alcohol assisting those who have previously had children removed from their care.

During 2025/26, Dundee continued delivery of relationship based, early intervention family support through Children's Services, supported by the £2m additional Children's Services investment built into the 2025/26 budget. This funding supported services that reduce escalation to statutory intervention, consistent with The Promise commitment to early help rather than crisis response.

LFIs are explicitly linked to the Child Poverty Pathfinder, aligning adult income stability with children with lived experience, an approach endorsed by The Promise.

Youth work programmes operating in deprived communities continued through 2025/26 (e.g. Positive Minds), enabling young people including care experienced young people to shape provision, gain confidence and achieve accredited learning. These programmes align with The Promise objective that children influence decisions affecting their lives, not just receive services.

There was a reduction in children living in temporary accommodation and children linked to homeless applications, with prevention activity and housing stability measures continuing into 2025/26. Stability of home environments is a direct enabler of Promise outcomes relating to safety, attachment and continuity.

All of this work reflects system reform, not isolated initiatives, and aligns strongly with national expectations for Promise deliver.

Free Bus Travel for Under 22s

Under 22s have access to concessionary travel which includes a free bus pass. Dundee City Council has actively promoted the scheme through local communications, surveys and engagement with young people and families, alongside practical support to access National Entitlement Cards and partnership working with local bus operators to ensure ease of use.

By the end of 2025/26, there were 24,913 under 22-year-olds with an NEC card with the free bus travel on it, up from 24,309 at the end of 2024/25. That is 82.7% of the Dundee 5-21 population. Targeted local promotion and engagement have contributed to increased take up of under 22 concessionary travel in Dundee. This consistent promotion helped normalise free bus travel, increase awareness and reduce access barriers, and reinforce its role in supporting education, employment and social participation.

Mainstreaming Equality

During 2021–2025, Dundee City Council achieved meaningful progress in mainstreaming equality by embedding equality and human rights more consistently into governance, planning and decision making, particularly through strengthened use of integrated impact assessments and closer alignment with the Council Plan. A substantial programme of actions across the seven equality outcomes was delivered or advanced, including improvements in workforce equality monitoring and reporting, wider promotion of Fair Work principles, strengthened partnership working across education, health, social care and community justice, and improved consideration of equality in transport and service access. The period consolidated equality as a core part of day to day Council activity rather than a standalone function. However, key challenges remain in relation to educational attainment gaps, health inequalities, poverty related disadvantage and Fair Work and improving outcomes in those areas are set out within the refreshed priorities and actions contained in the 2025–2029 Equality Mainstreaming Report.

The Equalities Mainstreaming Action Plan (2025-29) was approved at City Governance Committee in April 2025. The plan aims to strengthen and embed equality, diversity and human rights across all aspects of Dundee City Council's functions, building directly on progress and learning from the 2021–2025 period. New equality outcomes and actions have been agreed for 2025–2029, focused on ensuring equality is mainstreamed into governance, strategic decision making, service planning and delivery, rather than treated as a standalone activity, and confirms continued use of integrated impact assessments and the Fairer Scotland Duty to address socio economic disadvantage. It also aims to improve transparency and accountability through updated employee equality monitoring, gender pay gap reporting and evidence based use of workforce and service data, while supporting partnership working where equality outcomes cannot be delivered by the Council alone. Overall, the report seeks to deliver a refreshed, realistic programme of equality outcomes for 2025–2029 that responds to persistent inequalities identified during 2021–2025 and aligns equality delivery with the Council Plan and wider strategic priorities.

Positive Destinations for Young People 16-19

Dundee has achieved consistently high and improving outcomes for young people entering positive destinations on leaving school, with outcomes supported by senior phase attainment and strengthened transition support. The proportion of school leavers entering an initial positive destination for the academic year 2024/25 remains high at 93.7%, although there has been a small decrease from 94.8% in 2023/24. This decrease reflects a trend in local authorities which are in Dundee's LGBF family group of councils that have similar characteristics.

Improvements in attainment at National 5, Higher and Advanced Higher have helped strengthen readiness for post school pathways. The number of young people achieving passes at National 5, Higher and Advanced Higher level has increased in Dundee. The pass rate at grades A–C for National 5s in Dundee has increased from 74.9% in 2024 to 77.0% in 2025, which is higher than the pre-pandemic 2019 pass rate of 74.9%. The pass rate at grades A-C for Highers increased from 70.3% in 2024 to 70.6% in 2025. The pass rate at grades A-C for Advanced Highers increased from 70.0% in 2024 to 73.4% in 2025.

Targeted work with partners has focused on reducing drop out, improving sustained participation, and developing a school–college–work experience model to better support young people requiring additional help at transition points. Taken together, the data indicates strong performance in supporting 16–19 year olds into education, employment or training, with ongoing work directed at further improving sustainability and equity of outcomes.

All in Dundee has committed to flexibility, with a desire to deliver services in partnership with the Council including the 'Collaborative and Coordinated' aspects of the Challenge Fund. Elements of All in Dundee's service offer were scaled up during 2025/26. An Alternative Route Collaborative (ARC) is designed specifically to support young people who have engaged with Dundee City's offsite provisions, including Rockwell Learning Centre, PACE, or RISE. This was developed in direct response to findings of 'A Step Change in Positive Destinations for Young Dundonians'.

Other additional support was made available for young people and parents to enable their participation in further education, training, or employment. For example:

- Discover Together – 6-month paid placements for up to 8 unemployed or underemployed parents within NHS Tayside. Placements are paid above the Real Living Wage and offer family friendly working pattern to accommodate family commitments;
- Scottish Childminding Association (SCMA) Programme for Scotland's Childminding Futures - A programme to support up to 10 new childminders in Dundee with a training and induction package from SCMA, business start-up support from Business Gateway, and a Scottish Government Business Grant.

- Earn and Learn Opportunities - Up to 14 Modern Apprenticeship opportunities with partner organisations for young people not participating in employment, education, or training. This was developed in direct response to findings of 'A Step Change in Positive Destinations for Young Dundonians'.

Further information on performance of the Employability Pathway programme up to 31/03/2026, including a summary of customers supported (e.g. equalities data; characteristics; circumstances; locality by ward, community, data zone), will be included in a report for the City Growth & Infrastructure Committee later in the year. The information will be used to inform improvement activity - e.g. community and customer engagement activity as part of the 'Stakeholder Engagement Plan'.

Performance Scorecard

Priority	On Target	Within 5% of Target	Not on Target	Total	Improved or the same as last year (% of total)
Reduce Child Poverty and Inequalities in Incomes, Education and Health	1	3	3	6	4 (67%)

Most Improved PI's	Most Deteriorating PI's
Percentage of 5-21 population who have a free bus concession NEC smartcard.	Percentage of care experienced young people in positive destinations.
% Take up of free school meals entitlement P1 - S6.	Average Total Tariff for SIMD 1.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
		Data	Data	Data	Target	Target			
	Overall school attendance of all children and young people living in SIMD 1**.	87.0%	87.8%	87.9%	95.0%	96.0%			Latest figure is attendance from the start of academic year 2025/26 up to March 31st. Improving this indicator remains a key priority.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
	Average Total Tariff for SIMD 1*.	577	593	563	660	805			There have been different approaches to awarding in sessions since 2019/20. Comparisons of attainment between years should be treated with significant caution and do not allow for conclusions to be drawn on changes in education performance during this time. The next interim update due September 2026.
	Percentage of 16–19-year-olds living in SIMD 1 areas participating in positive destinations*.	84.1%	87.3%	87.3%	90%	93.5%			Skills Development Scotland published their participation measure 2025 in August 2025. This reported that 87.3% of 16-19 year olds in Dundee City living in SIMD Quintile 1 were participating in education, employment or training. The improvement between 2023 & 2024 has been maintained.
	Percentage of care experienced young people in positive destinations*.	71%	100%	84%	94%	96%			Most care experienced children are in positive destinations. This indicator can fluctuate due to a small number of care experienced children who are 16+. Key workers in the youth employability service are continuing to support Children and Young People across Dundee and support them into positive destinations.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
✓	% Take up of free school meals entitlement P1 - S6.	52.5%	58.6%	59.5%	54.0%	60.0%	▲	▲	This indicator measures take up of free school meals for all primary pupils and includes the P1-P5 group who have universal entitlement to free meals.
▲	Percentage of 5-21 population who have a free bus concession NEC smartcard.	75.2%	80.7%	82.7%	86.0%	91.0%	▲	▲	The high percentage of under 22s accessing concessionary travel has improved again in 2025/26 with 82.7% now possessing an NEC smartcard.

* Data is a year behind i.e. latest figure data and current year target is for 2024/25

** Latest figure data is March 2026. Current year target shown is target for 2025/26

Performance Indicator Key

Status		Short Term Trend		Long Term Trend	
●	More than 5% away from Target	▲	Improving	▲	Improving
▲	Within 5% of target	=	Maintaining	=	Maintaining
✓	On Target	▼	Deteriorating	▼	Deteriorating

Progress on Key Actions

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
✓	Deliver on the Mainstreaming Equalities Report Action Plan.	100%	31st March 2025	Equalities Mainstreaming Action Plan (2025-29) approved at City Governance Committee on 21 April 2025.	CEX
✓	Promote the uptake of concessionary travel scheme for young people, ensuring quick and easy access to entitlement.	100%	31st March 2027	Completed September 2024. This indicator will continue to be monitored and reported on via the service plan for the Chief Executive's Service.	CEX
▶	Continue work to reduce the cost of the school day.	93%	31st March 2027	A meeting with appropriate stakeholders was held in April 2026 to discuss and agree how all schools and nurseries can go further with their commitments to reducing the cost of the school day. Agreed actions are being taken forward and progress will be recorded and monitored.	CF
▶	Implement the recommendations of The Promise to deliver the Scottish Government's commitment to care for Scotland's most vulnerable children and give them the best possible childhood.	92%	31st March 2032	The Our Promise Annual Report, approved by Elected Members in November 2025, highlights progress over a range of areas. The next 3-year plan will be incorporated into the Children's Service Planning Partnership Plan 2026-29, where care experienced children and young people will continue to be a key priority with annual updates on progress.	CF
▶	Prioritise welfare support grants to children and families.	90%	31st March 2027	Collaborative working continues with school co-location work proving very successful. Income Maximisation gains from all schools includes access to the various welfare and fuel support grants available.	CS

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Monitor progress of the Local Fairness Initiatives to ensure support and engagement across council services, as well as implementing changes to services or policies, as appropriate.	90%	31st March 2027	An evaluation of the Linlathen Local Fairness Initiative (LFI), including key lessons, was completed and presented to the Child Poverty & Inequalities Strategic Leadership Group. The Stobswell LFI is fully into implementation phase with the drop-in established, employability support deployed and action progressing on support to people in private tenancies.	CEX
▶	Maintain momentum in energy efficiency and wall insulation programmes to reduce fuel poverty for children and families.	70%	31st March 2027	The next phase in the Retrofit programme, Linlathen Phase 1, has been approved by Committee and works commenced in March 2026. Phases 2 and 3 will continue before progressing retrofit projects at Glenprosen, Lawton and Fleming Gardens Developments.	NS
▶	Build on the United Nations Convention on the Rights of the Child #MakeItRight campaign encouraging young people to know about their rights under the UNCRC, and for adults and the public sector to help safeguard those rights.	43%	31st March 2027	An audit of where schools are in relation to the Rights Respecting Schools Award (RRSA) has been concluded and an officer has been assigned to support schools in progressing this. Almost all of Dundee schools have achieved Bronze RRSA Award. 15 schools have achieved Silver RRSA and four schools achieved Gold.	CF

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Deliver on the Mainstreaming Equalities Report Action Plan 2025/29.	30%	31st March 2029	The Equality & Mainstreaming Report & Action Plan is discussed as a regular agenda item at the Corporate Steering Group Meetings and Council Leadership Team are updated on progress as appropriate.	CEX
▶	Expand our free early years education to all 1- and 2-year-olds, starting with children from low-income households.	25%	31st March 2027	110 families with children under 3, who are not yet eligible for free early learning and childcare and who live in the North East and East End Wards of Dundee have engaged in the project between October 2025 and March 2026. Early Years Family Workers continue to take the opportunity to consult with families to gather their views, needs, and childcare preferences and will collate and analyse responses.	CF

CD-*City Development*, **CEX**-*Chief Executive Services*, **CF**-*Children and Families*, **CS**-*Corporate Services*, **NS**-*Neighbourhood Services*

Action progress symbols and progress percentage explained	
▶	**In Progress** - Action is progressing well, on target for achieving all objections set in the initiation phase. **20%** - The task is defined and agreed by relevant partners/stakeholders. **40%** - Necessary tasks planned and implementation in early stages. **60%** - Number of key actions achieved/agreed process or improvement taking shape or in place or underway. **80%** - Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
⬢	**Overdue** – Action is still progressing; however, it has exceeded its due date.
✓	**Completed** - Action has been completed, and objectives have been achieved.

Deliver Inclusive Economic Growth and Community Wealth Building



"Dundee will have a strong, creative, smart and sustainable city economy with jobs and opportunities for all."

Dundee Plans

- The Tay Cities Region: Prospectus for Regional Growth 2025/2035
- Dundee City Centre Events Strategy 2024/29
- Dundee Tourism Strategy 2025/30
- Discover Work Strategy and Action Plan 2022/2027
- Dundee Local Development Plan
- City Centre Strategic Investment Plan 2050
- Waterfront Masterplan 2001/2031
- Community Wealth Building Strategy 2025/30
- Economic Vision and Action Plan

Strategic highlights from last year

- Significant external funding to support inclusive economic continues to be managed by the Council. During 2025/26, Dundee City Council used UK Shared Prosperity Fund (UKSPF) and Tay Cities Regional Deal investment to support inclusive economic growth through business support, employability, regeneration and capital investment. UKSPF was deployed to provide digital and grant support to SMEs, deliver business growth and innovation funding, support skills development through Dundee & Angus College, and fund community outreach advisers to widen access to start up and business support. In parallel, Tay Cities Regional Deal funding continued to support employability programmes, and wider economic regeneration activity.
- The Bell Street Hub, a £14.4 million Levelling Up funded project became partially operational during 2025/26 with the re-opening of the refurbished parking facility and core transport infrastructure. The hub has transformed the former Bell Street multi storey car park into a Green Multi Modal Transport Hub, supporting sustainable travel, electric vehicle infrastructure and active travel facilities. The ground-floor green travel facility will open during 2026. The project has attracted significant national and sector specific attention through construction, sustainability and transport media and was shortlisted for a COSLA Excellence Award in the "Building Towards a Just Transition" category.

- Latest data available (for 2024/25) shows Dundee has 9,000 jobs within the tourism sector. The Waterfront developments continue to contribute to the City's economic growth by attracting and retaining major employers, tourism growth and construction and supply-chain activity.
- Employability services continued to support residents into positive destinations during 2025/26, with targeted support for young people, care experienced leavers and those furthest from the labour market through the Discover Work partnership and employability pathway approach.

National Performance Framework
(Aligning global, national and local aims)

The UN Sustainable Development Goals	The National Performance Framework	Council Plan Key Priority
	A globally competitive, entrepreneurial, inclusive and sustainable economy Thriving innovative business with fair and quality jobs for everyone Open connected and make a positive contribution internationally	 Deliver Inclusive Economic Growth (including Community Wealth Building)

Actions completed 2025/26

- Deliver an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs.

Actions due for completion 2026/27

2026/27 is the final year of this Council Plan, so most actions in progress are due to be completed by March 2027. All actions are currently on schedule:

- Continue to raise the profile of the city through a range of marketing activities, promoting key messages, assets and opportunities to businesses, investors, developers and visitors.
- Increase the number of start-ups and SMEs in the city and support their expansion.
- Maximise apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice.
- Increase the percentage of Dundee City Council Procurement spent with Dundee based organisations.
- Continue to grow the number of jobs within Dundee Waterfront.
- Increase and enhance employment pathways, in particular supporting around 11,000 economically inactive people towards job seeking and 16–19-year-olds into positive destinations.
- Implement the long-term City Centre Investment Plan to deliver a vibrant City Centre.

57.7%

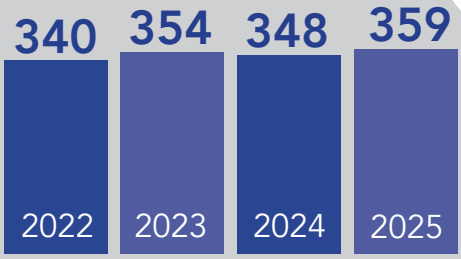
of Dundee City Council procurement spent with Dundee based organisations in 2024/25.

2021/22 - 36.0% • 2022/23 - 38.9% • 2023/24 - 47.0%



Target
2024/25 - 41%
2026/27 - 50%

Business SME business base per 10,000 population



Target
2025 - 372

1.42m

Visitors to Dundee in 2024, bringing **£333m** into the city.



Priorities in Action

Long-term City Centre Investment Plan to deliver a vibrant City Centre

This work has been driven through delivery of the City Centre Strategic Investment Plan (CCSIP) 2050, which provides the strategic framework for regeneration activity and has enabled the Council to progress both visible public realm improvements and longer term development proposals.

Work to permanently transform Union Street into an accessible pedestrianised space co-designed in collaboration by Dundee City Council, the Walk, Wheel and Cycle Trust and UNESCO City of Design with input from the public and key stakeholders began in February 2026. This city centre project has been awarded more than £1 million of funding from the Scottish Government, with a tender worth nearly £1.9 million for Tayside Contracts approved by the Council in 2025. The project will also provide improved crossings over Nethergate to the north and Yeaman Shore to the south. Union Street will be transformed into high-quality, accessible, level public space with seating, shelters, a public events space, planting, cycle parking, space for outdoor eating and drinking and new and improved lighting.

During 2025/26, several other key developments reached completion or opening, demonstrating tangible investor confidence and progress against the City Centre Strategic Investment Plan (CCSIP) objectives. These include the completion of the BT Headquarters on West Marketgait, the opening of a major new city-centre event and culture in venue LiveHouse, and the opening of new major retail stores in the Overgate Centre, including the flagship store Frasers.

Housing delivery and repurposing of underused sites is also a core pillar of the CCSIP increasing the number of people living in the city centre and supporting local businesses. On the Murraygate, 31 flats above ground-floor retail have been completed while at Trades Lane, a 28 flat residential development at the Seagate corner has also been completed. Further residential properties are still under construction are underway at Thorter Row, Gellatly Street. These developments contribute directly to the plan's ambition to reposition the city centre as a mixed-use location rather than a retail-only environment.

The Scottish Government's Vacant & Derelict Land Investment Programme awarded £695,000 towards the ongoing Lochee Placemaking Project, Lochee being another potentially vibrant hub in the city. This will support work to improve and unlock a number of vacant sites along Lochee High Street. Further Scottish Government investment will allow the addition of a major new water and drainage system in the High Street to allow development of social housing.

Waterfront Development

Significant investment activity continued at the Waterfront during 2025/26, with the £26m James Thomson House on Site 6 of the Central Waterfront delivering additional Grade A office space. Construction activity has generated wider community benefits, including employability support and opportunities for local suppliers, aligning Waterfront delivery with the Council's inclusive growth and community wealth building objectives. Ongoing demand for this type of accommodation provides evidence of the Waterfront's role in supporting economic confidence and inward investment.

Construction is underway to deliver new homes at the corner of Dock Street and Gellatly Street, the former Department for Work and Pensions building. The building is being converted and extended to provide 49 affordable apartments. The development by Hillcrest Homes brings a vacant city centre building back into use for housing.

Promoting The City

During 2025/26, Dundee City Council continued to progress a coordinated programme of activity to promote Dundee as a vibrant, accessible and investable city. The Council has actively promoted the city by successfully securing and publicising significant external investment aligned to regeneration and economic growth objectives. Confirmation that Dundee would receive £20 million through the Community Regeneration Partnership during 2025/26 has provided a clear mechanism for progressing projects that enhance the city centre, support reuse of vacant buildings and strengthen cultural and commercial activity. Funding announcements and associated project updates have reinforced Dundee's capacity to attract national investment and deliver complex regeneration programmes, supporting confidence among partners, investors and stakeholders.

The Council has also taken steps to promote city centre vitality through partnership based initiatives and stakeholder engagement. This has included ongoing work with businesses on proposals for a Business Improvement District (BID), support for major cultural and retail openings, and promotion of activity and events aimed at increasing footfall and improving perceptions of the city centre. Evidence of delivery includes completion of major developments, increased cultural programming and continued engagement with city centre stakeholders.

Latest Scottish Tourism Economic Activity Monitor (STEAM) figures revealed that visitor numbers to the city have increased again to over 1.4 million, bringing in £333 million for the Dundee economy last year. The new Dundee Tourism Strategy 2025/30 was developed by Dundee's Tourism Leadership Group with the ambition to make Dundee Europe's best emerging city break destination by 2030.

Dundee has been named the 'best city in the UK for a spring day out'. A survey by train company LNER analysed 88 of the most populated towns and cities in the UK across a range of environmental and activity-based factors. These include historical weather data, the amount of green and blue space, alongside land and woodland cover, and the number of walking trails in each location. The Times has highlighted locations across Britain that the paper said were "vibrant, full of potential and relatively affordable".

According to the publication, "The City of Discovery has a buzz that belies its size thanks to a 25,000-strong student population breathing life into its pubs, music venues and weeknight nightlife, alongside the opening of the V&A Dundee and regeneration of the waterfront."

More visitors are attracted to the city, with the latest data showing that Dundee welcomed 1,418,000 visitors during the last year.

Dundee came top within Scotland in a list of best cities to move to as a graduate. Ranking took place based on a range of factors including average wage, job availability, rent costs, utilities and the average cost of a meal. Across the whole of the UK, Dundee ranked second in the top cities to start a graduate career as well as second in most affordable cities for a post-University career.

It is estimated that the 37th European Cetacean Society (ECS) Conference generated more than £1.6 million in direct economic benefit for Dundee and the wider region as over 750 marine science experts travelled to Dundee for the five-day event in April. LiveHouse hosted the main conference programme, with workshops at venues across the city centre, allowing delegates to engage with and experience the city throughout the event.

Supporting Start Up Businesses and SMEs

Business Gateway Tayside Service continues to meet or exceed performance targets providing a core entry point for advice and support to new businesses across Dundee. The positive position reported in last year's annual progress report has been improved with an additional 50 new business start- ups compared to last year. There are now over 3,500 businesses in Dundee employing less than 250 people.

UK Shared Prosperity Funding has been used during 2025/26 to deliver digital support to SMEs, grant funding through the Dundee Business Growth and Innovation Grant, skills support for SMEs via Dundee & Angus College as well as dedicated outreach support through two Community Advisers working directly with start-ups and SMEs.

Employment pathways for unemployed people and 16-19 positive destinations

During 2025/26, Dundee City Council continued to progress work to improve employment pathways for unemployed people and support young people aged 16–19 into positive destinations, in line with the Discover Work Strategy and Action Plan 2022–2027. Further progress was made with the implementation of a single, coordinated Corporate Employability Service, aimed at simplifying access to employability support and strengthening partnership delivery through the Discover Work Local Employability Partnership.

All in Dundee, a consortium of Third Sector Employability Providers led by ENABLE,

continues to work in partnership with Apex Scotland, Barnardo's, Helm, One Parent Families Scotland, Street League, Volunteering Matters to increase and enhance employment pathways for unemployed Dundonians.

The Employability Pathway programme, delivered through Discover Work and third-sector partners, continued to support people to progress into employment, education or training, with 75% of participants achieving a positive outcome. Additional No One Left Behind funding enabled elements of the employability offer to be scaled up, including specialist support for those facing barriers to work. For young people aged 16–19, progress continued against the Positive Destination Improvement Plan, including the establishment of Improvement Groups within secondary schools and off-site learning settings, alongside continued delivery of apprenticeships, paid placements and initiatives such as Career Ready, supporting young people to move towards positive destinations.

75% of 992 employability pathway customers progressed into employment, education, or training.

Community Wealth Building

During 2025/26, the Council has continued to progress Community Wealth Building in line with the 2025-2030 Strategy and Action Plan. Community Wealth Building principles are increasingly embedded within mainstream Council activity, supported by governance and performance monitoring arrangements. A central focus has been on maximising the economic and social value of public investment, strengthening the local economy, and ensuring that communities benefit directly from Council spend.

Procurement has been a key delivery mechanism for Community Wealth Building, with continued improvement in local and regional spend and targeted activity to strengthen the local supply chain. Supplier development activity, including Meet the Buyer events, has supported local businesses to access public-sector opportunities, while community benefits and Fair Work requirements have been embedded within contracts and major capital programmes. The Community Wishes approach has further strengthened delivery by connecting contractors with local communities to support community-led projects, ensuring visible and place-based benefits from Council procurement activity.

Dundee is performing best in Scotland in terms of procurement spend on local enterprise, for 2025/26 the percentage of total spend was 58%. While the recent figures represent a significant success, it is important to note that the Council's local spend has seen a notable increase during the 2023–2025 period, largely driven by major construction projects such as the Drumgeith Community Campus and Greenfield Academy. These large-scale contracts have had a substantial impact on local economic activity and procurement statistics that will be challenging to maintain next year.

Performance Scorecard

Priority	On Target	Within 5% of Target	Not on Target	Total	Improved or the same as last year (% of total)
Deliver Inclusive Economic Growth	3	4	0	4	100%

Most Improved PI's	Most Deteriorating PI's
Increase the percentage of Dundee City Council Procurement spent with Dundee based organisations.	n/a
Visitor numbers to Dundee (,000s).	n/a
SME Business base per head of 10,000 working age population.	n/a

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
		Data	Data	Data	Target	Target			
✓	Increase the percentage of all 16-19-year participating in positive destinations*.	89.4%	90.5%	91.3%	92.0%	94.0%	▲	▲	Skills Development Scotland Published their Annual Participation Measure for 2025 in August 2025. It reported that 91.3% of 16-19 years olds in Dundee were participating in Education, Employment or Training. 68.4% were in education, 19.7% were in employment and 3.1% were in training or development.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
✓	Increase the percentage of Dundee City Council Procurement spent with Dundee based organisations*.	38.9%	47.0%	57.7%	41.0%	50.0%	▲	▲	2024/25 data shows Dundee is exceeding Council Plan target. Dundee is also exceeding LGBF benchmark, as our family group average is 33.4%. Spend Data for 2025/26 available in June 2026.
▲	SME Business base per head of 10,000 working age population Businesses.	353.8	347.6	359.4	372	400	▲	▲	Latest data shows 3,530 businesses with fewer than 250 employees in Dundee (ONS UK Business Data 2025). An increase from 3,470 the previous year.
✓	Visitor numbers to Dundee (,000s) *.	1,249	1,357	1,418	752	1,058	▲	▲	Latest visitor numbers from STEAM Report 2025. Data is for 2024 calendar year.

* Data is a year behind i.e. latest figure data and current year target is for 2024/25

Performance Indicator Key					
Status		**Short Term Trend**		**Long Term Trend**	
	More than 5% away from Target		Improving		Improving
	Within 5% of target		Maintaining		Maintaining
	On Target		Deteriorating		Deteriorating

Progress on Key Actions

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
	Deliver an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs.	100%	30th November 2024	Completed July 2025. A comprehensive action plan focusing on key activities across the 5 pillars of Community Wealth Building was presented to City Governance Committee in June 2025.	CS
	Increase the percentage of care experienced young people in positive destinations.	80%	31st March 2032	Young people referred to Employability service are offered bespoke 1:1 support to address their needs and aspirations and an action is created for each individual young person. Key workers continue to provide support to sustain their positive destination.	CF
	Continue to raise the profile of the city through a range of marketing activities, promoting key messages, assets and opportunities to businesses, investors, developers and visitors.	77%	31st March 2027	A new marketing campaign "It's a Dundee thing" is underway on meta and Sky ads promoting the city as a great destination. This will run to July/ August 2026.	CD

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Increase the number of start-ups and SMEs in the city and support their expansion.	75%	31st March 2027	Business Gateway Tayside Service continues to meet or exceed performance targets. UK Shared Prosperity Funding has been used to provide digital support to SMEs, provide grant support (Dundee Business Growth and Innovation Grant); and provide SME skills support via D&A College. 2 Community Advisers have also been employed using UKSPF to offer outreach support to start-ups and SMEs.	CD
▶	Increase and enhance employment pathways, in particular supporting around 11,000 economically inactive people towards job seeking and 16–19-year-olds into positive destinations.	70%	31st March 2027	Elements of All in Dundee's service offer were scaled up during 2025/26 including an expansion of a specialist service known as Individual Placement and Support (IPS), developed to support people with severe and enduring mental health problems to secure and sustain employment and an Alternative Route Collaborative (ARC) designed to support young people who have engaged with Dundee City's offsite provisions.	CD
▶	Maximise apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice.	60%	31st March 2027	All secondary schools are actively involved in partnering with 'Career Ready' a programme connecting young people aged 15 to 18 to workplace opportunities, which includes a mentoring program and paid internships within the Council.	CS
▶	Increase the percentage of Dundee City Council Procurement spent with Dundee based organisations.	55%	31st March 2027	Procurement spend with Dundee based suppliers continues to increase. The Procurement Team continue to engage with local suppliers. Another successful Meet the Buyer Tayside Event was held on 3 March 2026 with 290 individuals attending on the day and 35 companies exhibiting.	CS

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Continue to grow the number of jobs within Dundee Waterfront.	50%	31st March 2027	In February 2026, Thorntons Law committed to a lease for the top three floors of the new James Thomson House becoming the company's new HQ. Marketing of the two-ground floor commercial units is now commencing with viewings being conducted.	CD
▶	Implement the long-term City Centre Investment Plan to deliver a vibrant City Centre.	40%	31st March 2027	Key developments in progress include Union Street pedestrianisation works, Murraygate streetscape redesign, and completion of the Bell Street Green Transport Hub, all improvements which will enhance the city's vibrancy.	CD

CD-*City Development*, **CEX**-*Chief Executive Services*, **CF**-*Children and Families*, **CS**-*Corporate Services*, **NS**-*Neighbourhood Services*

Action progress symbols and progress percentage explained	
▶	**In Progress** - Action is progressing well, on target for achieving all objections set in the initiation phase. **20%** - The task is defined and agreed by relevant partners/stakeholders. **40%** - Necessary tasks planned and implementation in early stages. **60%** - Number of key actions achieved/agreed process or improvement taking shape or in place or underway. **80%** - Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
⬢	**Overdue** – Action is still progressing; however, it has exceeded its due date.
✓	**Completed** - Action has been completed, and objectives have been achieved.

Tackle Climate Change and Achieve Net Zero by 2045

"Dundee will be a greener city, made up of strong communities where people feel empowered, safe and proud to live."

Dundee Plans

The Council has several plans and strategies that will be focussed on tackling climate change and reaching net zero by 2045. These include:

- Dundee Climate Action Plan
- Net Zero Transition Plan 2024/30
- Local Area Energy Plan
- Local Heat and Energy Efficiency Strategy
- Local Heat and Energy Efficiency Delivery Plan 2024/28
- Air Quality Action Plan 2025/29
- Biodiversity Action Plan 2020/30
- Open Space Asset Management Plan 2024/29
- Local Food Growing Strategy
- Regional Transport Strategy
- Sustainable Transport Delivery Plan 2024/2034
- Waste and Recycling Strategy Action Plan 2026/30

Strategic highlights from last year

- The new Green Transport Hub in Bell Street is now up and running, fully fitted with a new state of the art cycle hub run by Angus Cycle Hub CIC, and car park with EV charging points powered by the building's own solar panel and battery storage.
- Dundee City Council's New Waste and Recycling Strategy 'Towards a Waste Free Dundee 2026-2030' was approved by committee, with a comprehensive set of actions and performance measures to improve the Council's recycling rate, reduce waste volume across the city, and promote positive behaviours within the city's communities.
- The Council's longstanding achievement of retaining external accreditation for beautiful spaces in eight locations across the city has been extended for another year. Seven locations across the city have retained their Green Flag status, and Broughty Ferry Beach was successful in retaining its Keep Scotland Beautiful's Beach Award.

- The Council's administration of Scotland's first council-led green participatory budget fund, the Climate Fund, has been successful, with the 3rd round of funding totalling approximately £107,000 being delivered to 6 community-led climate change projects across the city.
- Environmental upgrade works are being delivered across the city in all wards, with key developments including the reopening of revamped Longhaugh Park, and future works in the pipeline from £1.5m investment in Camperdown Park, and £160,000 on new features for the Eliza Street Pocket Park in Stobswell. Approximately £0.5 million has been invested in play areas throughout the city during 25/26 with the majority of funding coming from the Scottish Government's Play Renewal scheme.

National Performance Framework
(Aligning global, national and local aims)

The UN Sustainable Development Goals	The National Performance Framework	Council Plan Key Priority
	We value, enjoy, protect and enhance our environment	Tackle Climate Change and reach Net Zero emissions by 2045

Actions completed 2025/26

- Expand the rollout of 'safer school streets' initiative.

Actions due for completion 2026/27

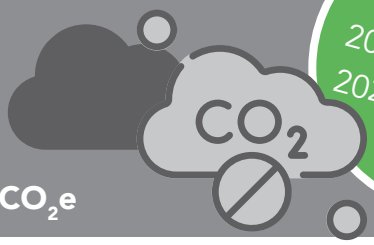
2026/27 is the final year of this Council Plan, so all remaining actions in progress are due to be completed by March 2027. All actions are currently on schedule:

- Develop and implement a Net Zero Transition Plan and Carbon Budget for DCC.
- Deliver Scotland's first council-led green participatory budgeting initiative – Dundee Climate Fund.
- Embed a Cycle Network Plan within the Local Development Plan.
- Provide further opportunities for pedestrianised areas, pocket-parks and support empowered communities to be partners and leaders on local plans and initiatives to develop biodiversity, local food growing and community spaces.
- Deliver the action plan to reduce waste, and reuse or recycle more.
- Support the Scottish Government's plans to invest £500 million nationally over the next 5 years to support walking, wheeling and cycling infrastructure.

Dundee City Council's Carbon emissions in 2024/25 were:

25,374 tCO_2e

2022/23 - **24,130 tCO_2e** • 2023/24 - **26,419 tCO_2e**



Target
2024/25-**24,359**
2026/27-**21,984**

Dundee City Council's property energy consumption:

2023/24 - **19,482 tCO_2**
2024/25 - **19,174 tCO_2**
2025/26 - **17,713 tCO_2**



Target
2025/26-**16,960**
2026/27-**16,111**

35.1%



Household waste recycling rate; and an all-time low of 1% of household waste going to landfill.

Target
2024/25-**41%**
2026/27-**47%**



28

Community Projects have been funded with approximately £750,000 from the Climate Fund.

Priorities in Action

Net Zero Strategies

Dundee City Council's Net Zero Transition Plan outlines the Council's organisational approach and emissions reduction programmes to achieve its goal of becoming a net-zero organisation by 2038. It includes key actions structured around four themes of Net Zero Emissions, Climate Resilience, Engagement and Circular Economy and implements a carbon accounting process that will embed delivery across all our Services. The most recent update report showed that the Council has reduced its total carbon emissions by around four percent in the last reporting year of 2024/25 and a total reduction of 55% since reporting began. This decrease has been driven largely by a reduction in energy use across Council buildings and improvements to fleet performance.

In addition to the Council's Net Zero Transition Plan, the Local Heating and Energy Efficiency Strategy (LHEES) and the Local Area Energy Plan (LAEP) were both approved by councillors in April 2024 and September 2024 respectively and will complement each other to support the city in delivering its 2045 net-zero target.

The LHEES identifies opportunities for energy efficiency improvements, heat decarbonisation and priority areas suited for developing heat networks for buildings across Dundee. The LHEES Delivery Plan outlines 39 deliverable actions in relation to: stakeholder engagement; overarching actions; heat decarbonisation; fuel poverty; energy efficiency; and heat networks. It has identified five prioritised heat network zones; City Centre, Baldovie, Caird Park, Ninewells Hospital and Lochee. There has been significant momentum on the heat network vision driven by external funding, detailed technical studies, delivery model exploration, and active engagement with NHS Tayside, Universities, Industry, and District Network Operators to shape network development and future infrastructure needs.

The LAEP provides an understanding of the nature, scale, rate, and timings of changes needed for the transition to a net zero energy system within Dundee by 2045. It takes a whole energy systems approach, so while it has an integral relationship with the LHEES, it has a wider focus. It outlines actions and route maps for its implementation to improve energy efficiency, decarbonise heat, maximise rooftop PV and storage, reduce and decarbonise transport, and ensure network resilience.

Improving Air Quality

The annual Air Quality report in June 2025 showed Air Quality in Dundee had met all the targets in the six locations where it continuously monitors nitrogen dioxide (NO2) and 11 locations where it continually monitors particulate matter (PM). There are also 83 locations where less reliable but less costly passive diffusion tubes (PDTs) are used. The annual concentration levels have remained below pre-pandemic levels and have decreased further in many locations. These improvements are likely to be because of the proactive introduction of cleaner vehicles to fleets ahead of the implementation of the Low Emission Zone (LEZ). This has included the investment in modernising bus fleets, supported by Scottish Government grant funding with the aim of improving air quality not only within the LEZ but also along the arterial routes served by these buses. Similarly other commercial operators upgraded their fleets in preparation of the LEZ's introduction.

Enforcement of the Dundee LEZ scheme commenced on 30 May 2024 following the conclusion of the two-year grace period. From this date, owners of non-compliant vehicles that were identified through the automatic number plate recognition (ANPR) cameras as being driven on a road within the LEZ area would be issued a Penalty Charge Notice.

A new Air Quality Action Plan was approved by City Governance Committee in November 2025 and outlines the actions to deliver on further improvements to the city with (where possible) timescales, delivery organisations, funding sources, and target reductions in pollutants have been detailed for each action plan measures.

Sustainable and Active Travel

The new Green Transport Hub on Bell Street has partially opened following its transformation from the previous multi-storey car park. This began with the re-opening of the car park in December 2025 which has now been enhanced with additional electrical vehicle chargers supported by a solar panel array on the roof with a battery storage system.

Following this, Angus Cycle Hub CIC has now moved into the ground floor of the refurbished building, providing affordable access to bikes for Dundee residents, 24-hour secure bike parking and storage, a state of the art bike and cycle service centre, a regional bike reuse centre, and an indoor bike skills park. With these new developments, alongside enhanced landscaping with active travel routes designed with consideration of future active travel connections and development, the facility is believed to be one of the first of its kind in Scotland at this scale, creating a flagship destination for active travel, skills development and community cycling and was nominated for the COSLA Awards 2025.

Data from the Walking and Cycling Index Dundee shows 28% of residents in Dundee cycle, and 12% cycle at least once a week. Both of these figures have maintained from the previous index in 2023. A key positive is that 49% of residents now think cycling safety in their area is good; up from 40% in 2023. Likewise, 71% of people think walking and wheeling safety in their local area is good; an increase from 64% in 2023. It also highlighted how Walking, wheeling and cycling in Dundee prevents almost 400 serious long-term health conditions each year, creates £127 million for the local economy, and saves 5,700 tonnes of greenhouse gas emissions.

The report highlighted key sustainable transport projects in Dundee, including completed construction on both the Bell Street Hub and the Broughty Ferry-Monifieth Active Travel Project; progressing design work on Sustainable Transport Corridors on both Lochee and Arbroath Road as well as Eden Connections, connecting Eden project with the City Centre, Waterfront and neighbouring areas; and Strathmartine Connections, creating new and improved active travel routes through the park connecting schools and the neighbourhood to the Green Circular and future active freeway on Macalpine Road.

Dundee City Council was awarded £745,000 in grant funding from Transport Scotland to develop designs for the Lochee and Arbroath Road Sustainable Transport Corridors. This new design will integrate previous concepts for active travel and bus priority. These are two of the City's six key strategic corridors with development of concept designs for high-quality Active Freeways aimed to encourage more people to walk, wheel and cycle. These two routes in particular were identified by the Tayside Bus Alliance as being key bus corridors that would benefit from bus priority measures.

Dundee City Council has previously received a number of awards for its drive to net zero through its use of electric vehicles (EVs). To build on these successes and strengthen the city's position as a leader in electric vehicle (EV) innovation, Dundee City Council has committed to a major agreement with Evolt Charging, part of SWARCO Smart Charging, to manage, operate and expand Dundee's EV charging network, making Dundee one of the first local authorities in Scotland to secure a long-term partnership with a private charge point operator. As well as taking over the responsibility for existing EV charging infrastructure, Evolt will help drive plans to include a new rapid charging hub in the north of the city and expanded infrastructure at council depots to support the fleet electrification strategy.

Reduce waste, and reuse or recycle more

The recycling rate in Dundee has decreased from 36.6% in 2023 to 35.1% in 2024. Landfill remains low with just 1% of all residual waste going to landfill and the remainder being used to provide energy through the Council's energy from waste facility. However, improvement in the city's recycling rate has been highlighted as a key area for improvement. Dundee's main waste management challenges, which continue to include high recycling bin contamination, low recycling participation among residents in flatted properties, and widespread reliance on general waste bins. In response to these challenges, a key recycling initiative was launched in October 2025. 'Recycling: Let's Sort It' aimed to boost recycling and encourage the people of Dundee to use Council resources such as the **Dundee MyBins App** and the **A-Z Recycling Guide** to sort their waste and put the right item in the right bin.

35.1% of household waste was recycled in Dundee in 2024, down from 36.6% in 2023.

Dundee's new Waste and Recycling Strategy 'Towards a Waste Free Dundee 2026-2030' prioritises increasing recycling rates, reducing the volume of waste sent for disposal, and fostering long-term waste behavioural change. These aims have been defined by actions and performance measures have been set to measure success. The strategy also focuses on fly tipping, litter, and street cleanliness, with objectives aligned to those of the Take Pride action plan which has already been delivering actions such as an ongoing programme of Community Clean Up events across the city, with clean ups taking place in the City Centre, West End, Strathmartine, and Lochee. Also launched as part of Take Pride in Your City was a high school litter initiative to tackle litter and raise recycling awareness at the city's secondary schools by providing litter picking equipment, reviewing bin provision and ongoing advice, enabling school communities to lead their own events and activities which focus on litter and recycling. This concerted effort in tackling littering

and improving the streetscene environment has been reflected in the most recent LEAMS (Local Environmental Audit Management Audit Scheme) score which has seen an improvement by 3% on the previous year and now stands at 86.2% for 25/26.

Dundee City Council's PAS 100 quality standard Discovery Compost is produced by the Council from the garden waste taken from brown bin collections, the same materials brought to the city's recycling centres and from green waste produced from local parks and commercial landscapers; this helps to minimise our carbon footprint as well as making a valuable product.

Supporting Biodiversity

In 2025/26 along with other local authorities Dundee City Council received Nature Restoration Funding from the Scottish Government. The Council was awarded a total of £184,000. As in previous year seven locations in the city successfully retained a Green Flag award in 2025/26 through external accreditation by Keep Scotland Beautiful. Broughty Ferry Beach was successful in achieving the Keep Scotland Beautiful's Beach Award and retaining an excellent standard of bathing water quality, as measured by SEPA. Dundee continues to maximise biodiversity within the city through the Biodiversity Action Plan, which is currently under review.

Projects funded by the Nature Restoration Fund during 2025/26:

- **Stobswell Community Project** – working in partnership with the RSPB this project focussed on community inspired and locally delivered 'on the ground' biodiversity improvements, such as the new wildlife garden at the Boomerang Community Centre.
- **Bird boxes in schools** – working in partnership with Dundee Eden this initiative focussed on installing bird boxes at or nearby all primary schools in Dundee supporting local bird populations and connecting young people with nature
- **City wide biodiversity planting** – Unused ground at Western Cemetery has been planted with bulbs and fruit trees, and building on previous success, additional sedum planting. Throughout the city spring bulbs have been introduced to provide early forage for pollinators while remaining practical to maintain. A previous area of annual planting has been converted into a native meadow making it more attractive to biodiversity. Broughty Ferry Local Nature Area has also benefited from native wildflower planting.
- **COVID memorial garden** - designed with climate-resilient, wildlife-friendly planting and interpretive signage to inspire residents and visitors alike.
- **Barnhill Rock Garden** - collaboration with the Friends group restored two connected ponds by installing new electrical connections and pumps. This reversed stagnation, improved water quality, and enhanced habitat value, supported by new pollinator-friendly planting following vegetation clearance.
- **Controlling invasives** – revenue from the Nature Restoration Fund has enabled the Council to continue controlling invasive species.
- **Trees** – a tree survey along the railway corridor will enable a risk-based management approach rather than wholesale removal, balancing safety with habitat retention.

- **Nature Network consultation** – the funding supported public consultation events and a communication campaign about Dundee's emerging Nature Network, the results of which will inform the Biodiversity Action Plan.

In addition to projects supported by the NRF the Council continues to implement environmental improvements which enhance the city's greenspaces for people and biodiversity, examples of which include the installation of infrastructure at Dawson Park's sunken garden which will also welcome tree planting and natural planting. Additional funding from the Trees for Cities campaign has enabled further tree planting at Baxter Park and Templeton Woods. Tree and bulb planting were also carried out at Rosebank Park.

Approximately £107,000 was allocated to six projects through the third round of the city's Climate Fund with three projects specifically benefiting the city's biodiversity, namely Campy Growers, Creative Gardens and Dawson Park Community Garden (Scottish Association for Mental Health).

Pedestrianisation, pocket parks & empowered communities

Environmental improvement is a key focus in the city centre, including the pedestrianisation of Union Street, and design work to improve the Murraygate is progressing. Key developments are also happening in Stobswell where over £160,000 of funding from Transport Scotland will be used to install new facilities at the Eliza Street Pocket Park, which has been developed with input from local people, and Camperdown Park which will receive a total of £1.5m from the UK Government's Pride in Place Fund to be used to deliver significant investments, including renewal of the park's main play zones, improvements to park entrances, and future proofing of infrastructure. In addition, a number of play parks have benefited from an investment of approximately £0.5million during 25/26, funded by a variety of sources, not least the Scottish Government's play renewal funding. Those playparks which have seen this investment are Longhaugh and Pitairlie, with play upgrades at Dudhope Park, Fairbairn Street, Kinpurnie Place, Moncur Crescent, Lawton Road, Rosebank Street and Lochee Park.

There are also a significant number of ward-based actions progressing to create and maintain outdoor spaces for communities to enjoy and make use of:

Strathmartine - Further funding has been secured for improvements to Keswick Greenspace, including support from the Future Woodlands Trust for tree planting. Engagement and consultation took place over the summer, with children and young people identifying priorities for the site. This led to a successful £120,000 application to the Community Facilities Fund to install a BMX pump track, with work expected to begin next year. Young people from local primary schools also worked with the V&A Design Museum to design potential play equipment and seating for the greenspace. Engagement with St Mary's Local Management Group supported joint work with Dundee City Council and Scottish Water, resulting in practical upgrades to St Mary's Community Centre.

Lochee - In Dryburgh, learners involved in the Dryburgh 4 Change group have continued developing a business plan linked to aspirations for a community park. A new pocket park on Lochee High Street has been completed following consultation with local people and includes seating, planting and public art.

Coldside - Work has continued on the development of Hilltown and Clepington Road play parks, with designs progressing and delivery planned in the coming months. Local partners have been involved in the development of Play Week and Green Health Week activity. Ongoing engagement has also highlighted community concerns around park maintenance, dog fouling and use of shared spaces, which have been raised through local forums and discussions with council services.

Maryfield - Activity has focused on biodiversity and greenspace projects, including work at Stobsmuir Ponds, Wolseley Street and Baxter Park. These projects have involved local schools and community groups, alongside support for community garden activity and outdoor space use around Arthurstone Library.

East End - Monthly Climate Cafés have been established with a focus on the Dighty corridor, bringing together environmental groups and local residents. Estate walkabouts have taken place in partnership with Housing Associations, alongside local activities such as litter picks supported by the Finmill Family Group.

North East - Engagement has continued around the Dighty Connections Project, with DCC officers and SEPA attending community settings to seek local input on improving the Dighty Water. Several Neighbourhood Capital Fund applications have been approved, supporting inclusive outdoor spaces, community gardens and play park improvements.

The Ferry & West End - Local Community Planning Partnership environmental subgroups have met during the early months of this year. Meetings have been well attended and have focused on developing shared actions to support improvements to local greenspaces and partnership working.

Performance Scorecard

Priority	On Target	Within 5% of Target	Not on Target	Total	Improved or the same as last year (% of total)
Tackle Climate Change and Reach Net Zero Emissions by 2045.	0	2	2	4	3 (75%)

Most Improved PI's	Most Deteriorating PI's
Annual emissions from energy use in the council's property estate in tonnes of CO2 equivalent (tCO2e).	Increase the percentage of waste arising recycled within the city.
Reduce Dundee City Council's corporate emissions (Carbon Footprint) towards net zero tCO2e.	

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
		Data	Data	Data	Target	Target			
▲	Reduce Dundee City Council's corporate emissions (Carbon Footprint) towards net zero tCO2e*.	24,130	26,419	25,374	24,359	21,984	▲	▼	The targets for this indicator aim for a 5% reduction of CO2 emissions per year from the start of the Council Plan. The most recent data shows a 13.2% decrease between 2023/24 and 2024/25.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
▲	Annual emissions from energy use in the council's property estate in tonnes of CO2 equivalent (tCO2e).	19,482	19,174	17,713	16,960	16,111	▲	▲	The emission from the council's operational property estate in 2025/26 decreased by 8.6% compared to previous year. The closure of Braeview Academy and Craigie High School continued reduction in the UK grid electricity emission factor and energy efficiency works including efficient heating control has contributed to the reduction.
●	Increase the percentage of waste arising recycled within the city*.	35.6%	36.6%	35.1%	40.2%	44%	▼	▼	Improvement in the city's recycling rate has been highlighted as a key area for improvement following this deterioration and considering where the current value is in relation to the target.
●	Measure of cycling in the city**.	32%	28%	28%	36%	40%	=	▼	The data in this report comes from 2025 and includes local walking, wheeling and cycling data, modelling and an independent, demographically representative survey of 1,139 residents aged 16 or above. The survey was conducted from March to June 2025.

* Data is a year behind i.e. latest figure data and current year target is for 2024/25

** Data for this indicator is biennial. Latest figure data is for 2025/26

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Performance Indicator Key					
Status		**Short Term Trend**		**Long Term Trend**	
More than 5% away from Target		Improving		Improving	
Within 5% of target		Maintaining		Maintaining	
On Target		Deteriorating		Deteriorating	

Progress on Key Actions

Status	Actions in the plan	Progress %	Due Date		Lead
	Deliver the Low Emission Zone to improve air quality (LEZ).	100%	31st May 2024	Completed May 2024. Dundee's Low Emission Zone enforcement commenced on the 30th May 2024. There is an ongoing statutory requirement for DCC to annually report on the performance of the LEZ.	NS
	Develop a city-wide Local Area Energy Plan and Local Heat & Energy Efficiency Strategy in partnership with the Dundee Climate Leadership Group.	100%	31st March 2027	Completed October 2024. The Local Area Energy Plan (LAEP) was agreed by Committee on 23rd September 2024, and the Local Heat and Energy Efficiency Strategy was approved by Committee and published in April 2024.	NS
	Expand the rollout of 'safer school streets' initiative.	100%	31st March 2027	Completed March 2025. Active Travel officers continue to support School Streets with a variety of behaviour change measures at 13 schools which are taking part.	CD

Status	Actions in the plan	Progress %	Due Date		Lead
▶	Develop and implement a Net Zero Transition Plan and Carbon Budget for DCC.	89%	31st March 2027	Net Zero Transition Plan approved by committee November 2023, and 2nd annual report agreed by committee in April 2026 with a full update on actions and emissions reduction.	NS
▶	Deliver Scotland's first council-led green participatory budgeting initiative – Dundee Climate Fund.	85%	31st March 2027	The DCF Round 3 has awarded Cake or Dice underspend from Round 1. Cake or Dice was the next voted for project. All Round 3 funds now allocated. Round 3 should conclude by March 2027. Underspends from Round 2 and 3 will be identified in due course.	NS
▶	Embed a Cycle Network Plan within the Local Development Plan.	75%	31st March 2027	The Sustainable Transport Delivery Plan is currently being updated to reflect additional active travel projects.	CD
▶	Deliver the action plan to reduce waste, and reuse or recycle more.	75%	31st March 2027	The team have now developed and published the updated Waste Strategy and Action plan 2026-2030. The plan includes an interface with key actions and aspects of the Take Pride Campaign. The updated strategy incorporates elements of new and emerging legislative and regulatory obligations and indicates how these will be met over the next five years.	NS

Status	Actions in the plan	Progress %	Due Date		Lead
▶	Provide further opportunities for pedestrianised areas, pocket-parks and support empowered communities to be partners and leaders on local plans and initiatives to develop biodiversity, local food growing and community spaces.	70%	31st March 2027	Following successful public realm improvements in Lochee and Stobswell, further work to provide high quality open space, biodiversity enhancements and alleviation of flood risk is underway. The first phase of the transformation of Eliza Street is currently under construction with a second and final phase expected later in 2026. The construction of a new public space in Lochee is also under construction with completion expected in Summer 2026.	CD
▶	Support the Scottish Government's plans to invest £500 million nationally over the next 5 years to support walking, wheeling and cycling infrastructure.	65%	31st March 2027	An application has been submitted to Transport Scotland's Active Travel Infrastructure Fund to secure funding to support the continued design and construction of active travel schemes identified within the Council's Sustainable Transport Delivery Plan.	CD

CD-*City Development*, **CEX**-*Chief Executive Services*, **CF**-*Children and Families*, **CS**-*Corporate Services*, **NS**-*Neighbourhood Services*

Action progress symbols and progress percentage explained	
▶	**In Progress** - Action is progressing well, on target for achieving all objections set in the initiation phase. **20%** - The task is defined and agreed by relevant partners/stakeholders. **40%** - Necessary tasks planned and implementation in early stages. **60%** - Number of key actions achieved/agreed process or improvement taking shape or in place or underway. **80%** - Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
⬢	**Overdue** – Action is still progressing; however, it has exceeded its due date.
✓	**Completed** - Action has been completed, and objectives have been achieved.

Building Resilient and Empowered Communities



"Dundee will be a greener city, made up of strong communities where people feel empowered, safe and proud to live."

Dundee Plans

- Strategic Housing Investment Plan 2026/31
- Dundee Local Housing Strategy 2026/30
- Empty Homes Strategy 2024/27
- Rapid Rehousing Transition Plan 2019/26
- Housing Service, Energy Efficiency and Net Zero Strategy 2023/2027
- Community Learning & Development Plan 2024/27
- WM2U Partnership Plan 2024/26
- Dundee Community Safety Outcome Improvement Plan
- Local Community Plans 2022/2027
- Gaelic Language Plan 2026/31

Strategic highlights from last year

- Dundee City Council has recognised current challenges in the provision of social housing and the level of homelessness in the city and shown its commitment to address these challenges through the declaration of a Housing Emergency. The Council has a number of strategies in place to improve the availability of housing including the Local Housing Strategy which was approved by Committee in March 2026, the Strategic Housing Investment Strategy, the Rapid Rehousing Transition Plan and the Empty Housing Strategy. There have been 227 new affordable housing completions in 2025/26.
- The Council's partnership to deliver the Family Empowerment Initiative with WM2U achieved a COSLA 2025 Excellence award for the 'Strengthening Communities and Local Democracy' category. This initiative supports meaningful change by listening to what matters to families, understanding their needs, and supporting them to act in their communities.

- Dundee City Council remains ahead of the game in relation to participatory budgeting. The Council has once again exceeded the 1% target for total spending allocated for participatory budgeting, and 11,384 citizens have taken part in participatory budgeting exercises in 2024/25.
- Drumgeith Community Campus opened its doors in August 2025 and was officially opened in December by the First Minister. Alongside the new Greenfield Academy secondary school on site, the campus is a community resource with its state of the art Passivhaus designed facilities fulfilling its role to host both pupils and communities for a range of community, library, leisure, and sports benefits.

National Performance Framework

(Aligning global, national and local aims)

The UN Sustainable Development Goals	The National Performance Framework		Council Plan Key Priority
	We are well educated, skilled and able to contribute to society	We are creative and our vibrant diverse cultures are expressed and enjoyed	 Reduce child poverty and inequalities in incomes, education and health
	We grow up loved, safe and respected so that we realise our full potential	Tackle poverty by sharing wealth, opportunity and power more equally	 Resilient and Empowered Communities
	We are healthy and active	We live in communities that are inclusive, empowered, resilient and safe	 Design a Modern Council
	We protect human rights and live free from discrimination		
	A globally competitive, entrepreneurial, inclusive and sustainable economy		 Deliver Inclusive Economic Growth (including Community Wealth Building)
	Thriving innovative business with fair and quality jobs for everyone		
	Open connected and make a positive contribution internationally		
	We value, enjoy, protect and enhance our environment		 Tackle Climate Change and reach Net Zero emissions by 2045

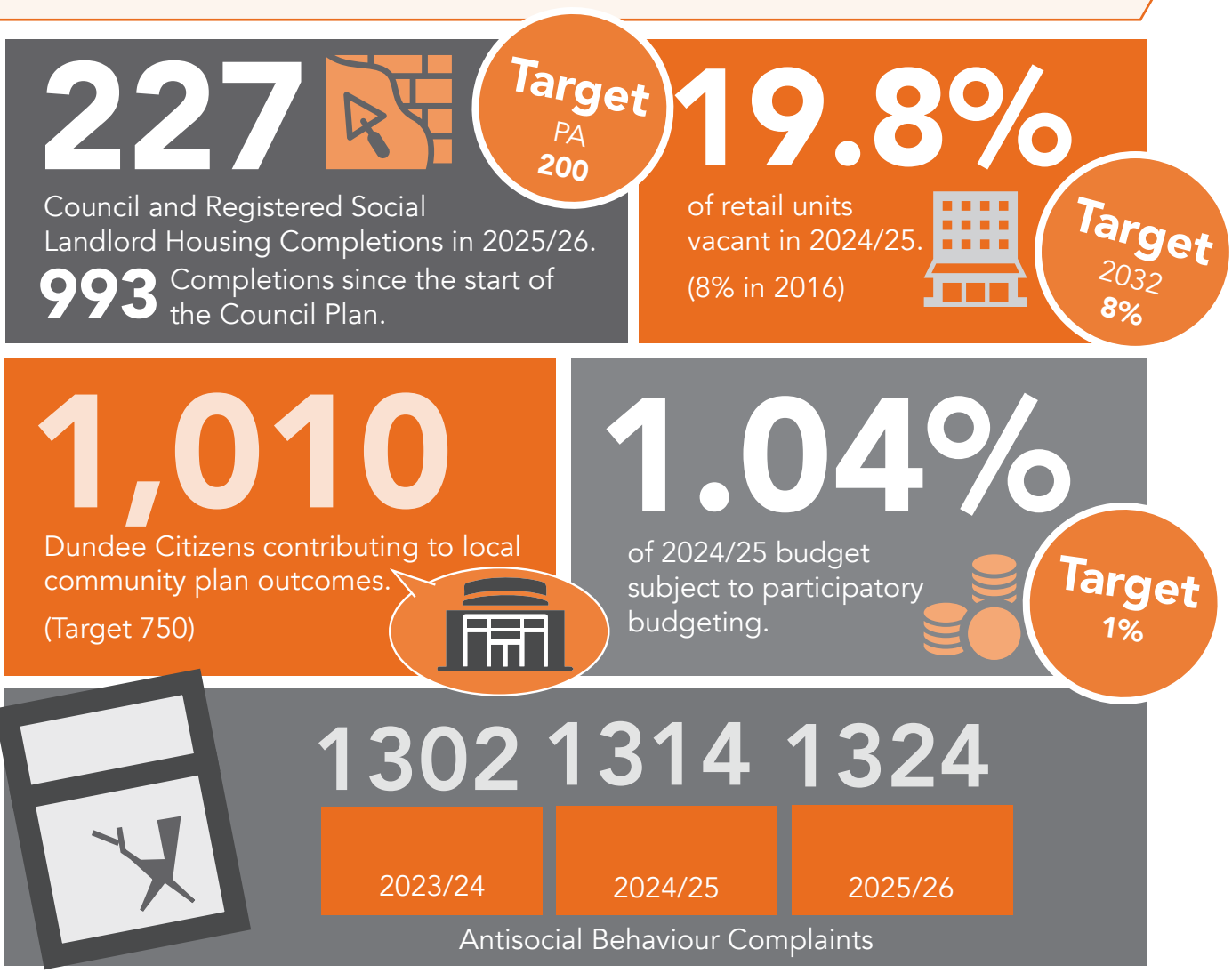
Actions Completed 2025/26

- Kirkton Community HUB trial.

Actions due for completion 2026/27

2026/27 is the final year of this Council Plan, so all actions in progress are due to be completed by March 2027. All actions are currently on schedule:

- Increase community use and ownership of Council owned assets.
- Invest a further £80+ million in new and improved schools (Western Gateway and East End Campus).
- Build affordable houses that meet community needs.
- Work with Scottish Government on a Local Democracy Bill to further empower councils and local communities.
- Incorporate the 20 Minute Neighbourhood concept into the forthcoming the Local Development Plan.
- Help reanimate vacant places in the city centre and other retail areas.



Priorities in Action

Building Quality Social Housing

A Housing Emergency was declared by Dundee City Council in March 2026, recognising the ongoing challenges faced by the city. Officers were remitted to work with the Scottish Government to ensure the Council is fully aligned with the National Housing Emergency Housing Plan.

The new Local Housing Strategy 2026-30 was approved by the Neighbourhood, Housing and Communities Committee in March 2026. The strategy includes a comprehensive suite of actions and performance indicators designed to measure progress consistently over the five-year period, and is built around six key priorities that aim to deliver real lasting improvements for people across the city:

- adequate supply of housing;
- placemaking and communities;
- homelessness;
- promote independent living and health through housing and communities;
- housing quality and energy efficiency; and
- private rented sector.

A key priority within the Council Plan is the delivery of more social and affordable housing. The aim is the delivery of 1,000 homes over a 5-year period or the target of 200 per annum which is being delivered through the Strategic Housing Investment Programme (SHIP). The Plan includes additional accessible housing for adults with either learning disabilities, physical disabilities or mental health disabilities, to allow them to receive the appropriate care and support that they need within their local community. This is funded through the Scottish Government's Affordable Housing Supply Programme. There was a total of 227 new Council and registered social landlord housing completions in 2025/26. Meaning the Council has exceeded its target of 200 units for the 3rd year in a row. In addition to the previous 706 completions since the start of the Council Plan, this makes a total of 993 houses that have been completed, so the Council is making good progress to achieve the 1,000-home target by 2027.

The Council also has a strategic framework and action plan to bring empty homes back into use through the Empty Homes Strategy 2024/27 which was approved by the Neighbourhood Resources, Housing and Estate Management Committee in October 2024. This follows the improvement highlighted in a report published in September 2025 by the Scottish Empty Homes Partnership which found that the number of empty homes in the city had reduced from 1,067 in September 2023 to 1,014 in September 2024. The Empty Homes Strategy will build on this improvement to contribute to alleviating the increasing housing demand of a growing population in Dundee and help to address and prevent homelessness.

Local Community Planning

Our eight Local Community Planning Partnerships continue to work towards their respective Local Community Plans to reduce inequalities in their communities. The five broad Community Priorities within each plan were identified from listening to community members. These are: empowering communities, the cost of living, health & wellbeing, children & families and climate change.

There was a 2.7% increase in the number of Dundee Citizens contributing to local community plan outcomes, increasing from 983 to 1,010 between 2024/25 and 2025/26. Citizens contribution to Local Community Planning is now well embedded within our structures and plays a vital role in reducing inequalities and delivering local community planning outcomes in Dundee. The Council's and Dundee Partnership's strategic priority to achieve a reduction in inequalities is one of the main drivers of current work and high numbers of volunteers continue to contribute to anti-poverty work in the city.

In areas such as Linlathen and Stobswell West, community organisations and residents co-designed Local Fairness Initiatives, shaping priorities and influencing action on poverty and inequality. A good example is the East Whole Family Support research project. Seven local parents took the lead as community researchers, using their own lived experience to talk with other families about what really matters in their community. They carried out interviews, surveys and creative activities, helping to surface real issues as well as local strengths. By putting families in the driving seat, the project has helped build confidence, local leadership and aims to develop more responsive support rooted in everyday life.

Young people have contributed through volunteering and neighbourhood activity, supporting community-led delivery and building local capacity. Collectively, this work strengthened community resilience and ensured planning outcomes were grounded in lived experience and local leadership.

Working alongside CLD and partners; individuals, voluntary and community groups have developed and led place-based community supports that responded directly to locally identified need. This included the establishment and delivery of food larders, community cafés, peer-led parent and family support groups, and wellbeing activities, helping to address the cost-of-living crisis, reduce isolation and improve access to support.

The Community Wishes Portal was launched in August 2024 and has since been operating to connect local community groups with business contractors to foster collaboration and enhance community development. A report to City Governance Committee in February 2026 outlined that the portal has already seen success in facilitating community driven requests, with 13 wishes having been delivered and a further 9 being worked on.

Participatory budgeting

Participatory Budgeting is recognised as one of the key drivers of community empowerment giving citizens the power to decide on public sector budgets. The COSLA participatory budgeting target for Local Authorities is defined as 1% of total estimated expenditure. For Dundee in 2024/25, participatory budgetary spend was 1.04% of total estimated expenditure, meaning that Dundee City Council has met this Participatory Budgeting target for a second year running. This includes spend from projects such as the Community Regeneration Fund, Pupil Equity Fund, Neighbourhood Capital Fund, Climate Fund and the District Centre Fund.

The third and final round of the £750,000 Dundee Climate Fund to support community-led climate change projects was voted on between January and March 2025. The winners were chosen by public vote, and £106,762 of funding was awarded to 6 projects. From the whole fund to date, 28 city-based projects from 22 organisations have been supported.

The key theme of the Participatory Budgeting activity for 2024/25 was the engagement of young people and families with over £1 million allocated through pupil/parents' voice projects in schools. A new Neighbourhood Capital Fund of over £600,000 was initiated with a specific target of getting youth voice heard in the allocation of monies to improve assets and the environment in communities so that they meet the needs of future Dundonians; over 1700 young people took part in the idea generation phase. The Dundee Alcohol and Drug Partnership's Dundee Alcohol & Drugs Devolved Fund has been nominated for an APSE award in recognition of the innovative work of involving people with lived experience of substance use in the allocation of funds to prevent substance use and the positive impact it has had upon those participants and their own recovery journey.

Dundee's Voice has become one of the main channels for open dialogue with citizens and community involvement that will influence and shape developments in Dundee to access funds such as the Community Regeneration Fund, Climate Fund, and Neighbourhood Capital Fund.

11,384 citizens took part in Participatory Budgeting exercises in 2024/25.

Community Hubs

Drumgeith Community Campus and Greenfield Academy officially opened on 10 December 2025. However, the building has been in use since August 2025 as a modern and vibrant central hub for the north and east of the city for both pupils and the community to use, offering a wide range of facilities in addition to the school including a library, games halls, gymnasiums, floodlit 3G football and rugby all-weather pitches, a fitness suite, and a dance studio. The project continues to be effectively managed in the twelve-month defects period, ensuring that learning and daily school and community activities have continued smoothly during the first year in the new building. Any outstanding issues or minor faults have been dealt with well, with contractors responding quickly and effectively. By planning most of this work for the Easter and Summer holidays, disruption to the community, pupils and staff has been kept to a minimum.

Further to the benefits Drumgeith provides as a community hub, the construction of the campus itself delivered significant community benefits. As part of this project, 78.76% of total spend was to sub-contractors and suppliers within 40 miles of the campus, and by working collaboratively with Robertson Construction Tayside, over 70% of the construction project's workforce coming from within a 40-mile radius of the site, linking to outcomes in the Council's Community Wealth Building Strategy. The project also created 40 employment opportunities, 11 new apprenticeships and supported 38 existing apprentices through the building programme. In addition, 41 work experience placements were provided, 14 for school pupils and a further 27 through employability programmes run by Dundee and Angus College and other local providers. Service and community groups/activities are now operating and expanding into the campus. As a result of these efforts to benefit the local area, Dundee City Council and Robertson Construction Tayside were named winners in the Excellence in Social Value category at the GO Awards Scotland.

Early work has begun on the Western Gateway Primary School and Nursery class. This reflects a forward-looking approach to meeting future demand for school places, particularly linked to new housing development in the area. Regular and positive discussions with Barratt Homes have helped align the project with the wider housing plans. Appointing Robertson as the main contractor brings reassurance based on their experience and supports effective project delivery. Work on the design brief and accommodation schedule is progressing well, helping to clearly define what the school will need to support both learning and community use.

The Council's Community Hub model has been implemented in Kirkton. The new community hubs are based at the Baldragon and St Paul's academies and have seen community activities provided at the two local secondary schools, with the library located at St Paul's. In addition, the Council is working in partnership with Kirkton Community Centre SCIO to support their ambition to build a new community centre on the same site as the previous community centre following its demolition. This will complement the community hub model by providing space during the day where people can access a fully operational café, retail units, daily activities and support, and the centre will aim to create community wealth that will be used to invest in community projects in the area. This was also awarded £1.5m by the UK Government's Community Regeneration Partnership.

Community Asset Transfers

Communities also strengthened their role in local planning through Community Asset Transfer, taking greater control of community assets and local facilities and enabling sustainable, locally led provision. The community asset transfer of Mid-Lin Day Care Centre was approved through Dundee City Council's voluntary CAT scheme, securing the building for £1. The transfer enables a long-established, not-for-profit organisation to continue delivering vital support for adults and older people with disabilities or social isolation, while ensuring long-term, community-led sustainability and best value. Fairfield Community Sports Hub submitted a full Community Asset Transfer application under the Community Empowerment Act (Scotland) 2015 and this was approved on the 20 April 2026. Dundee City Council have a strong record of working with community groups to support them to use Dundee City Council Assets with 60 Dundee City Council assets having been identified as having been sold or leased to community groups for community benefit, none of which have required community groups to conclude through the legislative route.

An event to explore community ownership and Community Asset Transfer 'Idea to Asset' brought together 70 representatives from a wide range of community organisations. It was delivered by Dundee City Council's Community Empowerment Team in partnership with Dundee Volunteer and Voluntary Action (DVVA). The session featured presentations and advice from Dundee City Council, DVVA, the Scottish Land Fund, Community Ownership Support Service, NHS Community Benefit Gateway and Business Gateway Dundee, alongside networking and Q&A. The event supported groups to better understand project planning, governance, funding and sustainability. Following the event, five community organisations went on to attend a bespoke Business Gateway business planning session, providing targeted follow-up support to help progress their projects.

Turning vacant to vibrant

Town Vacancy Rates continues to be a challenge for the Council, with the Council having one of the highest rates in Scotland. This has deteriorated further between 2023/24 and 2024/25 from 17.7% to 19.8%. However, the Council is committed to bringing vacant spaces in town and district centres back to life to make Dundee a vibrant city centre. The Council's City Centre Strategic Investment Plan sets out our ambitions for the development of the city centre up to 2050.

The Council continues to involve residents, businesses and other stakeholders in the planning and development process to ensure the plan meets the needs of the community. One current collaborative project is the launch of a Business Improvement District in the City Centre following the approval of 380 eligible businesses. The plan for this district focuses on four main ways of improving the area: making it safer through crime reduction and security initiatives, cleaner with enhanced street cleaning and maintenance, more vibrant with marketing and events, and empowering the business community through support and networking. These improvements will be funded by a 1.5% levy on eligible businesses in the area.

The Council is also making significant strides to improving public spaces, including pedestrian areas and green spaces to make the city centre more attractive. This includes the project to permanently transform Union Street into an accessible pedestrianised space and the Murraygate Streetscape redesign.

Performance Scorecard

Priority	On Target	Within 5% of Target	Not on Target	Total	Improved or the same as last year (% of total)
Build Resilient and Empowered Communities	3	4	1	5	1 (20%)

Most Improved PI's	Most Deteriorating PI's
Number of Dundee Citizens contributing to local community plan outcomes.	Number of Council and Registered Social Landlord housing completions.
	Town vacancy rate.
	The percentage of Council budget allocated by participatory budgeting processes.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
		Data	Data	Data	Target	Target			
✓	The percentage of Council budget allocated by participatory budgeting processes*.	0.90%	1.18%	1.04%	1.00%	1.00%	▼	▲	For Dundee in 2024/25, the 1% target was £3,831.700. Participatory budgetary spend in 2024/25 was £3,989,000 which was 1.04% of total estimated expenditure. This is the second year in a row that Dundee has reached this target.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Yr 5 (26/27)	Short Term Trend	Long Term Trend	Notes
	Town vacancy rate*.	15.2%	17.7%	19.8%	11.1%	10.0%			Overall vacancy rate has increased due to key closures in Murraygate, including Marks and Spencer's. Wellgate also contributing to high rate with 28% vacancy. Following significant investment, Overgate vacancy is just 2%.
	Number of Council and Registered Social Landlord housing completions.	264	341	227	200	200			227 affordable housing completions in 2025/26 which remains above the annual target. The Council has exceeded its target for affordable housing completions for the last 3 years in a row.
	Number of antisocial behaviour complaints.	1,302	1,314	1,324	1,432	1,244			Annually, there has been just over 1,300 complaints consistently over the past 3 years, with a slight increase each year. This indicator is monitored on a monthly basis by Council Leadership Team.
	Number of Dundee Citizens contributing to local community plan outcomes.	708	983	1010	750	1000			Participation from members of the local community in planning and decision-making remains consistently strong. This widespread involvement demonstrates the value placed on collaborative approaches to addressing community needs and priorities.

* Data is a year behind i.e. latest figure data and current year target is for 2024/25

Performance Indicator Key					
Status		**Short Term Trend**		**Long Term Trend**	
	More than 5% away from Target		Improving		Improving
	Within 5% of target		Maintaining		Maintaining
	On Target		Deteriorating		Deteriorating

Progress on Key Actions

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
	Maximise participatory budgeting in all forms.	100%	31st March 2027	Completed October 2024. Participatory Budgeting is embedded across different services and budgets in DCC. The principles of providing opportunities for citizens to express their views on how resources are spent is central to our Council's way of working.	NS
	Kirkton Community HUB trial.	100%	30th June 2025	Completed September 2025. The move of all services has been completed with Kirkton Community Centre being closed to all service users from 28 April 2025. The building is now in the process of being demolished and will make way for the new Kirkton Community Centre.	CF

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Increase community use and ownership of Council owned assets.	85%	31st March 2027	The Mid-Lin Day Care Centre community asset transfer has been approved through Dundee City Council's voluntary CAT scheme. Fairfield Community Sports Hub submitted their full Community Asset Transfer application under the Community Empowerment Act (Scotland) 2015 which was approved in April 2026. There have been further expressions of interest from 7 community organisations regarding the potential transfer of DCC assets with 5 submitting pre application forms.	NS
▶	Invest a further £80+ million in new and improved schools (Western Gateway and East End Campus).	75%	31st March 2027	Overall, the condition of the school estate has improved significantly. Investment in new buildings and ongoing planned maintenance means that more schools are now in good or very good condition. This has improved the quality of learning environments, reduced ongoing maintenance issues, and created more sustainable buildings. To build on this progress, work is underway to develop a 10-year service estate strategy.	CF
▶	Build affordable houses that meet community needs.	65%	31st March 2027	As at the end of financial year 2025/26 a total of 227 affordable homes were completed. This has exceeded the Council Plan target of 200 units.	NS
▶	Work with Scottish Government on a Local Democracy Bill to further empower councils and local communities.	50%	31st March 2027	This is a regular item on the agenda for the COSLA Leaders meetings and officers continue to keep the Leader and Chief Executive briefed on the progress being made. We will provide reports to Council Leadership Team and City Governance Committee as and when required.	CEX

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Incorporate the 20 Minute Neighbourhood concept into the forthcoming the Local Development Plan.	30%	31st March 2027	Consultations on Call for Sites and Call for ideas completed by 31 March 2026. Officers now considering these for incorporation in the Proposed Local Development Plan.	CD
▶	Help reanimate vacant places in the city centre and other retail areas.	20%	31st March 2027	Alongside the Business Improvement District and longer-term strategic work to improve the City Centre, the Council's City Marketing Team work constantly to attract businesses to vacant units. There have been a number of recent new openings: The Works in the Overgate; Wendy's on Reform Street; The Enchanted Rooms on Whitehall Crescent; Riddoch's & Machair Bakery on the Nethergate; and Mountain Warehouse in the Gallagher Retail Park.	CD

CD-*City Development*, **CEX**-*Chief Executive Services*, **CF**-*Children and Families*, **CS**-*Corporate Services*, **NS**-*Neighbourhood Services*

Action progress symbols and progress percentage explained	
▶	**In Progress** - Action is progressing well, on target for achieving all objections set in the initiation phase. **20%** - The task is defined and agreed by relevant partners/stakeholders. **40%** - Necessary tasks planned and implementation in early stages. **60%** - Number of key actions achieved/agreed process or improvement taking shape or in place or underway. **80%** - Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
⬢	**Overdue** – Action is still progressing; however, it has exceeded its due date.
✓	**Completed** - Action has been completed, and objectives have been achieved.

Design a Modern Council

"Our modern Council for the future 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."

Dundee Plans

- Long Term and Medium-Term Financial Strategy
- Capital Plan 2026/31
- Treasury Management Strategy 2026/27
- IT Strategy 2024/29
- Workforce Strategy 2022/27
- Corporate Asset Management Plan 2023/28
- Transformation Programme
- Communications Strategy

Strategic highlights from last year

- The impact of the Local Government Financial Settlement and rising cost of service due to demand and inflation required the Council to identify upwards of £5m of savings or raise additional income to balance the overall budget. Despite these financial pressures, Dundee City Council has set a balanced budget for 2026/27.
- The Council's Transformation Programme is progressing well, with a number of projects being delivered to redesign our processes and services to be modern, based on the needs of their users, and financially sustainable. This will be key to achieving a balanced budget in the coming years.
- A Best Value Thematic Review on Dundee City Council's Transformation in 2025 found that the transformation programme is well resourced with robust officer-led governance arrangements in place to monitor transformational activity through its Transformation Board. There is also good partnership working aimed at improving outcomes and generating savings, and evidence of consulting with communities. This review outlined several actions which have been appropriately assigned and are monitored and reported on through the Chief Executive's Service Strategic Service Plan.

- The report and findings of the Best Value Thematic Review of Asset Management was submitted to Scrutiny Committee in April.
- Dundee City Council's Adult and Youth Employability Services have been restructured into a single Employability Service for all ages. This unified service will continue to support the vision and goals outlined in the Discover Work Strategy & Action Plan 2022 – 2027, aligned to Scotland's No One Left Behind approach.

National Performance Framework

(Aligning global, national and local aims)

The UN Sustainable Development Goals	The National Performance Framework		Council Plan Key Priority
	We are well educated, skilled and able to contribute to society	We are creative and our vibrant diverse cultures are expressed and enjoyed	Reduce child poverty and inequalities in incomes, education and health
	We grow up loved, safe and respected so that we realise our full potential	Tackle poverty by sharing wealth, opportunity and power more equally	Resilient and Empowered Communities
	We are healthy and active	We live in communities that are inclusive, empowered, resilient and safe	Design a Modern Council
	We protect human rights and live free from discrimination		
	A globally competitive, entrepreneurial, inclusive and sustainable economy		Deliver Inclusive Economic Growth (including Community Wealth Building)
	Thriving innovative business with fair and quality jobs for everyone		
	Open connected and make a positive contribution internationally		
	We value, enjoy, protect and enhance our environment		Tackle Climate Change and reach Net Zero emissions by 2045

Actions completed 2025/26

- Deliver options to balance the Council's budget each year.

Actions due for completion 2026/27

2026/27 is the final year of this Council Plan. All remaining actions in progress are due to be completed:

- Deliver a programme of service redesign reviews to embed the digital and community empowerment changes.
- Increase the uptake of modern and graduate apprenticeships.
- The roll out of a digital transformation programme.

576,361

Online transactions have increased by 32.7% in 2025/26.

2024/25 - **434,420**, 2023/24 - **384,760**



£5m

Savings needed to balance the budget for 2025/26.



211



Young people supported by the Council's Employability Service.

Target (2025/26) **181**

The number of online self-service transactions as a proportion of all customer service transactions continues to increase year on year.

62.3% 2024/25

63.6% 2025/26

Target (2025/26) **71%**

Priorities in Action

Local authorities across Scotland are facing significant financial pressures. Despite these challenges, Dundee City Council will work towards delivering services which best support communities across the city, as well as continuing to remain sustainable. This means making use of service design, and of new technologies and ways of working, while continuing to set a balanced budget. Because this is so important, Design a Modern Council is one of five key priorities in the Council Plan 2022 – 2027, and employees can help to design a modern council that can deliver services in the most efficient way.

Balancing the budget

In September 2025, City Governance Committee agreed a Budget Strategy and Financial Outlook 2026/27 (Report No 235-2025). The report set out the strategy and process to enable the Council to set a balanced budget for 2026/27, as well as an updated Medium-Term Financial Strategy and outlook for 2026/29. The report outlined a projected budget gap of £8.4m for 2026/27, and that potential savings would require the Council to consult with the public on budget proposals in advance of the budget setting meeting to ensure that decisions taken are informed by information on the impact that they may have on individuals, particularly in regard to the Council's equalities obligations.

A budget consultation survey ran for 4 weeks from 21st November to 19th December 2025. Citizens were invited to share their views on a range of specific savings options put forward by officers, either online or by completing a paper form. There was regular promotion of the consultation undertaken during this period to encourage feedback, and there was a total of 3,906 responses to the questionnaire, a 9.4% increase from 3,571 responses the previous year.

A report (16-2026) to City Governance Committee in February outlined the impact of the Local Government Financial Settlement, together with the impact of inflation and other adjustments, would require the Council to identify £5m of savings to balance the overall budget for 2026/27. The 2026/27 Revenue Budget was approved by City Governance Committee on 5 March 2026 (report 54-2026 refers). This included a 7.75% increase in Council Tax to help close the budget gap while still providing essential funding for Council services to deliver on strategic priorities.

The budget report considered in March estimated that based on current assumptions of service demand and inflation, together with grant support anticipated to be provided from Scottish Government, that the Council's budget deficit will be £8.9m in 2027/28 and will rise by a further £6.0m in 2028/29.

Transformation Programme

Delivery of the sixth phase of the Council's transformation programme will continue to support future financial plans. The 2026/27 Revenue Budget outlined that the likely projected budget gap would require £15.9m of savings to made by 2028/29 to achieve a balanced budget. This is on top of approximately £181m of savings realised since 2008. The transformation of services will be essential in contributing to these savings.

Areas in which we are redesigning the Council include:

- Property Rationalisation
- Children & Families Services
- Digital by Design
- Fleet Management
- Our People

Design a Modern Council provides the overarching identity and direction for the Council's transformation programme through to 2027. However, delivering the ambitions of the Council Plan requires more than incremental improvement. It demands a fundamental redesign of services to respond to changing demographics, inequalities and levels of poverty, the Council's role in supporting community wealth building, and growing expectations around community empowerment. This transformation must be underpinned by the use of modern technology and new, more flexible ways of working that enable the Council to operate differently, focus resources where they add most value, and achieve sustainable outcomes for the communities and citizens across the city.

Long-term service redesign and digital transformation are the primary mechanisms through which sustained transformation will be delivered. As customer expectations continue to evolve, driven by technological change, services will need to adapt to new and more flexible ways in which people choose to engage with the Council.

Transformation activity will be prioritised where it both improves service outcomes and delivers a long-term reduction in the sustainable cost base of service delivery. To support this, the Council has established a Change Fund to invest in projects that deliver measurable service improvements and/or recurring financial savings. The fund is a key means of translating strategic intent into practical, deliverable change. The following provides updates on key projects within the programme:

IS/SOLACE Transformation Programme

The Solace/IS Transformation Programme is an ambitious, sector-led initiative uniting all 32 Scottish local authorities to design the "council of the future". Led by Solace Scotland and supported by the Improvement Service, it aims to help councils adapt to financial pressures, rising demand and evolving community needs. The programme co-ordinates efforts across three main workstreams: Public Sector Reform; Short-Term Improvement Projects; Leadership Capacity.

Dundee City Council has directly engaged in multiple aspects of the programme, and a lead officer has attended Single Point of Contact meetings to ensure that Dundee City Council continues to be involved in this national programme and capitalise on any new transformation opportunities.

Children & Families
As part of work to review the education estate, the new Drumgeith Community Campus and Greenfield Academy opened in August 2025. Whilst aligning to our approach to property rationalisation, the new school replaces the former Braeview Academy and Craigie High Schools that were no longer fit for purpose. This £100 million investment in education, sport and community provision in the city has created a flagship community campus with state-of-the-art facilities and services to the area. Significant community benefits have included job creation, training and local projects designed to improve the lives of school pupils and citizens alike.

The Children's Social Work Service has made substantial and measurable progress through its Reflect, Refresh and Renew transformation programme. Over the past five years, the service has achieved a 14% reduction in the number of care experienced children and young people, increased family-based provision from 85% to 91%, delivered a 24% increase in the proportion of young people achieving SCQF Level 5 or above, and reduced gross expenditure by approximately £2.7 million. The programme, over the past year, has now entered Phase 2, focused on embedding progress to date, addressing remaining priorities, and responding to legislative and inspection requirements.

The Education Service secured change fund monies amounting to £16k to employ a dedicated resource to carry out analysis work and a benchmarking exercise to progress the review of Support Services. Work continues to develop a proposed model to ensure that children and families receive the help and support they need in a more supportive, timely and co-ordinated way.

Property Rationalisation
In order to meet future budgetary challenges, continued transformation will be required to reshape the property portfolio, ensuring it is sustainable, modern and capable of supporting new models of service delivery that meet the evolving needs of our citizens and communities.

The City Development Management Team has been working with Council Services and the Council Leadership Team to reduce the amount of property held, reduce carbon footprint and improve the quality and efficiency of the retained portfolio. This is an ongoing process, however progress in the last year has included:

- Utilisation of surplus office space and generating income from leasing offices in Claverhouse, reducing expenditure in terms of running costs.
- The integration of various services into a single Young Persons' Hub in the city centre at 22-24 Crichton Street following the refurbishment of existing property.
- Community Asset Transfers of Mid-Lin Daycare Centre through the Council's voluntary Community Asset Transfer scheme, and Fairfield Community Sports Hub under the Community Empowerment Act (Scotland) 2015 legislation.

- Ongoing review and rationalisation of office space has resulted in the transfer of Regulatory Services from 5 City Square to Dundee House, and two council houses formerly being used as offices at 57-59 Balgowan Avenue have been passed back to Housing for renting as residential accommodation.
- Demolitions ongoing and close to completion at Craigie High School, Braeview High School, Kirkton Community Centre. These demolitions will facilitate future development opportunities with agreement for the Kirkton Community to take a lease of the site of the old community centre.
- Officers are working with other public sector partners to maximise the use of accommodation that cannot be sold. This will improve partnership working and shared costs.

Procurement – Fleet Services & Facilities Management
The Procurement Transformation project has focussed on Facilities Management and Vehicle Fleet Services with the purpose of achieving savings and service benefits through supplier rationalisation and tiering. Agreement on a Fleet Strategy that involves moving to a 'single or dual supplier' model for light vehicles has been agreed and is now being progressed. Similarly, an options appraisal to consider various contracting models for property maintenance has been developed.

Digital by Design
During 2025/26, Dundee City Council made tangible progress in strengthening digital governance, delivering priority digital services, and laying foundations for longer term transformation. The year was characterised by a shift from exploratory activity to structured delivery, underpinned by clearer accountability between Digital, IT and Services, and a more mature relationship with the Transformation Board.

The development of the Digital Delivery Plan has been progressing. Senior Leadership and Heads of Service engagement sessions have defined the desired outcomes for customers, colleagues and communities, shaping the core principles, priority areas and initial delivery roadmap for the plan, with a focus on improving access, efficiency and service experience. This will include a clearer delivery structure, aligned to transformation governance, including the development of product-based delivery approaches, prioritisation mechanisms and strengthened links to data maturity and Programme Management Office development. Future targeted engagement is planned with Elected Members and Trade Unions to support early involvement in shaping priorities, alongside continued collaboration with partners across the Digital Office, Abertay University and the wider ecosystem.

Key achievements included the formal operation of the Digital Board as a thematic delivery board to the Transformation Board, the launch or mobilisation of several customer facing and workforce digital platforms, and progress to the award of a major Unified Communications contract. Progress was made alongside recognised delivery risks, particularly in large scale programmes dependent on third party suppliers or service readiness. Overall, 2025/26 represents a consolidating year that has materially improved the Council's ability to deliver digital change at pace and with assurance.

The table below maps key 2025/26 achievements to the Council's Digital Strategy (2023-27) objectives:

Digital Strategy 2023–27 Objective	2025/26 Progress	Supporting Evidence
Deliver modern and accessible digital services.	Housing, Construction, Corporate Services.	Digital Board project reports.
Establish strong digital governance.	Digital Board reporting formally to Transformation Board.	Board minutes and highlight reports.
Empower the workforce through digital tools.	AVC Portal and mobile working platforms implemented.	Programme updates.
Use data as an enabler for transformation.	Data Maturity Programme completed and assessed.	Transformation evidence reports.
Ensure secure and resilient digital platforms.	Unified Communications procurement.	Procurement and board updates.

Throughout 2025/26 the Digital Board operated as a formal thematic delivery board, reporting bi monthly to the Transformation Board in line with agreed transformation governance arrangements. Digital was explicitly identified as one of the core transformation themes, alongside Property Rationalisation, Income Generation, and Service Redesign.

A significant governance achievement during the year was the establishment of a Digital Team and explicit agreement on the distinction between Digital and IT functions. Digital was confirmed as accountable for digital development, innovation and service transformation, while IT retains ownership of core infrastructure and enterprise platforms.

Meaningful digital progress was delivered across a range of services:

- **Housing and Repairs**: The Integrated Housing Management System, combining Civica CX and Total Mobile, was launched in April 2026, initially enabling over 100 operatives and back office staff to manage repairs and maintenance digitally. This represented a step change in operational digitisation for Housing Services.
- **Rent Recovery**: A Council developed Rent Recovery Portal went live in November 2025, replacing a commissioned model and lead to a 6 figures annual saving. This system developed in partnership with the Service uses analytics and predictive insights to identify tenants at risk of falling into rent arrears as early as possible. It enables housing income teams to intervene sooner with targeted, supportive actions that improve collection rates while reducing hardship and eviction risk.
- **AVC Portal**: A Council hosted AVC Portal went live in March 2026, replacing a commissioned model and assisting in generating further 6 figures annual savings. Back end integration was included to streamline payroll and pensions processes, with further enablement planned with service teams.

- **Analytics**: Customer Services have developed innovative methods of analysing Revenues data to provide dashboards and insights enabling targeted decision making.
- **Data and Information Maturity**: The Council progressed preparatory work on data maturity, including completion of the Data Maturity Programme survey and analysis of results. This is leading to a recommendation that data is treated as a core enabler of transformation rather than a standalone technical activity and governed accordingly,
- **Unified Communications Programme**: One of the most significant investments during 2025/26 was the Unified Communications programme, encompassing telephony, contact centre capability, chatbots and digital channels. The contract was procured in the first quarter of 2026 marking a major milestone after a competitive procurement process. This will be one of the major implementations on 26/27 with wide ranging areas of the Council directly effected and coming with significant opportunities of process improvement and automation of Customer contacts.

Overall, 2025/26 represents a year of meaningful and credible digital progress. Governance foundations have been strengthened, priority services delivered, and major enabling programmes have been mobilised. The direction of travel is positive and aligns with corporate and national transformation priorities.

Progress is being made in online self-service transactions. The volume of total online transactions is up 32.7% over the previous year and up 52.3% over the previous 2 years, driven in particular by an increased number of Leisure and Culture online bookings. The proportion of transactions complete by customers as self-service has marginally increased over the previous year, increasing from 62.3% in 2024/25 to 63.6% in 2025/26%.

Our People

The Council's approach to leading, managing and developing its people is set out in Our People Strategy 2023/28, which is underpinned by the Strategic Workforce Plan and aims to support employee wellbeing and recognise the contribution staff make in delivering outcomes for citizens.

As part of Strategic Workforce Planning, there is now a refreshed, council wide approach that aligns explicitly to Best Value and audit expectations and provides greater consistency and assurance in how workforce risks are identified and addressed. Clear drivers, governance and a consistent methodology are now in place, supported by a single Strategic Workforce Planning template, workforce data pack and manager toolkit. Other achievements in this area include the following:

- **Development and testing of new recruitment system functionality**, with implementation activity progressing to support more streamlined and consistent recruitment processes;
- **Establishment Control Board and Recruitment Governance** to strengthen alignment between recruitment approvals, establishment control and workforce planning. Revised recruitment criteria and digital workflows support quicker progression of essential and mandatory posts while maintaining appropriate governance and scrutiny;

- **Development of a workforce dashboard** providing real time workforce data to support planning and decision making;
- **Digitisation of people related processes**, including development to process pension AVCs in house and generate financial savings;
- **Refresh of the Quality Conversations Appraisal approach**, enabling clearer Personal Development Plans that link development priorities into annual workforce planning cycles, with a stronger focus on people manager competencies, supported by updated guidance and learning resources.
- **Progressing proposals to modernise the Council's learning infrastructure**, including steps to procure a new Learning Management System to improve access to learning, reporting capability and compliance oversight.

Together, these improvements are strengthening the Council's ability to plan for future workforce needs, improve recruitment effectiveness and reduce reliance on short term or reactive workforce solutions.

Increasing opportunities for young people and adults

During 2024/25 there was a restructuring of the Council's employability services, where youth employability and adult employability were merged into a single all-age service within City Development. This was completed with the transfer of youth employability employees from People Services to City Development in October 2025. The new all age Employability Service is delivered through the Discover Work Dundee partnership and aligned to Scotland's No One Left Behind approach.

During the period April 2025 - 31 March 2026, the Employability Service had 211 new young people accessing employability support. During the period 81 young people moved into employment, 2 into Modern Apprenticeships and 80 into FE/training. This equates to a 77.3% positive destination outcome rate for the 2025/26 year, an increase from 59.6% of all young people supported in 2024/25. The service also supported 253 adults, with 138 moving into employment, 4 into self-employment, and 11 into further education/training, a positive destination outcome rate of 59.5%.

Performance Scorecard

Priority	On Target	Within 5% of Target	Not on Target	Total	Improved or the same as last year (% of total)
Design a Modern Council	2	2	1	3	3 (100%)

Most Improved PI's	Most Deteriorating PI's
The number of Council transactions that are digital self-service (order, request, payment).	n/a
The total number of opportunities provided to young people (e.g. modern apprenticeships, trainees).	n/a
The percentage of customer services customers using self-service options.	n/a

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Year 5 (26/27)	Short Term Trend	Long Term Trend	Notes
		Data	Data	Data	Target	Target			
✓	The number of Council transactions that are digital self-service (order, request, payment).	378,364	434,420	576,361	440,000	500,000	▲	▲	Number of transactions has increased by 32.7% between 2024/25 and 2025/26.

Status	Indicator	Yr-2	Yr-1	Latest Figure	Current Year	Year 5 (26/27)	Short Term Trend	Long Term Trend	Notes
	The percentage of customer services customers using self-service options.	62.1%	62.3%	63.6%	71%	99%			Slight increase over the previous year. Monthly values during 2025/26 have varied between 61% and 67%.
	The total number of opportunities provided to young people (e.g. modern apprenticeships, trainees).	199	181	211	181	181			Increase between 2024/25 and 2025/26 has happened the same year that the Council's employability services for adults and young people have been merged into a single all age service.

Performance Indicator Key

Status		Short Term Trend		Long Term Trend	
	More than 5% away from Target		Improving		Improving
	Within 5% of target		Maintaining		Maintaining
	On Target		Deteriorating		Deteriorating

Progress on Key Actions

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
✓	Long-Term Financial Strategy to be updated to reflect new Council Plan priorities.	100%	31st March 2024	Completed March 2024. A Long-Term forecast for projected budget funding gaps up to and including 2033/34 was presented in the Revenue Budget and Council Tax 2024/25 report to City Governance Committee in February 2024.	CS
✓	Roll out hybrid working across the Council.	100%	1st April 2025	Completed April 2024. Hybrid working has now been rolled out across the council, and all employees have the necessary equipment. The review of hybrid working is an action in the Corporate Services Service Plan 2023 to 2027.	CS
✓	Increase digital learning, teaching of new working methods and developing the skills of our employees.	100%	1st April 2024	Completed October 2024. All M365 modules now developed and delivered. Digital Skill Progress Plan now developed and aligned to Digital Skills Strategy, with key actions. Scrutiny and ongoing feedback via Digital Board.	CS
✓	Deliver options to balance the Council's budget each year.	100%	31st March 2027	Officers provided sufficient options and budget was duly approved by CG Committee on 5 March 2026.	CS
▶	Delivering a programme of service redesign reviews to embed the digital and community empowerment changes.	60%	31st March 2027	A process is currently underway to review the projects within the Transformation Programme. Discussions will also be held as part of the forthcoming Transformation Boards to discuss new ideas for transformation. Service design principles will be used as appropriate, depending on the area of review and scale of each transformation project i.e., other improvement methodologies will also be used to best meet the requirements of individual projects.	CEX

Status	Actions in the plan	Progress %	Due Date	Notes	Lead
▶	Increase the uptake of modern and graduate apprenticeships.	60%	31st March 2027	As of 1 April 2026, the function of our MA/GA pathways has returned to People Services. A plan is in place to scope out a Framework to look at a formalised approach to MA/GA pathways, Career Grade structures, and agree this as our organisational approach. Recruitment to a range of "Earn & Learn" MAs is also underway coordinated across both People services and City Development.	CS
▶	The roll out of a digital transformation programme.	25%	31st March 2027	Work is progressing on the development and roll out of the Digital Delivery Plan, transitioning from initial strategy into a clearly defined, effects based delivery framework aligned to the Council's wider transformation ambitions.	CS

CD-*City Development*, **CEX**-*Chief Executive Services*, **CF**-*Children and Families*, **CS**-*Corporate Services*, **NS**-*Neighbourhood Services*

Action progress symbols and progress percentage explained	
▶	**In Progress** - Action is progressing well, on target for achieving all objections set in the initiation phase. **20%** - The task is defined and agreed by relevant partners/stakeholders. **40%** - Necessary tasks planned and implementation in early stages. **60%** - Number of key actions achieved/agreed process or improvement taking shape or in place or underway. **80%** - Majority of actions achieved/ agreed process or improvement largely in place or underway leading to confidence that the overall action will be delivered in full/on schedule.
⬢	**Overdue** – Action is still progressing; however, it has exceeded its due date.
✓	**Completed** - Action has been completed, and objectives have been achieved.

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Dundee City Council

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REPORT TO: **CITY GOVERNANCE COMMITTEE – 22 JUNE 2026**

REPORT ON: **LOCAL GOVERNMENT BENCHMARKING FRAMEWORK PERFORMANCE INDICATORS 2024 - 25**

REPORT BY: **CHIEF EXECUTIVE**

REPORT NO: **125-2026**

1. PURPOSE OF REPORT

1.1 This report is to advise elected members of the performance of Dundee City Council, for the financial year 2024/25, as defined by the performance indicators compiled by the Improvement Service for the Local Government Benchmark Framework (LGBF). It focusses on the 40 indicators that most align to the priorities as set out in the Council Plan 2022/2027 and describes the Council's performance in relation to our comparator authorities (i.e. LGBF Family Group) for these.

2. RECOMMENDATIONS

2.1 It is recommended that the Committee:

a note the results contained in summary at section 5.2 this report and more fully in Appendix 1;

b remit the report to the Scrutiny and Audit Committee for further consideration; and

c remit the Council Leadership Team to review the selected areas of improvement in Section 6.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the agreement of this report.

4. BACKGROUND

4.1 The Improvement Service published their 14th annual LGBF National Benchmarking Overview Report in March 2026**.** This describes data on 109 indicators from 2024/25 for all 32 local authorities. The national report provides a high-level analysis of the performance of all councils both during 2024/25 and over the longer-term. It introduces data from a period when communities and council services continue to manage unprecedented financial challenges in the shape of soaring inflationary pressures and the cost-of-living crisis. This was against a backdrop of continued, deepening, fiscal demand, and workforce pressures.

4.2 Following the publication and release of this data, a report exploring Dundee's data is prepared. Up until 2020/21, this report included all the LGBF indicator data, however the number of indicators has increased over time to provide a wider range of comparative data. However, both the Accounts Commission and the LGBF board have confirmed they do not expect local authorities to use or report on all the indicators. Performance and efficiency improvements built up over previous years are now slowing, and in some service areas beginning to reverse, however this has applied to all local authorities, and the family group comparison addresses any urban and deprivation factor differences.

4.3 Elected members, officers and the public can interact with the comparative data for all 109 indicators on the Improvement Service's website and see how Dundee compares with the Scottish average and similar authorities in our family group, as well as over time. The Council Leadership Team also reviews all the LGBF indicators.

4.4 Councils are assigned to Family Groups of similar characteristics based on factors such as deprivation and urban density in order that each authority can compare its performance to similar authorities. Further details of the how local authorities are grouped is set out at the start of Appendix 1. For additional comparative information, the relative position of Dundee overall out of the 32 Scottish Councils is provided in the appendix, as well as the change in ranking from the year before.

4.5 The LGBF data provides high-level 'can openers' which are designed to focus questions locally on why variations in performance, satisfaction or cost are occurring between similar councils to identify opportunities for learning. The LGBF data can also be used locally to support strategic and budget planning, improvement, scrutiny, and public performance reporting.

5. DUNDEE'S PERFORMANCE AND PROGRESS

5.1 Benchmarking for improvement is a vital part of the Council's Performance Management Framework and statutory public performance reporting. This report to Committee focuses on the data most aligned with the priorities set out in the Council Plan 2022-2027 (Policy and Resources Committee on 5 December 2022 article II refers) as follows:

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.
4. Build Resilient and Empowered Communities.
5. Design a Modern Council.

5.2 The table below provides a high-level overview of indicators in relation to each of the five strategic priorities and where Dundee is on target by meeting the benchmark of performing better than or equivalent to the LGBF family group mean average. The table shows 17 out 40 (43%) indicators are on target, compared to 18 out of 40 (45%) indicators which were on target in the LGBF Annual Report 2023/24.

Priority	On Target	Total Measures	%
Reduce Child Poverty and Inequalities in Incomes, Health, and Education*	7	14	50
Deliver Inclusive Growth and Community Wealth Building	6	10	60
Tackle Climate Change and Achieve Net Zero by 2045**	1	3	33
Build Resilient and Empowered Communities	0	4	0
Design a Modern Council	3	9	33
TOTAL	17	40	43

*One indicator within this priority is 2023/24. One indicator is 2022/23.
**One indicator within this priority is 2023/24.

5.3 There have been two changes made to the indicators included in this report. The first is the removal of the indicator for Percentage of Council Dwellings that are Energy Efficient (EESSH) as the data for this indicator was last updated in 2021/22 so this is no longer timeous. The second change is the addition of the indicator for Reliance on Reserves as a % of Net Expenditure; this is a new LGBF indicator added by the Improvement Service to improve the framework's scope of how Councils are managing their financial sustainability.

5.4 The following table compares Dundee's data with our Family group comparators. Where Dundee's figure is the highest percentage better than the benchmark and where it is the furthest away from the benchmark.

	Best compared to benchmark	Furthest away from benchmark
Reduce Child poverty and inequalities in incomes, health, and education	Numeracy Attainment Gap (P1,4,7 Combined) - percentage point gap between pupils from the least deprived and most deprived areas	Average total tariff SIMD quintile 1
Create Inclusive Growth and Community Wealth Building	Immediately available employment land as a % of total land allocated for employment purposes in the local development plan	% of unemployed people assisted into work from council operated / funded employability programmes
Tackle Climate Change and achieve net zero by 2045	CO2 emissions from Transport per capita	% of total household waste arising that is recycled
Build resilient and empowered communities	% of council dwellings meeting Scottish Housing Standards	Town Vacancy Rates
Design a modern Council	The gender pay gap (%)	Reliance on Reserves as a % of Net Expenditure

5.5 Appendix 1 shows the latest Dundee figure compared with the family group average for 40 key indicators that are most closely aligned with the Council Plan priorities. This shows where Dundee is on target in relation to the benchmark or needs some focus to reach the average. It also provides a description of the measure, a graph over time and how it relates to the Council Plan. Where Dundee's figure is furthest from the benchmark by the most significant amount it will be considered in more detail by the Council Leadership Team.

5.6 As the Council will need to continue to have to make savings and is facing increasingly difficult choices about spending priorities, the Council Leadership Team and the Transformation Board will also explore in more detail the cost related indicators from the LGBF suite of measures.

5.7 LGBF data is also shared with our key partners in Leisure and Culture Dundee (6 indicators) and the Health and Social Care Partnership (11 indicators) to review as part of their performance management and reporting processes.

6. KEY AREAS FOR IMPROVEMENT

6.1 Based on the table in 5.3 and taking account of other data available using the LGBF, the following indicators will be the subject of further discussion by the Council Leadership Team. They will examine the data relating to the benchmarked service, any improvement actions and follow up progress. An update on these will be included in next year's report.

Key Area for improvement 1	Average total tariff SIMD quintile 1
Key Area for Improvement 2	% of unemployed people assisted into work from council operated / funded employability programmes
Key Area for Improvement 3	% of total household waste arising that is recycled
Key Area for Improvement 4	Town Vacancy Rates
Key Area for Improvement 5	Reliance on Reserves as a % of Net Expenditure

6.2 Last year's report (LGBF Annual Report 2023/24) highlighted the following areas selected for improvement and for each an update is provided below.

Area for Improvement 2024	Progress since last report
Average Total Tariff SIMD Quintile 1	Improving secondary attainment amongst pupils living in the most deprived areas remains a challenge. The tariff score for pupils in SIMD1 deteriorated to 563 in 2024/25 after an increase to 593 in 2023/24. The Council is committed to improving attainment across all learners and this will remain a focus for the coming year.
% of unemployed people assisted into work from council operated / funded employability programmes	A more integrated approach to maximising opportunities for adults and young people is in place following the restructuring of employability services. It is expected this will result in an improving position in coming years once new approaches and processes are embedded. During the first full year following this restructure there has been a marginal improvement (0.1%), However, performance remains below target and this will remain as an area for improvement.
% of total household waste arising that is recycled	Performance deteriorated between 2023/24 and 2024/25 from 36.6% to 35.1% of waste being recycled. Dundee has dropped 3 places from 26th to 29th nationally and from 6th to 7th in the family group. Again, for this coming year, improving recycling rates has been identified as an area for improvement. The Waste and Recycling Strategy 2026/30 was approved by Committee in November last year and includes an action plan for improvement.
Town Vacancy Rates	Significant investment in the Overgate has reduced vacancy rates to just 2% within the Centre, however, there have been key closures in the Murraygate and High Street. While the Council's scope of influence on this indicator is limited, the Council is using the influence it does have to deliver key improvements in the city centre, such as the establishment of the Business Improvement District, and the works on Union Street. This indicator will remain as an area for improvement over the next year.
Sickness absence days per employee (non-teacher)	Employee wellbeing continues to be a key priority for the Council and Managers and Senior Leaders will continue to closely monitor sickness absence. Most recent data shows, on average, days lost to sickness from January 2025 to January 2026 has reduced by 1 day for all employee groups.

7. POLICY IMPLICATIONS

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

8. CONSULTATIONS

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

9. BACKGROUND PAPERS

None.

GREGORY COLGAN
CHIEF EXECUTIVE

DATE 9 JUNE 2026

ANDREA CALDER
HEAD OF CHIEF EXECUTIVE'S SERVICES

APPENDIX 1

Local Government Benchmarking Framework

Family Groups

The family group is the group of 8 Scottish local authorities Dundee is matched with in terms of levels of deprivation and urban density. The groups are slightly different for people-based services and services where geography and logistics will have the biggest influence on costs and performance.

	People Based Services – High Deprivation factor	Geographical Based Service – High Urban density factors
Family Group	Dundee	Dundee
	East Ayrshire	Aberdeen
	Eilean Siar	East Dunbartonshire
	Glasgow	Edinburgh
	Inverclyde	Falkirk
	North Ayrshire	Glasgow
	North Lanarkshire	North Lanarkshire
	West Dunbartonshire	West Dunbartonshire

Dundee City Council has chosen the Family Group mean average to act as the benchmark. When an indicator is performing better than or same as the benchmark, it is 'on target'. When it is performing worse it is an 'area for improvement'. Occasionally an outlier in a group of 8 causes can skew the average and can provide a false comparison. Where this is the case for an indicator, the commentary on this indicator will acknowledge this.

Each Council Strategic Priority will include a data table of the most relevant LGBF indicators and an examination of each indicator in turn. The format of the data tables has changed since last year's report. They include the current figure for Dundee compared to the Family Group Average, and the difference. The tables also show the value for Dundee over the previous two years, and the trend over time is shown using arrows. Short term trend compares performance since the previous year, long term trend compares performance over 2 years. The Scottish Relative Position is Dundee's ranking compared to all other Scottish local authorities, with the values in the brackets showing the change in ranking over the previous year with either an increase (↑), decrease (↓), or the same (=).

The tables below provide a key for the symbols found in the data tables:

Indicator Status	
	On Target
	Area for Improvement

Short Term Trend	
	Improving
	No Change
	Getting Worse

Long Term Trend	
	Improving
	No Change
	Getting Worse

The Lead Service abbreviations are as follows:

CD – City Development
CE – Chief Executive's Services
CF – Children & Families Service
CS – Corporate Services
NS – Neighbourhood Services

Council Plan Strategic Priorities

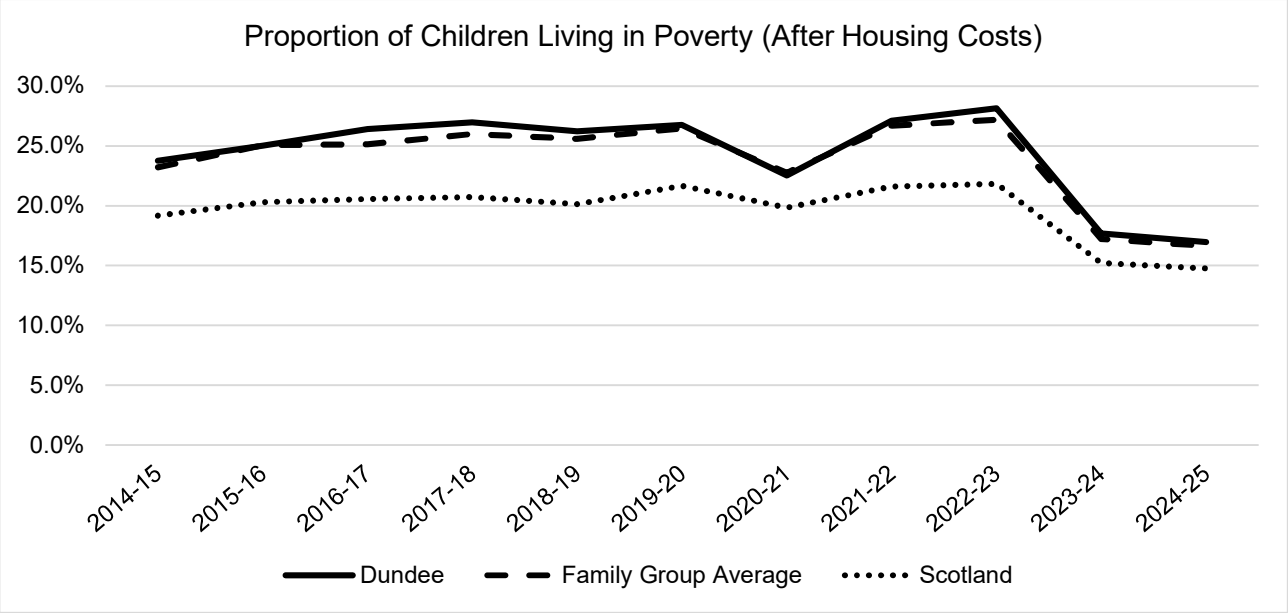
Reduce Child Poverty and Inequalities in Incomes, Education and Health

Status	Performance Indicator	-2 Year	-1 Year	Current Value	Family Group Average	Difference	Short Term Trend	Long Term Trend	Scottish Relative Position	Lead Service
	Percentage of children living in poverty after housing costs (Relative Poverty)	N/A	17.7%	**17.0%**	**16.7%**	2%		N/A	28 (=)	CF
	% Attendance at School	88.6%	88.9%	**89.6%**	**90.2%**	-1%			29 (=)	CF
	School Attendance Rate for Care Experienced Children*	88.3%	83.1%	**82.8%**	**80.8%**	2%			24 (↓2)	CF
	Exclusion Rate for Care Experienced Children (per 1,000) **	110.9	75.9	**73.9**	**100.2**	-26%			16 (↓3)	CF
	Literacy Attainment Gap (P1,4,7 Combined) - Percentage point gap between the least deprived and most deprived	19.9	16.6	**13.9**	**17.2**	-19%			4 (↑3)	CF
	Numeracy Attainment Gap (P1,4,7 Combined) - Percentage point gap between the least deprived and most deprived	16.3	14.3	**9.6**	**14.3**	-33%			4 (=)	CF
	Percentage of school leavers entering a positive destination	95.6%	94.8%	**93.7%**	**94.6%**	-1%			27 (↓2)	CF
	% pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 5 or higher	48%	45%	**46%**	**52%**	-12%			19 (=)	CF
	% Pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 6 or higher	17%	19%	**20%**	**23%**	-13%			17 (↓1)	CF
	Average Total tariff SIMD Quintile 1	577	593	**563**	**650**	-13%			20 (↓3)	CF
	% of Crisis Grant Decisions within 1 day	88.7%	92.5%	**95.4%**	**96.4%**	-1%			26 (↑3)	CS
	% CCG Grant Decisions within 15 Days	73.8%	94.6%	**95.3%**	**93.4%**	2%			20 (=)	CS
	Proportion of DHP Funding Spent	100.8%	110.0%	**101.0%**	**96.0%**	5%			8 (↓6)	CS
	The proportion of SWF Budget Spent	129.6%	129.0%	**95.6%**	**72.8%**	31%			8 (↑8)	CS

*Indicates the Data is 2023/24
**Indicates the Data is 2022/23

Proportion of Children Living in Poverty (After Housing Costs)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Percentage of children living in poverty after housing costs (Relative Poverty)	17.7%	**17.0%**	**16.7%**	2%	28 (=)



Indicator Description

This shows the percentage of children who are in households with incomes net of housing costs that are below 60% of the median after housing costs. This data was published by the DWP on March 26th 2026, as part of their Children in Low Income Families; local area statistics, financial year 2024/25 publication.

From 2023/24, the DWP now includes after housing cost metrics, calculating income after rent, mortgage interest and service charges, which often highlights higher poverty rates. The new method of calculating data is explained further in this report and highlights points to be aware of when reporting a decline in child poverty - What better benefits data means for poverty in the UK | Joseph Rowntree Foundation. The Improvement Service have changed the data source for this indicator to this dataset; prior to this it was sourced from End Child Poverty. One of the key differences is that the previous dataset, compiled by End Child Poverty, included data on 16-19 year olds, meaning figures from the DWP dataset will appear lower. Because of this, comparison with years prior to 2023/24 is not advised.

Performance Context

The new DWP dataset shows that the proportion of children living in poverty (after housing costs) in Dundee has decreased from 17.7% to 17% between 2023/2024 and 2024/2025.

Dundee City Council has set the target of matching the Scottish Government's overall national target of reducing child poverty to less than 10% of children living in relative poverty by 2030. Actions to achieve this target are outlined in the Fairness and Local Child Poverty Action Plan. Key work undertaken by Dundee City Council and our Partners includes ongoing Cost of Living Crisis Support which provides support through a five-pillar approach of Community Food, Open Doors, Advice Services, Warm Clothes and Blankets and Communication throughout Dundee.

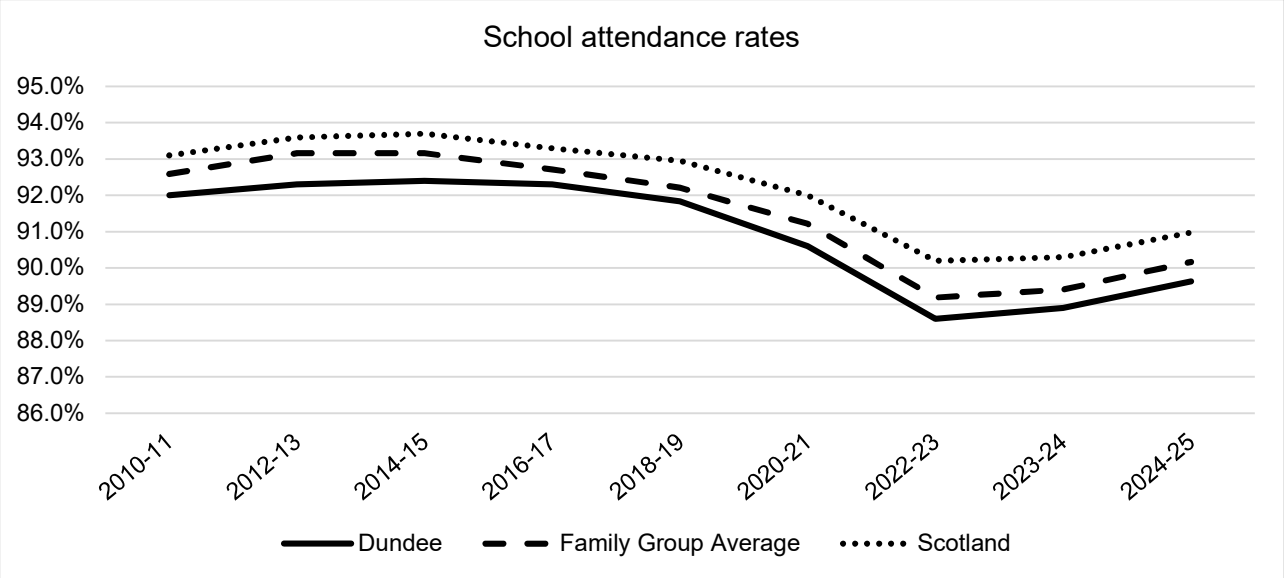
One key priority to reduce child poverty has been to maximise take up of all UK and Scottish welfare benefits for all those who are entitled to them. The income maximisation achieved through the support of the Council's Advice Services for 2024/25 totalled £17,008,442, a 37% increase on the previous year's gains.

Through the Child Poverty Pathfinder in Linlathen, 272 families were supported through a combination of targeted intervention and those self-identifying and reaching out for support. The pathfinder was extended in

2024/25 to also support families in the Mid Craigie area. The Local Fairness Initiatives in Linlathen and Stobswell West have made significant progress, delivering outcomes in financial wellbeing, employability, social connectedness, housing and green spaces, access to services and health and wellbeing. A range of these benefits can be found in the Linlathen Local Fairness Initiative Evaluation Report.

School Attendance Rates

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% Attendance at School	88.9%	**89.6%**	**90.2%**	-1%	29 (=)



Indicator Description

This indicator measures the average number of half-days attended, as a percentage of the total number of possible attendances for pupils in a local authority.

Up until 2022/23 this data was previously published biennially, however, this is now published annually.

Data for this indicator is obtained from the Scottish Government publication 'School Attendance and Absence Statistics'.

Performance Context

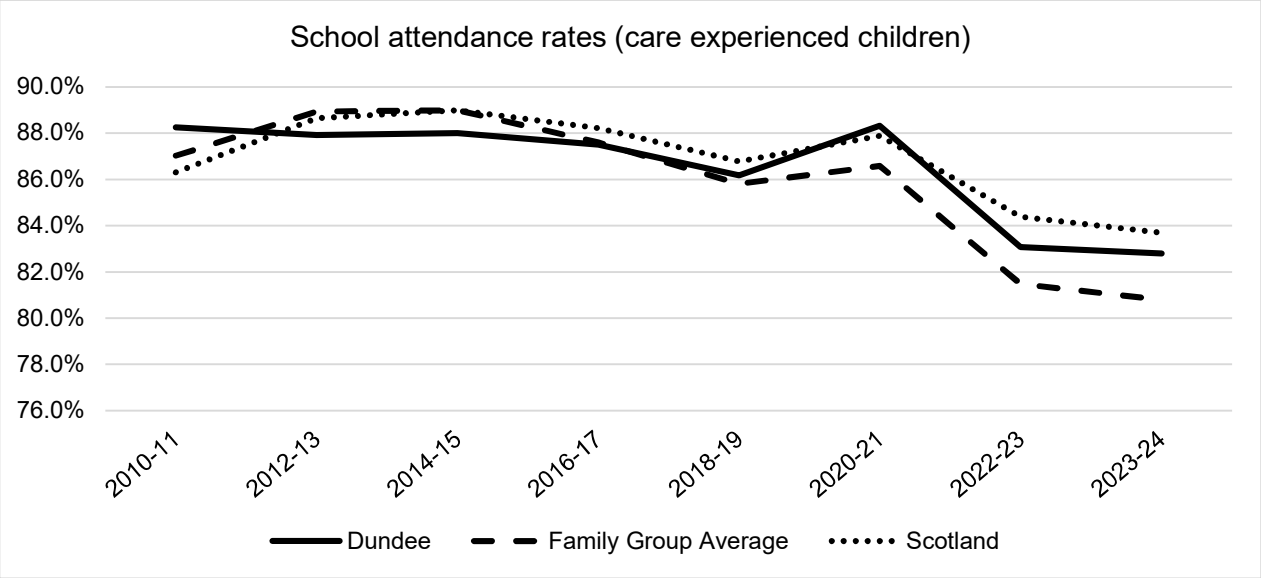
Since 2010/11, the School Attendance Rate for pupils in Dundee has been consistently lower than the family group average and Scotland as a whole. However, there has been an increase of 0.6% between 2023/24 and 2024/25. There have also been increases in the family group average and national figure. Dundee's family group position is joint 5th out of the 8 local authorities (unchanged since 2023/24) but national ranking remains low at 29 out of 32 local authorities.

All Dundee schools continue to have a focus on improving the presence (attendance and engagement) of their pupils, implementing learning from engagement in the Quality Improvement Improving School Attendance national programme during 2024/25 as well as learning from evidence from what has worked in other schools in Dundee. The Service's 'Every Dundee Learning Matters' (EDLM) Improvement Strategy, has a focus on ensuring that classroom teachers have increased opportunities to share, and learn from, practice that improves the presence of pupils in Dundee schools.

Good school attendance is key to ensuring that every child gets off to the best start in life and has access to support and learning that respond to individual needs and potential. Absence from school, whatever the cause, can disrupt learning. The role of school attendance in the care and protection of children is key.

School Attendance Rates (care experienced children and young people)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✔	School Attendance Rate for Care Experienced Children	83.1%	**82.8%**	**80.8%**	2%	24 (↓2)



Indicator Description

This indicator measures the average number of half-days attended, as a percentage of the total number of possible attendances for pupils who care experienced children attending publicly funded and grant-aided mainstream school in a local authority.

Up until 2022/23 this data was previously published biennially, however, this is now published annually.

Data for this indicator is obtained from the Scottish Government publication 'Educational Outcomes for Scotland's Looked After Children'.

Performance Context

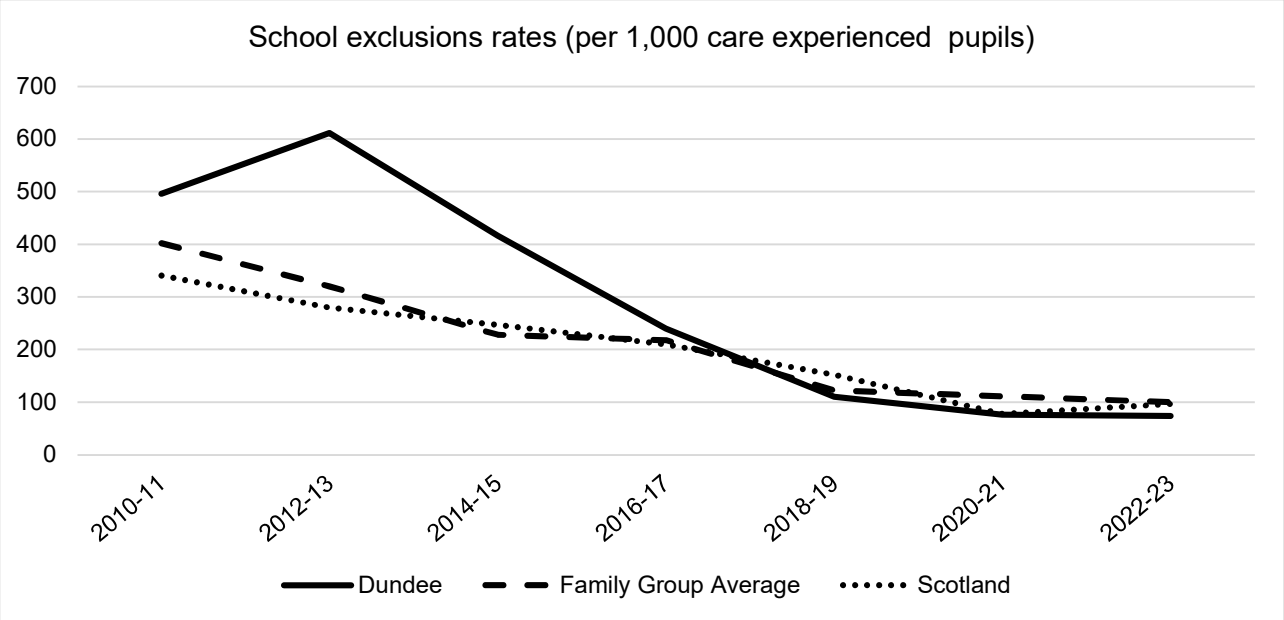
The school attendance rates for care experienced children in Dundee has decreased by 0.3 percentage points between 2022/23 and 2023/24, and by 5.5 percentage points since 2020/21. Although this decrease is reflected across the family group and Scotland as a whole, Dundee's national ranking has fallen by 8 places between 2020/21 and 2023/24. However, Dundee is ranked joint 4th in the family group and remains above the family group average. LGBF data for other Councils for 2024/25 is not yet available, but local data for Dundee shows an increase to 83.6%.

Dundee City Council has been delivering Our Promise to Care Experienced Children and Young People 2023/26, which will further enhance support and close the gap in educational attainment experienced by young people from protected groups. The average figure is adversely affected by the significantly lower attendance levels of children and young people subject to a Compulsory Supervision Order (CSO) or in Kinship Care. In response to this, a key priority is the range of existing supports for pupils subject to a CSO or in Kinship Care are being extended and systems tightened.

The Our Promise Annual Update in October 2025 also highlights positive developments in education, with more care-experienced young people achieving qualifications. The percentage of care experienced pupils achieving one or more awards at SCQF Level 4 or better has steadily increased from 73% in 2020-21 to 81% in 2024-25.

School Exclusion Rate (per 1,000 care experienced children and young people)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Exclusion Rate for Care Experienced Children (per 1,000)	75.9	**73.9**	**100.2**	-26%	16 (↓3)



Indicator Description

This indicator measures the number of exclusion cases per 1,000 care experienced pupils and includes children who were looked after at any point during the academic year. Exclusions include both temporary exclusions and pupils removed from the register.

In Scotland, the power exists to exclude children and young people from school where it is considered that to allow the child or young person to continue attendance at school would be seriously detrimental to order and discipline in the school or the educational wellbeing of the learners there, however, exclusion should only be used as a last resort.

Data for this indicator is biennial and is published in the Scottish exclusion statistics.

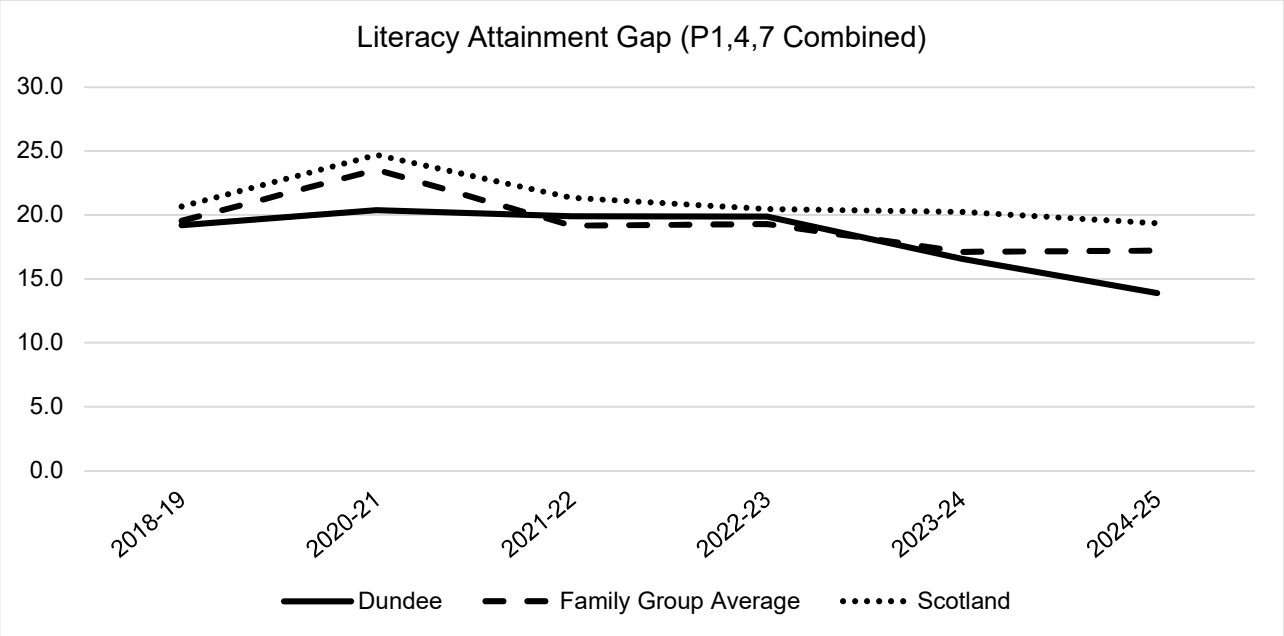
Performance Context

School exclusion rates for care experienced children have fallen across Scotland and the family group over the past decade, but the degree to which it has reduced in Dundee has been more substantial. This reflects the significant, concerted efforts by the Children and Families Service to implement a range of different approaches and solutions to positively engage young people in their education and improve relationships and behaviour. The rate of improvement has flattened over the past two years, but there has still been a small decrease from 75.9 to 73.9 exclusions per 1,000 pupils between 2020/21 and 2022/23.

Rates of exclusion for care experienced children remain higher than exclusion rates for all pupils (20.2 per 1,000 pupils), However, support will be provided to care experienced pupils and carers to minimise the number of exclusions through the delivery of Our Promise to Care Experienced Children and Young People 2023/26.

Literacy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils.

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Literacy Attainment Gap (P1,4,7 Combined) - Percentage point gap between the least deprived and most deprived	16.6	**13.9**	**17.2**	-19%	4 (↑3)



Indicator Description

This indicator measures the gap in literacy between children from Scotland's most and least deprived areas. A pupil is deemed to have achieved the expected level in literacy if they have achieved the expected level in all three literacy organisers: reading, writing, and listening and talking. The assessments of children's progress are based on teachers' professional judgements in schools.

Data for this indicator is collected from the Scottish Government publication: 'Achievement of Curriculum for Excellence Levels.'

Performance Context

44% of Dundee pupils live in SIMD Quintile 1 areas. Closing the attainment gap between the most and least disadvantaged children and young people is a key priority of the National Improvement Framework; it is also a key priority for the Children and Families Service.

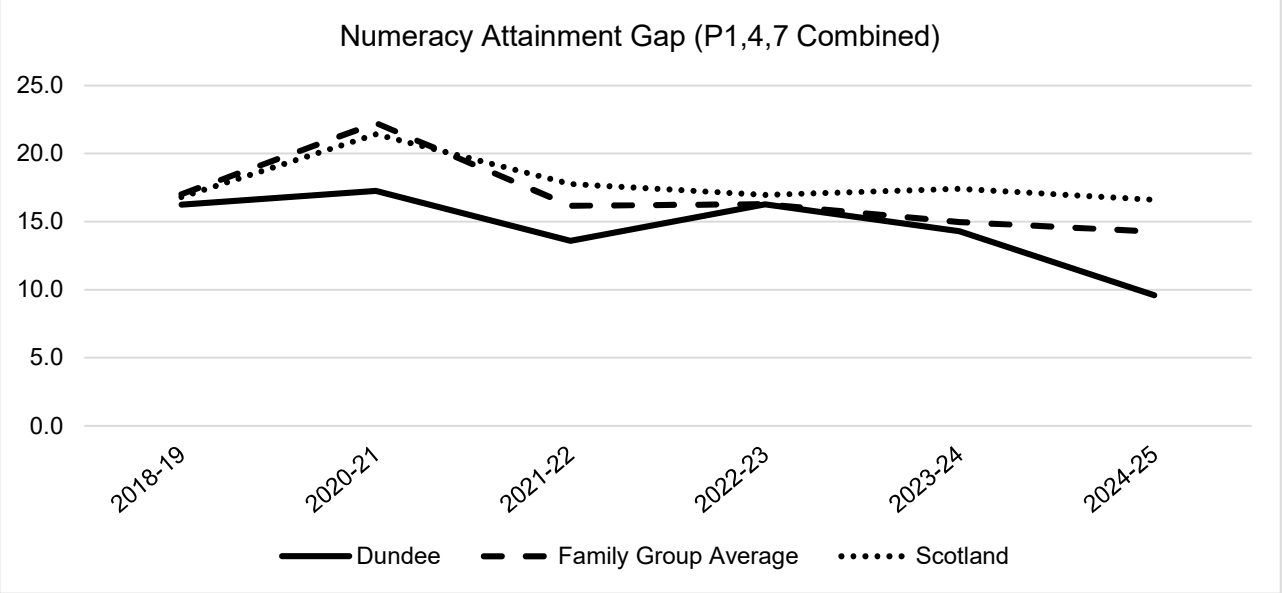
Between 2018/19 and 2022/23, the gap in literacy attainment between the most and least deprived areas in Dundee had consistently been sitting around 20 percentage points. It has now closed to 13.9 percentage points. This has been driven by the increase in literacy attainment of pupils living in the most deprived areas, which has increased from 66.2% to 69.2% between 2022/23 and 2024/25. However, this reduction in the attainment gap is also due to the decrease in attainment by pupils living in the least deprived areas, which has decreased from 86.0% to 83.1% between 2022/23 and 2024/25. For the second year in a row, Dundee's gap is narrower than the family group average, which is currently 17.2 percentage points.

Attainment in literacy for P1,4,7 pupils living in SIMD1 areas has improved in recent years, from 65.3% in 2018/19 to 69.2% in 2024/25. The Children and Families Service will continue to embed the 'Every Dundee Learner Matters Improvement Strategy', with support from University of Glasgow Professors, meaning classroom teachers have increased opportunities to share, and learn from, practice that improves the presence, participation, and progress of pupils in Dundee schools. The Service is also working in partnership

with Education Scotland, in ten schools (across two cohorts in academic session 2025/26) which are involved in the Quality Improvement National Writing programme. These schools receive ongoing support directly from Education Scotland's Attainment Advisor and the Service's Pedagogy Team.

Numeracy Attainment Gap (P1,4,7 Combined) - percentage point gap between the least deprived and most deprived pupils.

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Numeracy Attainment Gap (P1,4,7 Combined) - Percentage point gap between the least deprived and most deprived	14.3	**9.6**	**14.3**	-33%	4 (=)



Indicator Description

This indicator measures the gap in numeracy between children from Scotland's most and least deprived areas. The assessments of children's progress are based on teachers' professional judgements in schools.

Data for this indicator is collected from the Scottish Government publication: '*Achievement of curriculum for excellence levels.'*

Performance Context

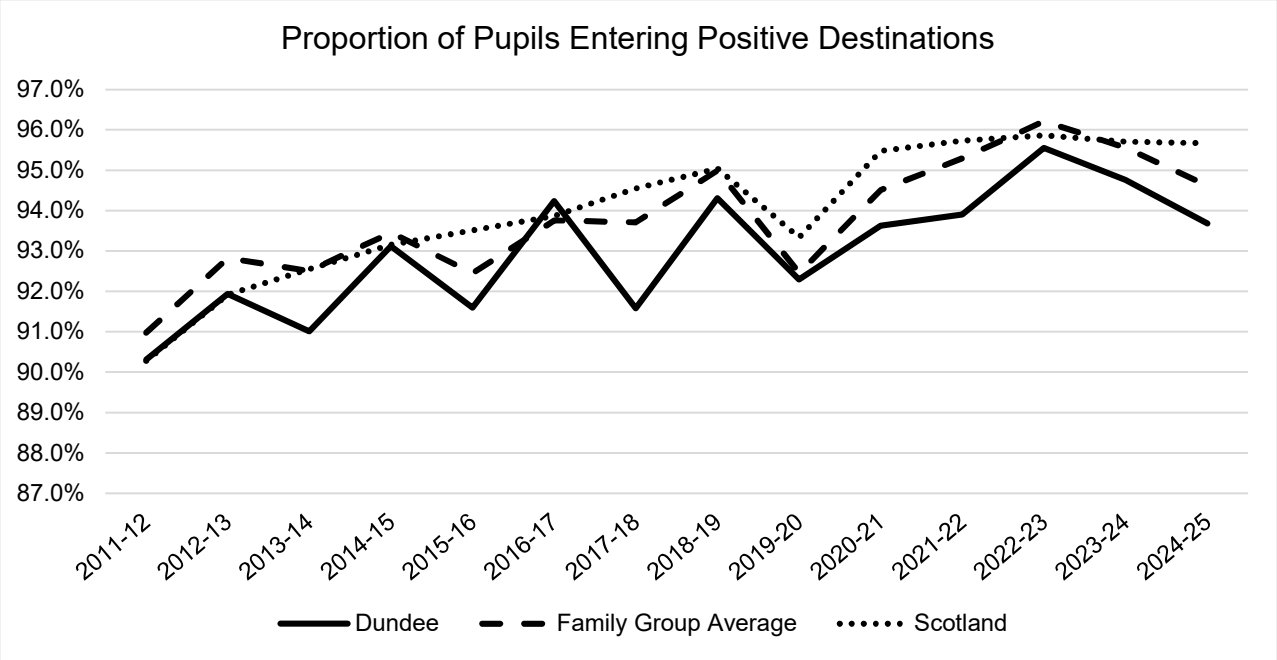
44% of Dundee pupils live in SIMD Quintile 1 areas. Closing the attainment gap between the most and least disadvantaged children and young people is a key priority of the National Improvement Framework; it is also a key priority for the Children and Families Service.

The numeracy attainment gap for primary pupils in Dundee of 9.6 percentage points is a decrease from 14.3 percentage points in 2023/24 and is below the pre-pandemic figure of 16.2 percentage points. It is also below the family group average of 14.3 percentage points, meaning that this indicator is currently on target. This has been driven by the increase in numeracy attainment of pupils living in the most deprived areas, which has increased from 74.1% to 76.2% between 2022/23 and 2024/25, However, this reduction in the attainment gap is also due to the decrease in attainment by pupils living in the least deprived areas, which has decreased from 90.4% to 85.9% between 2022/23 and 2024/25.

Attainment in numeracy for P1,4,7 pupils living in SIMD1 areas has improved in recent years, from 71.8% in 2018/19 to 76.2% in 2024/25. The Children and Families Service will continue to embed the 'Every Dundee Learner Matters Improvement Strategy' to support classroom teachers and their pupils improve engagement and attainment.

% of pupils entering positive destinations

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Percentage of school leavers entering a positive destination	94.8%	**93.7%**	**94.6%**	-1%	27 (↓2)



Indicator Description

This indicator measures the proportion of pupils who are entering any positive destinations after leaving school as a proportion of all school leavers. A positive destination can be either higher or further education, employment, training, voluntary work, or personal skills development. Data on initial destinations of school leavers is based on approximately three months after the end of school term their post review attainment information.

This indicator covers school leavers from all stages of secondary school. For most young people, S4 (15–16-year-olds) is the last compulsory year of school, but the majority choose to stay on and complete S5 (16–17-year-olds) and S6 (17–18-year-olds).

Data for this indicator is collected from the Scottish Government publication: 'School leaver initial destinations and attainment survey.'

Performance Context

As the above graph shows, the percentage of pupils entering positive destinations in Dundee has fluctuated over the past decade, but the overall trend has improved from 90.3% in the base year 2011/12. Although this year's figure of 93.7% indicates a positive trend since the 2011/12 baseline year, the change over the two most recent years is less positive with a decrease from 95.6% in 2022/23. There has also been a decrease in the family group and Scottish average; however, Dundee's national ranking is now 27 out of 32, down from 25th in 2023/24, and down from 15th in 2022/23.

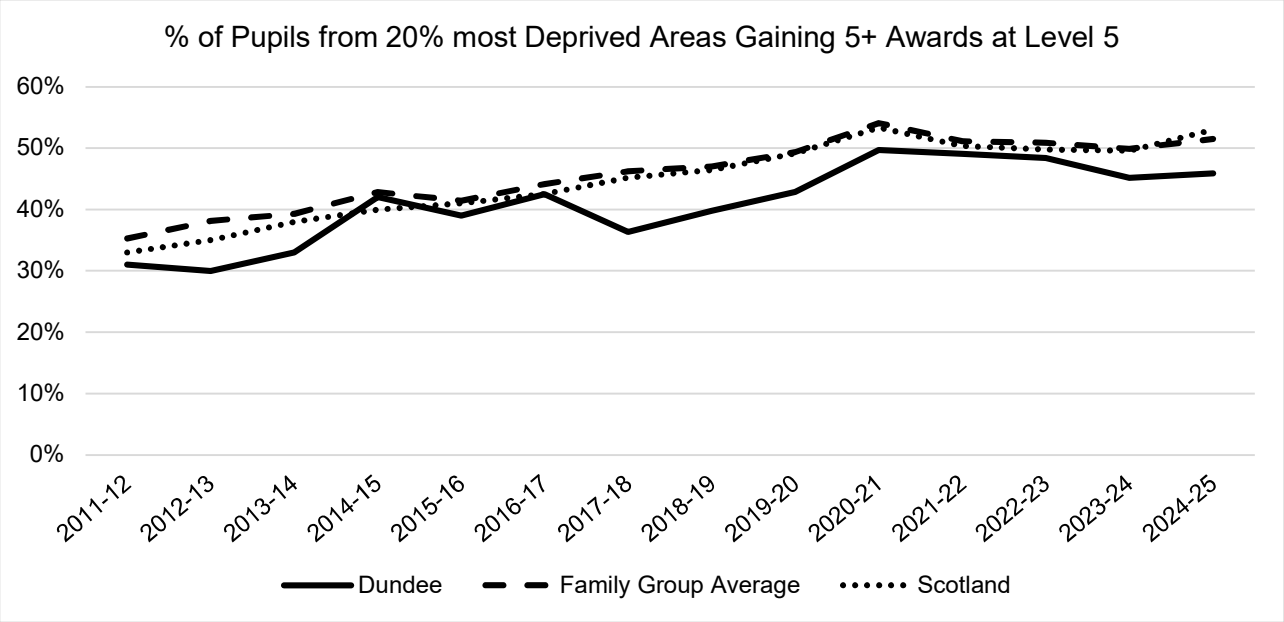
Dundee is making improvements in follow-up destinations (leavers in a positive destination >9 months after leaving school). In 2020/21 Dundee was ranked 30th out of 32 Local Authorities. Latest figure (2023/24) shows Dundee's ranking has improved to 19th.

Each school has established a Core Implementation Group to manage the transition of young people at the greatest risk of leaving school and not participating. True integrated partnership working and cross-sector collaboration has been achieved in each of our secondary and offsite settings. In addition, post-school quality

assurance meetings are scheduled for each school 4 times per year to support and challenge the Core Implementation Groups. This rigorous process ensures that no young person is forgotten or without an offer of support.

% of pupils living in the 20% most deprived areas gaining 5+ awards at level 5

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 5 or higher	45%	**46%**	**52%**	-12%	19 (=)



Indicator Description

This indicator provides a measure of achievement for senior phase (S4-S6) pupils who appear on the pupil census for local authority schools. The measure is the percentage of the pupil cohort from the 20% most deprived areas (SIMD1) gaining 5 or more awards at SCQF level 5.

Covid-19 led to changes in how National Qualifications were assessed and graded in the years 2020 to 2023. Care must therefore be taken when comparing attainment of school leavers, and any interpretation of changes must take full account of the different certification methods used in different years and changes in the attainment levels in 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 should not be seen as an indication that performance has improved or worsened, without further evidence.

The calculated data is provided directly to the IS from the Scottish Government.

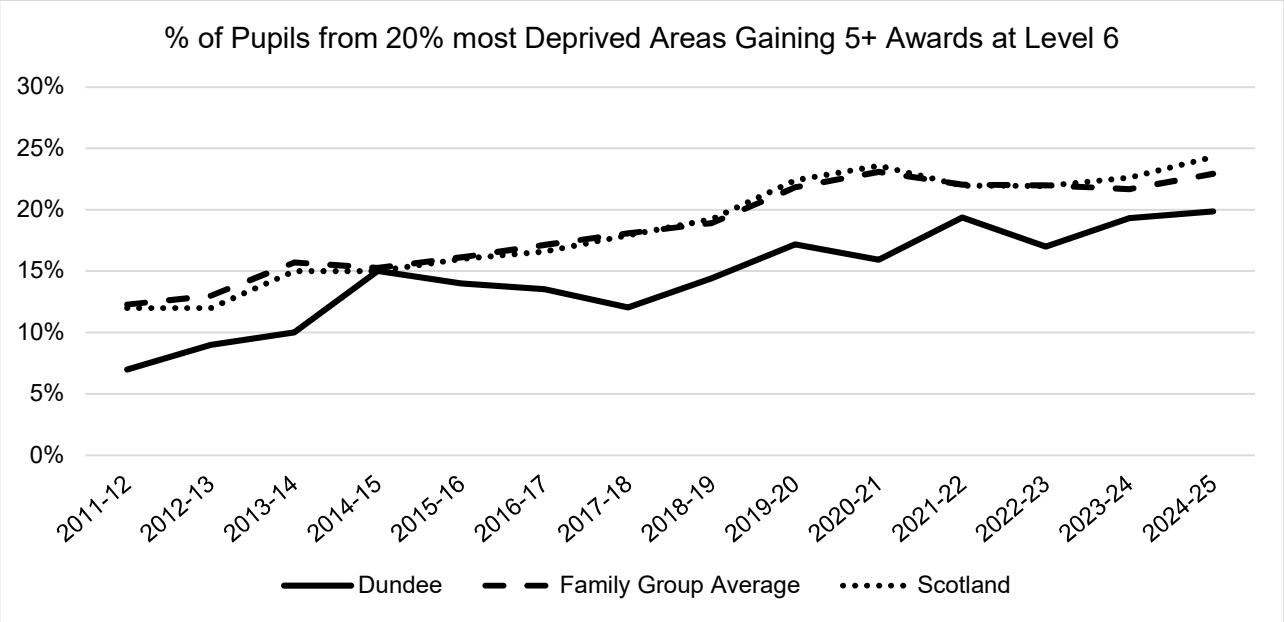
Performance Context

Between 2023/24 and 2024/25, this indicator has improved by 1 percentage point. However, comparison with the family group average benchmark shows that a lower proportion of pupils are gaining 5+ awards at level 5 than other local authorities with similar characteristics. As a result, this indicator remains an area for improvement. However, there has been long term improvement, with a 15% increase since the baseline year.

The most recent Senior Phase Attainment Progress Update 2024/25 outlines a range of improvement actions which will contribute to further raising attainment and achievement. Key improvement activities continue to be embedded in school improvement plans and School Improvement Partnerships (SIPs) will be further strengthened to ensure that leaders at all levels can support and challenge effectively.

% of pupils living in the 20% most deprived areas gaining 5+ awards at level 6

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% Pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 6 or higher	19%	**20%**	**23%**	-13%	17 (↓1)



Indicator Description

This indicator provides a measure of achievement for senior phase (S4-S6) pupils who appear on the pupil census for local authority schools. The measure is the percentage of the pupil cohort from the 20% most deprived areas (SIMD1) gaining 5 or more awards at SCQF level 6.

Covid-19 led to changes in how National Qualifications were assessed and graded in the years 2020 to 2023. Care must therefore be taken when comparing attainment of school leavers, and any interpretation of changes must take full account of the different certification methods used in different years and changes in the attainment levels in 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 should not be seen as an indication that performance has improved or worsened, without further evidence.

The calculated data is provided directly to the IS from the Scottish Government.

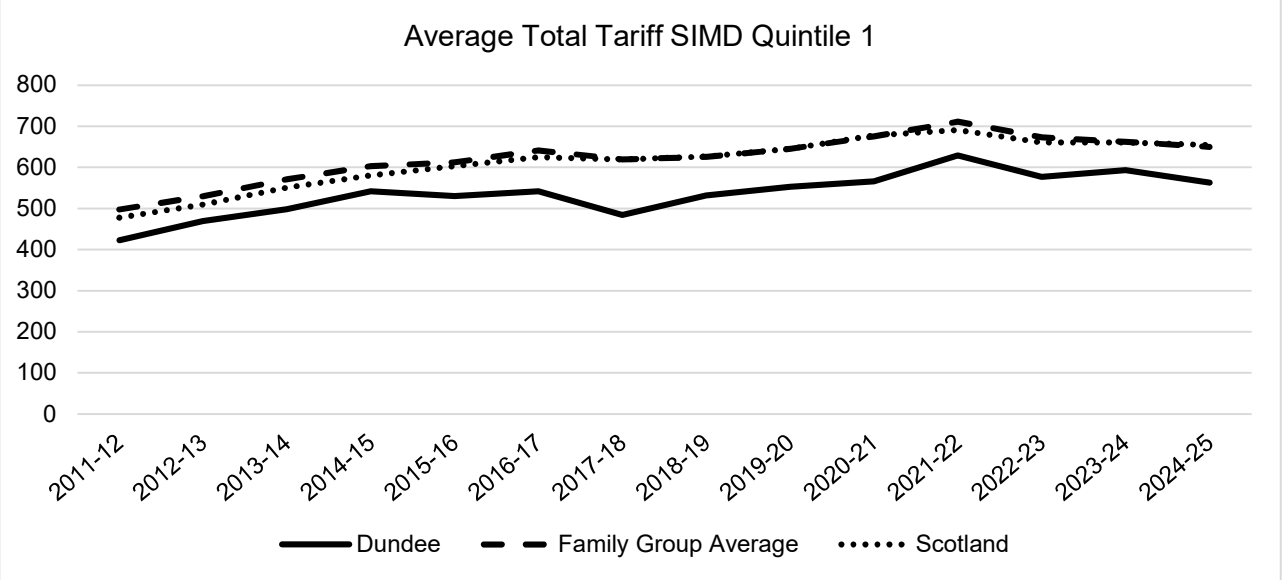
Performance Context

Again, between 2023/24 and 2024/25, this indicator has improved by 1 percentage point. However, comparison with the family group average benchmark shows that a lower proportion of pupils are gaining 5+ awards at level 6 than other local authorities with similar characteristics. As a result, this indicator remains an area for improvement. However, there has been long term improvement, with 2024/25 being the highest figure achieved since the baseline year, with a 13% increase since the baseline year. Dundee's family group ranking for this indicator has also improved from 7th to 6th.

The Children and Families Service work towards improving secondary attainment by continuing to develop improvement a range of improvement actions, and collaborative learning between secondary practitioners.

Average total tariff SIMD quintile 1

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Average Total tariff SIMD Quintile 1	593	**563**	**650**	-13%	20 (↓3)



Indicator Description

This indicator measures the average total tariff score for pupils in the senior phase for pupils in SIMD Quintile 1. Tariff points for each unit or course are calculated based on the SCQF level of the award and the grade achieved (for graded courses). Tariff points are accumulated by individual pupils for all eligible qualifications that are the latest and best in a subject (e.g., if a pupil sits National 5 maths and then Higher maths only the tariff points for Higher maths will be included in their total).

Covid-19 led to changes in how National Qualifications were assessed and graded in the years 2020 to 2023. Care must therefore be taken when comparing attainment of school leavers, and any interpretation of changes must take full account of the different certification methods used in different years and changes in the attainment levels in 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 should not be seen as an indication that performance has improved or worsened, without further evidence.

Tariff points for SIMD quintiles is calculated based on Insight data and is provided for the LGBF by the Scottish Government.

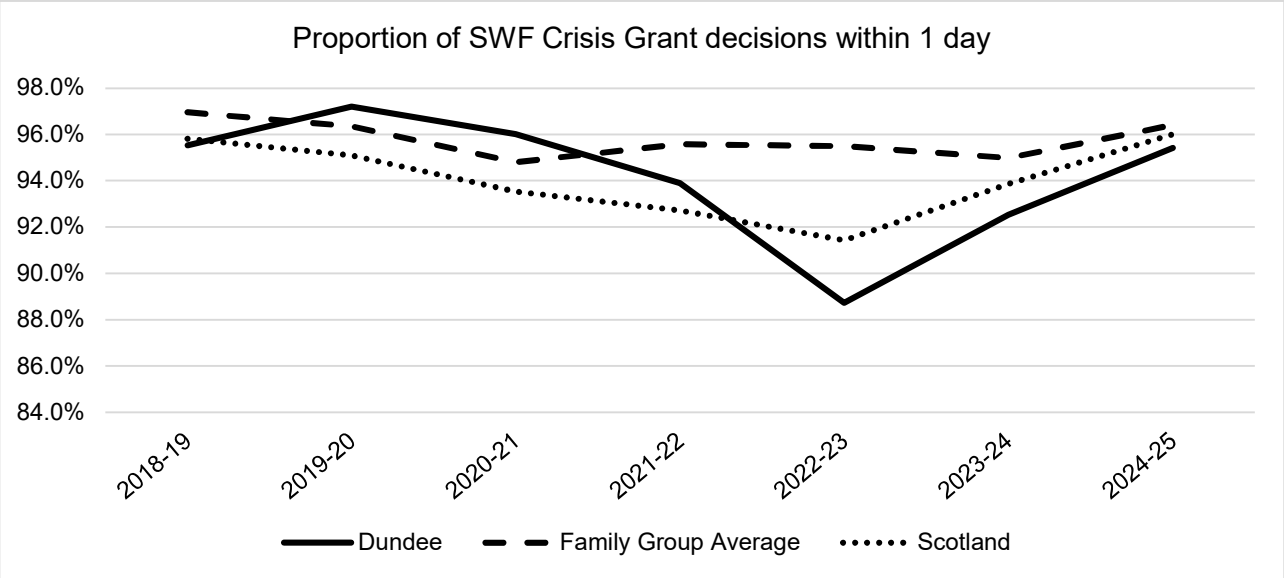
Performance Context

The average total tariff of pupils from the SIMD Quintile 1 has decreased between 2023/24 and 2024/25 from 593 to 563. This is 13% lower than the family group average of 650, meaning that this indicator remains an area for improvement. Dundee has the lowest figure in the family group and is an outlier. The second lowest council has an average SIMD1 tariff score of 629.

44% of Dundee pupils live in SIMD Quintile 1 areas. This indicator is included as a KPI in the Council Plan and Children and Families Service Plan, and progress reports for both plans will continue to monitor performance for this indicator. The Children and Families Service will continue to develop improvement plans and work collaboratively to strengthen the skills of Dundee's secondary practitioners.

% of Crisis Grant Decisions within 1 day

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% of Crisis Grant Decisions within 1 day	92.5%	**95.4%**	**96.4%**	-1%	26 (↑3)



Indicator Description

This indicator measures the percentage of applications which have an initial decision being made within 1 working day of the application being received.

Data for this indicator is collected from Social Security Statistics published by Scottish Government.

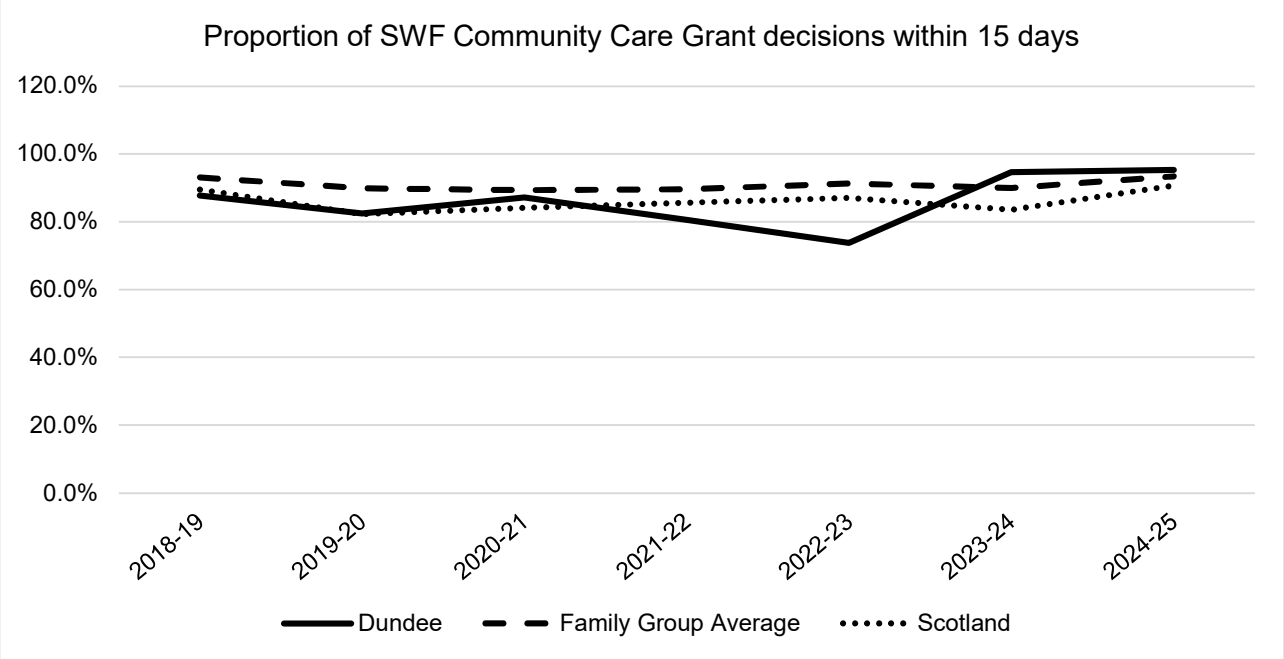
Performance Context

The proportion of Crisis Grant decisions within 1 day in 2024/25 improved from the previous year, increasing from 92.5% to 95.4%. This remains below the family group average of 96.4%. However, Dundee has improved its national ranking out of 32 councils from 29th to 26th and also improved its family group ranking and is now placed 5th out of 8 local authorities, an improvement on 6th in 2023/24.

Crisis Grants aim to help people on a low income who are in crisis because of a disaster or an emergency so an increase in decisions made within the 1-day target ensures that resources are timeously allocated to those who need them. The volume of Crisis Grants on which a decision has been made has decreased in Dundee between 2023/24 and 2024/25, decreasing from 6,555 to 4,800.

% CCG Grant Decisions within 15 Days

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	% CCG Grant Decisions within 15 Days	94.6%	**95.3%**	**93.4%**	2%	20 (=)



Indicator Description

This indicator measures the percentage of applications which have an initial decision being made within 15 working days of the application being received.

Data for this indicator is collected from Social Security Statistics published by Scottish Government.

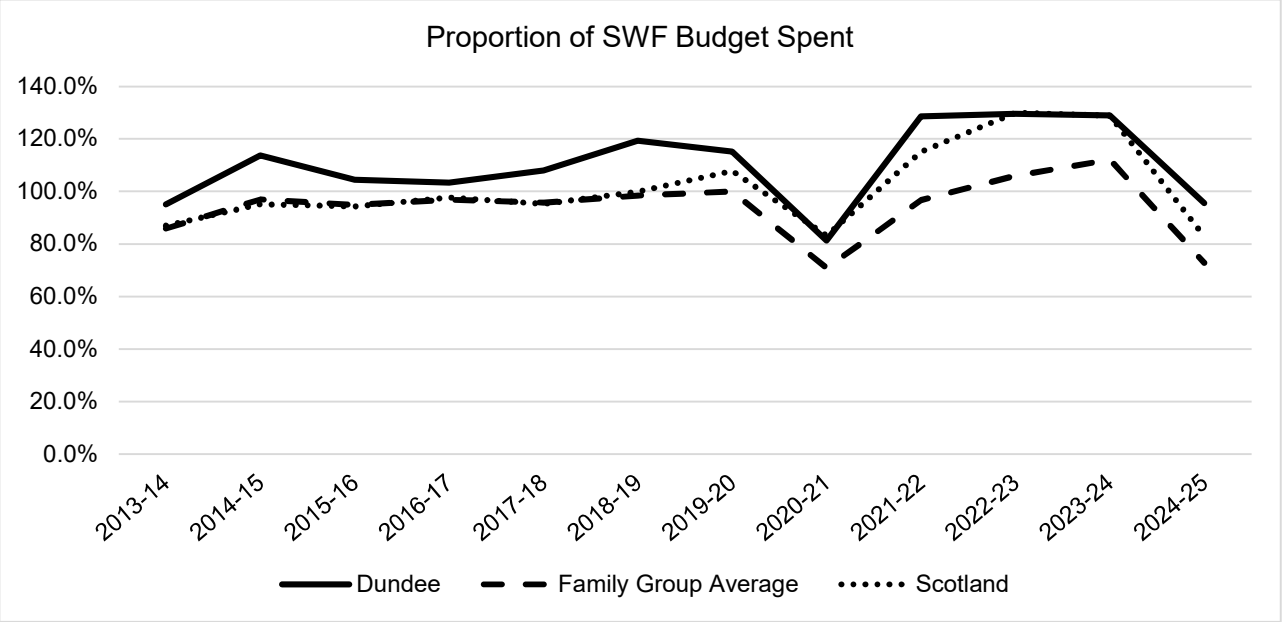
Performance Context

The proportion of Scottish Welfare Fund Community Care Grant decisions within 15 days has improved from 94.6% to 95.3% between 2023/24 and 2024/25. This follows a significant improvement from 73.5% to 94.6% between 2022/23 and 2023/24. Dundee's figure is above the family group average meaning this indicator is on target. Dundee has also maintained its family group ranking of 5th out of 8 local authorities, having previously been 8th in 2022/23.

Community Care Grants aim to enable people to live independently, so an increase in decisions made within the 15-day target ensures that resources are timeously allocated to those who need them. The volume of Community Care Grants on which a decision has decreased in Dundee between 2023/24 and 2024/25 from 3,775 to 3,405.

Proportion of Scottish Welfare Fund Budget Spent

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	The proportion of SWF Budget Spent	129.0%	**95.6%**	**72.8%**	31%	8 (↑8)



Indicator Description

This indicator measures the proportion of the budget set out for Scottish Welfare Fund spent at year end. It calculates the Council's combined expenditure on Crisis Grants and Community Care Grants and divides this by the SWF budget it has been allocated.

Data for this indicator is collected from Social Security Statistics published by Scottish Government.

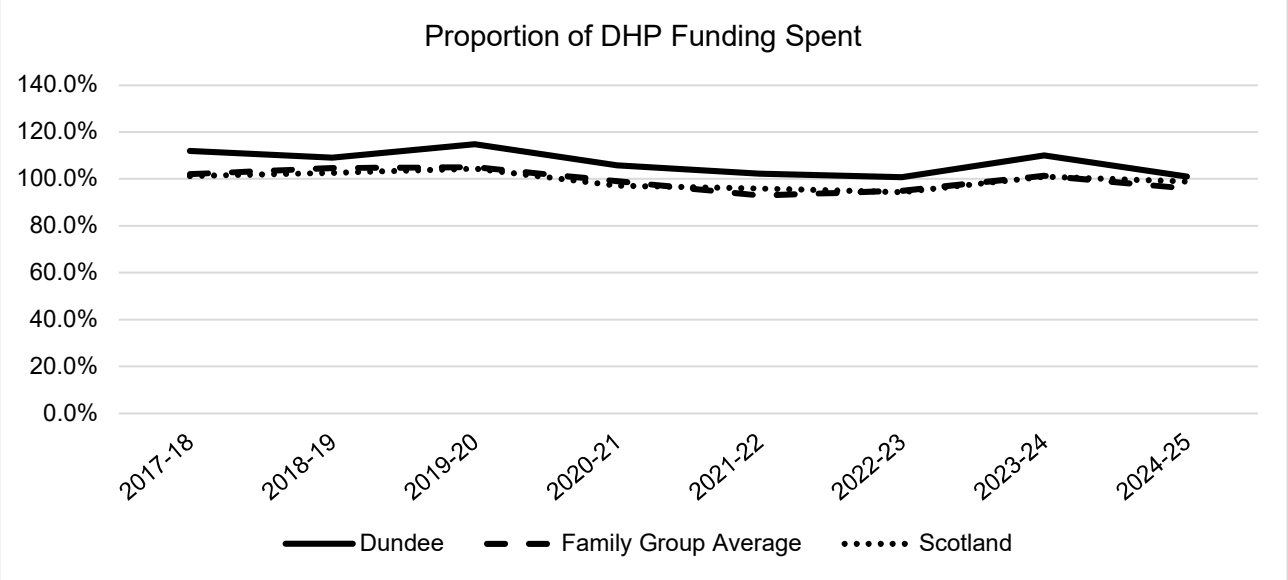
Performance Context

Dundee's expenditure on Crisis Grants decreased from £390,903 in 2023/24 to £274,172 in 2024/25 while expenditure on Community Care Grants increased from £1,315,692 to £1,612,910 during the same period. Between 2023/24 and 2024/25, Dundee's combined expenditure on Crisis Grants and Community Care Grants increased from £1,706,595 to £1,887,082. However, the SWF budget allocated to Dundee also increased more significantly in this period from £1,371,524 to £1,974,606. As a result, the proportion of Scottish Welfare Fund spent by Dundee City Council has decreased from 129% to 95.6%.

Prior to this, Dundee had spent roughly 30% over the SWF allocated to it for the past three years. (This level of overspend was common across Scotland, with Councils committing significantly more funds than the SWF budget allocated to them (129% in 2023/24,) as they could top up the SWF budget with their own funds.) Following distribution of an additional £652,000 programme funding in late November 2024, Dundee underspent the funds available. Despite this underspend, Dundee had the highest proportion of spend in the family group, and the 8th highest in Scotland. The surplus was carried forward into 2025/26 budget to cope with 2nd rapid relet scheme being planned.

Proportion of Discretionary Housing Payment (DHP) Funding Spent

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Proportion of DHP Funding Spent	110.0%	**101.0%**	**96.0%**	5%	8 (↓6)



Indicator Description

This indicator measures the proportion of DHP funding for the year spent at year end.

DHPs may be awarded when a local authority considers that a housing benefit or Universal Credit claimant requires further financial assistance towards housing costs.

Data for this indicator is collected from Social Security Statistics published by Scottish Government.

Performance Context

Dundee's DHP expenditure for 2024/25 was £3,463,228, a decrease from £3,571,036 in 2023/24. Dundee's funding in this same period has increased from £3,252,148 to £3,415,271 meaning that the proportion of DHP funding spent by Dundee City Council has decreased between 2023/24 and 2024/25. The majority of expenditure was for Bedroom Tax mitigation (79.0%), with portions also spent on Benefit Cap mitigation (4.2%), Local Housing Allowance (4.8%) and Core Funding (12.0%).

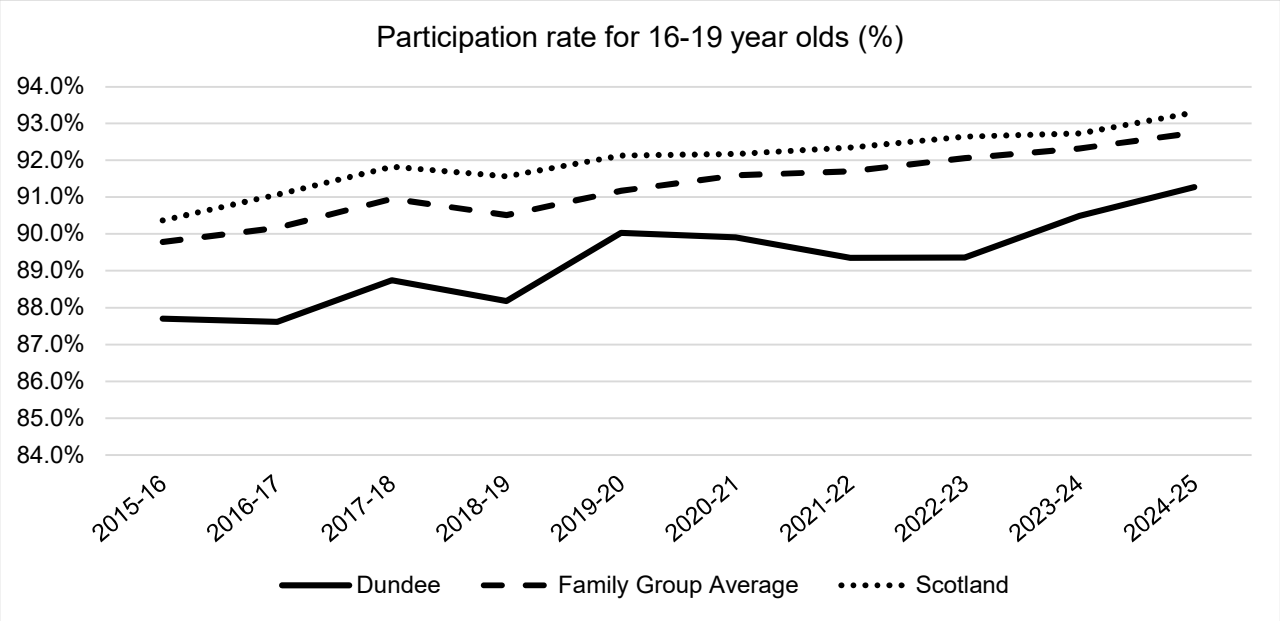
The Improvement Service ranks this indicator based on the maximisation of proportion of DHP funding spent. This means that as Dundee remains above the family group average and is in the top quartile of all Scottish councils, this indicator is on target, evidencing that Dundee is effectively making resources available for households who require financial assistance.

Deliver Inclusive Economic Growth

Status	Performance Indicator	-2 Year	-1 Year	Current Value	Family Group Average	Difference	Short Term Trend	Long Term Trend	Scottish Relative Position	Lead Service
🛑	% of 16-19 Year Olds participating in Education, Training or Employment	89.4%	90.5%	**91.3%**	**92.8%**	-2%	↑	↑	32 (↓2)	CD
🛑	% Unemployed people accessing jobs via Council funded / operated employability programmes	12.8%	12.3%	**12.4%**	**21.9%**	-43%	↑	↓	19 (↓3)	CD
✅	% of Procurement Spent on Local Enterprises	38.9%	47.0%	**57.7%**	**33.4%**	73%	↑	↑	1 (↑2)	CS
✅	Claimant Count as % of 16-24 Population	3.9%	3.8%	**3.7%**	**4.2%**	-12%	↑	↑	20 (=)	CD
🛑	Claimant Count as % of Working Age Population	4.4%	4.1%	**3.9%**	**3.7%**	5%	↑	↑	29 (=)	CD
✅	Immediately available employment land as a % of land allocated for employment	76.9%	76.3%	**73.5%**	**28.6%**	157%	↓	↓	4 (=)	CD
✅	Investment in Economic Development & Tourism per 1,000 population	£113,196	£161,309	**£209,941**	**£143,141**	47%	↑	↑	6 (↑1)	CD
✅	Number of Business gateway start-ups per 10,000 Population	14.7	16.2	**19.3**	**12.2**	58%	↑	↑	5 (↑12)	CD
🛑	Proportion of people earning less than the Living Wage	9.8%	12.0%	**13.0%**	**12.4%**	5%	↓	↓	15 (↓9)	CE
✅	Average time taken to deliver a Business or Industry planning application decision (weeks)	11.6	11.7	**10.5**	**11.0**	-5%	↑	↓	12 (↑10)	CD

Participation rate for 16–19-year-olds (%)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% of 16-19 Year Olds participating in Education, Training or Employment	90.5%	**91.3%**	**92.8%**	-2%	32 (↓2)



Indicator Description

This indicator measures the proportion (%) of 16–19-year-olds that are engaged in learning, training, or work (including volunteer work).

The annual measure takes account of all statuses for individuals over the course of the year rather than focusing on an individual's status on a single day. Participation Status for an individual is calculated by combining the number of days spent in each status between 1st April and 31st March. The overall participation headline classification is based on the classification which has had the highest sum of days.

Data is collected from the Annual Participation Measure publication from Skills Development Scotland.

Performance Context

The participation rate for 16–19-year-olds in Dundee has improved between 2023/24 and 2024/25 from 90.5% to 91.3%. This is Dundee's highest level of participation since the baseline year. However, despite this increase, Dundee has the lowest participation rate for 16–19-year-olds out of all local authorities in Scotland.

As Dundee remains low in the national ranking, as well as below the family group average benchmark, this remains an area for improvement. This has been an indicator where Dundee has been consistently below the family group average since the baseline year of 2015/16.

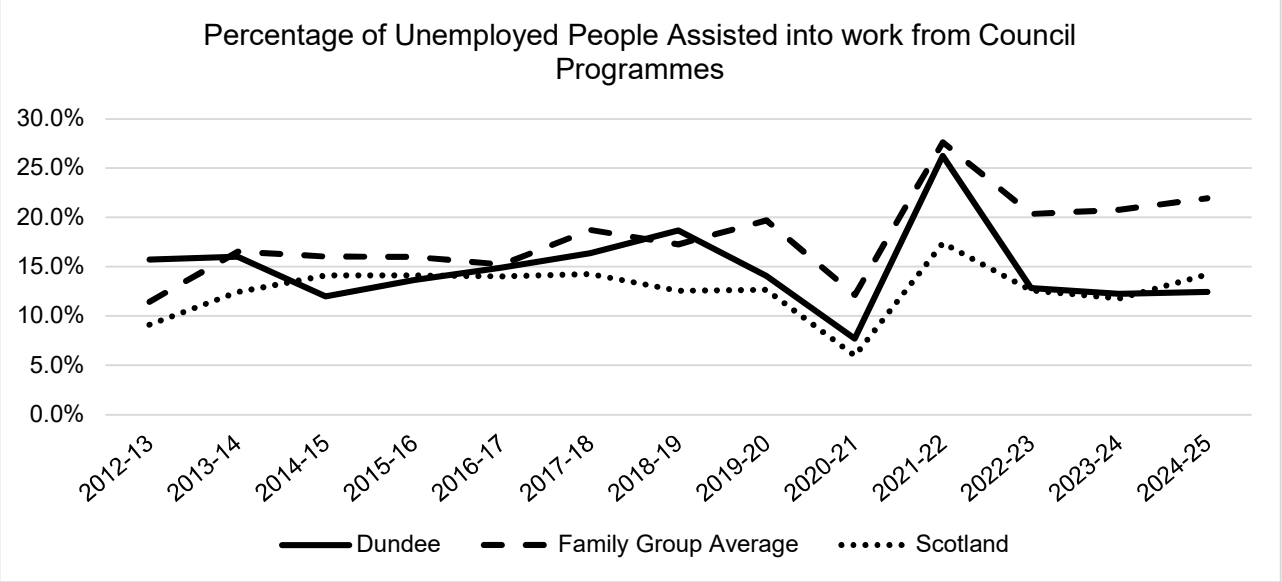
In addition to this indicator, the Council Leadership Team have been monitoring performance in relation to positive destinations of 16–19-year-olds in SIMD 1 and this has improved from 86% in 2023-24 to 87.3% in 2024-25.

The '<u>A Step Change in Positive Destinations for Young Dundonians</u>' report was approved by the City Governance Committee on 22nd April 2024 and focuses on how partnership working across Council services, third sector and private sector organisations will collaborate during a young person's school years and during the transition to and throughout post school life. An action plan was set out under the 6 themes to improve Dundee's performance: Early Identification; Tracking and Monitoring; Integrated Approaches Towards Data; Post School Opportunities; Engagement with Communities and Families; and Additional Support Needs. Each theme has a series of "changes needed" and these shaped a series of actions.

A city-wide approach to data gathering and reporting of 16–19-year-old activity has been created by a partnership of DCC Education & DCC City Development, D&A College and Skills Development Scotland. This has seen an improvement in the number of young people who are recorded as being in an unknown or unconfirmed destination.

Percentage of Unemployed People Assisted into work from Council Programmes

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% Unemployed people accessing jobs via Council funded / operated employability programmes	12.3%	**12.4%**	**21.9%**	-43%	19 (↓3)



Indicator Description

This indicator measures the total number of people in a year who have received support from a Council funded or operated employability programme and who go on to access employment.

This indicator counts the number of unique individuals that have accessed support from a Council operated and/or funded programme, is provided as part of their annual SLAED Indicators return. This is calculated as a proportion of the modelled unemployment count in the Annual Population Survey by ONS.

This indicator has been modified in the SLAED framework. It previously only counted unemployed people who accessed support, however, it now includes all individuals who access support (so it now includes people who e.g., are economically inactive and receive employability support).

Performance Context

This indicator shows that the percentage of unemployed people assisted into work from council programmes has increased marginally by 0.1 percentage point between 2023/24 and 2024/25. Dundee is ranked 6th in the family group, and the current figure is below the family group average benchmark, meaning that this is an area for improvement. It is worth noting that the family group includes Comhairle nan Eilean Siar, which in this instance is significantly skewing the average with a much higher rate than other councils of 60%. Without this included, the family group average would be 16.5% which is still a higher proportion than Dundee's figure.

This indicator should also be analysed within the context of SLAED performance indicators and local partnership / service data which help to provide a more rounded representation of impact. For example, within the SLAED Indicators, Dundee performs very well with 42% of unique participants successfully supported into positive destinations - which is the 7th highest of local authorities in Scotland (3rd in 2023/24 and 10th in 2022/23), and 1st in the LGBF family group (1st in 2023/24 and 3rd in 2022/23). In addition, the cost per unique participant successfully supported into a positive destination is the 13th lowest cost nationally (8th in 2023/24 and 10th in 2022/23) and 3rd lowest in the family group (5th in 2023/24 and 2022/23).

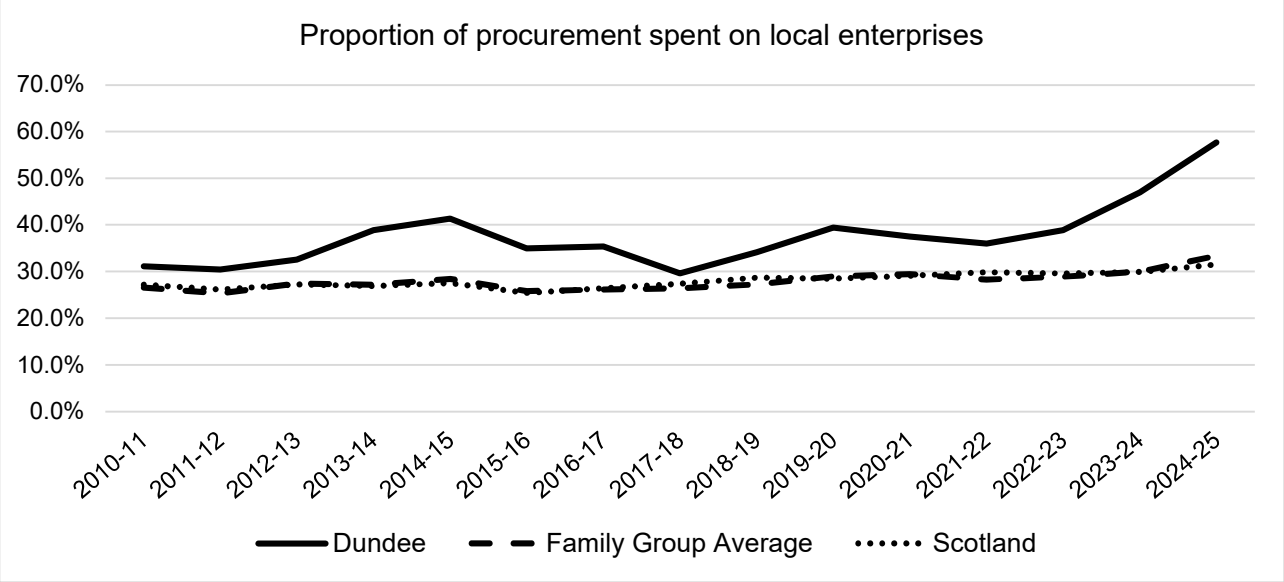
It is also important to consider that the LGBF does not account for a significant proportion of people that employability support services have assisted into other positive destinations. For example, further and higher education and training, or people who were initially employed and supported to increase their working hours/ income or get a more secure job.

Dundee's Local Employability Partnership Discover Work is a multi-agency approach to the development of shared objectives, the alignment of efforts and the commitment of resources relating to employability and skills Employability services funded by Discover Work will continue to support unemployed, economically inactive, and low-income employed people by providing best value for this service using the funding available from the Scottish and UK Governments.

Dundee City Council's new single Corporate Employability Service (formed through the merger of the previous Adult Employability Team within City Development, and Youth Employability Team in Corporate Services) has been designed to be a simplified, streamlined and more integrated service which is attractive to those seeking employability support.

% of procurement spend spent on local enterprises

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	% of Procurement Spent on Local Enterprises	47.0%	**57.7%**	**33.4%**	73%	1 (↑2)



Indicator Description

This indicator measures the proportion of procurement spent on local enterprises. This indicator only includes enterprises defined as "Core trade" i.e. where the councils spend is over £1,000. "Local" – is defined as enterprises within the same Local Authority.

Data is directly queried from the Procurement Hub by the IS

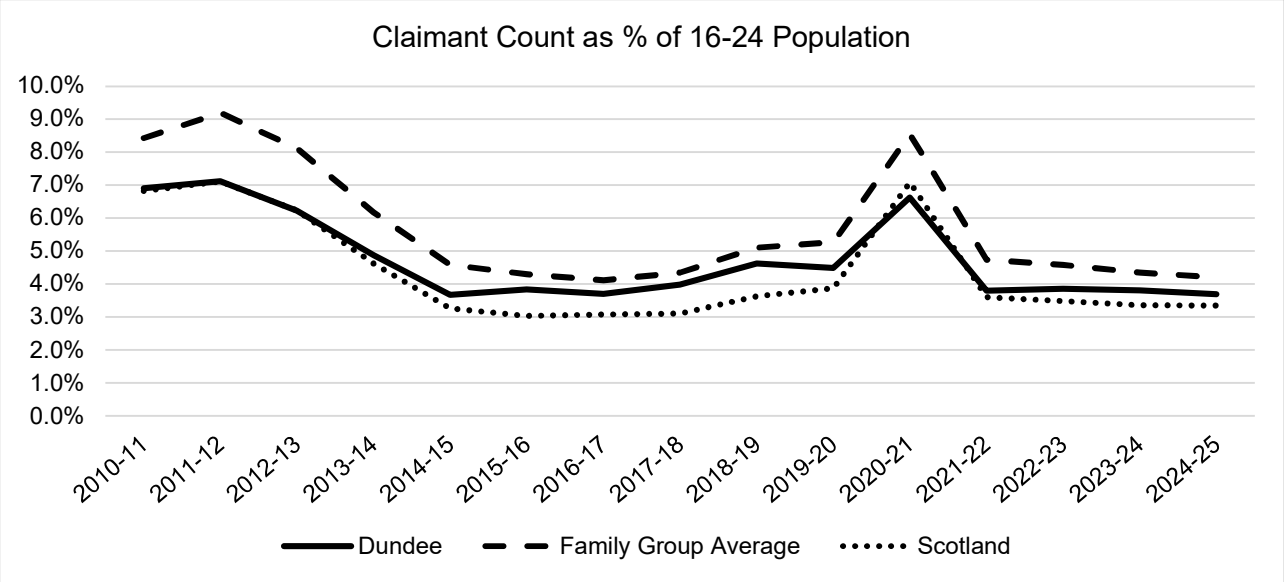
Performance Context

Dundee City Council's proportion of procurement spent on local enterprises has increased between 2023/24 and 2024/25 from 47.0% to 57.7%. Dundee City Council has the highest proportion in its family group of similar local authorities and is ranked 1st nationally. The chart above shows that Dundee has also consistently had a higher procurement spend on local enterprises than both the family group and the Scottish average, demonstrating Dundee City Council's commitment to its local economy.

Procurement is one of the 5 pillars of community wealth building. An extensive Community Wealth Building Strategy and Action Plan has been published and was presented to City Governance Committee on 23rd June 2025. This includes procurement as an important means to ensure that the maximum level of investment possible is retained within Dundee to support local jobs to support those local enterprises which Dundee City Council could support with procurement spend. Progress on local procurement is also included and monitored as part of Dundee City Council's Council Plan.

Claimant Count as a % of 16-24 Population

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Claimant Count as % of 16-24 Population	3.8%	**3.7%**	**4.2%**	-12%	20 (=)



Indicator Description

This indicator measures the number of people aged 16-24 claiming either jobseeker's allowance or universal credit as a percentage of 16-24 age population.

Data is sourced from the ONS NOMIS Data Portal. NOMIS uses MYE Population Estimates published by National Records of Scotland (NRS) for population figures.

Performance Context

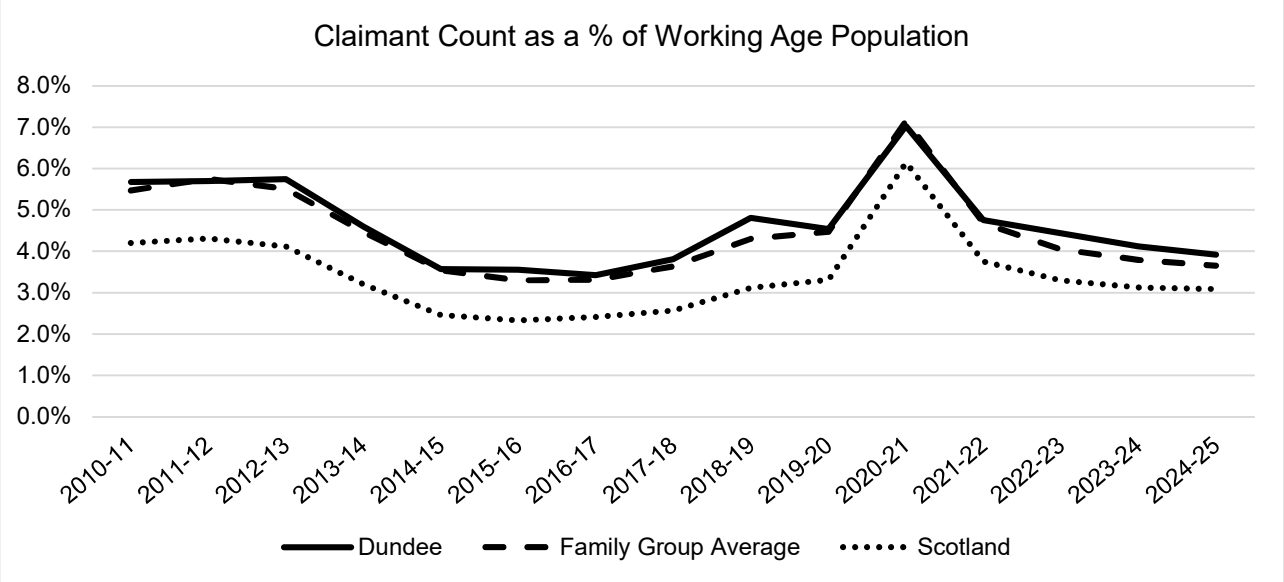
The claimant count as a % of 16-24 population in Dundee has decreased slightly by 0.1% between 2023/24 and 2024/25. Currently at 3.8%, this is much lower than the Covid peak of 6.9%, as well as lower than the pre-pandemic 2019/20 figure of 4.5%. Dundee also remains below the family group average of 4.2% and is ranked 2nd in the family group (behind Comhairle nan Eilean Siar).

Actions included in and monitored as part of the Council Plan which will help to increase the number of jobs available for younger people are:

- Increase and enhance employment pathways, in particular supporting around 11,000 economically inactive people towards job seeking and 16–19-year-olds into positive destinations.
- Maximise apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice.
- Deliver an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs.
- Continue to grow the number of jobs within Dundee Waterfront.
- Increase the percentage of care experienced young people in positive destinations.

Claimant Count as a % of Working Age Population

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Claimant Count as % of Working Age Population	4.1%	**3.9%**	**3.7%**	5%	29 (=)



Indicator Description

This indicator measures the number of people of working age claiming either jobseeker's allowance or universal credit as a percentage of the working age population.

Data is sourced from the ONS NOMIS Data Portal. NOMIS uses MYE Population Estimates for population figures.

Performance Context

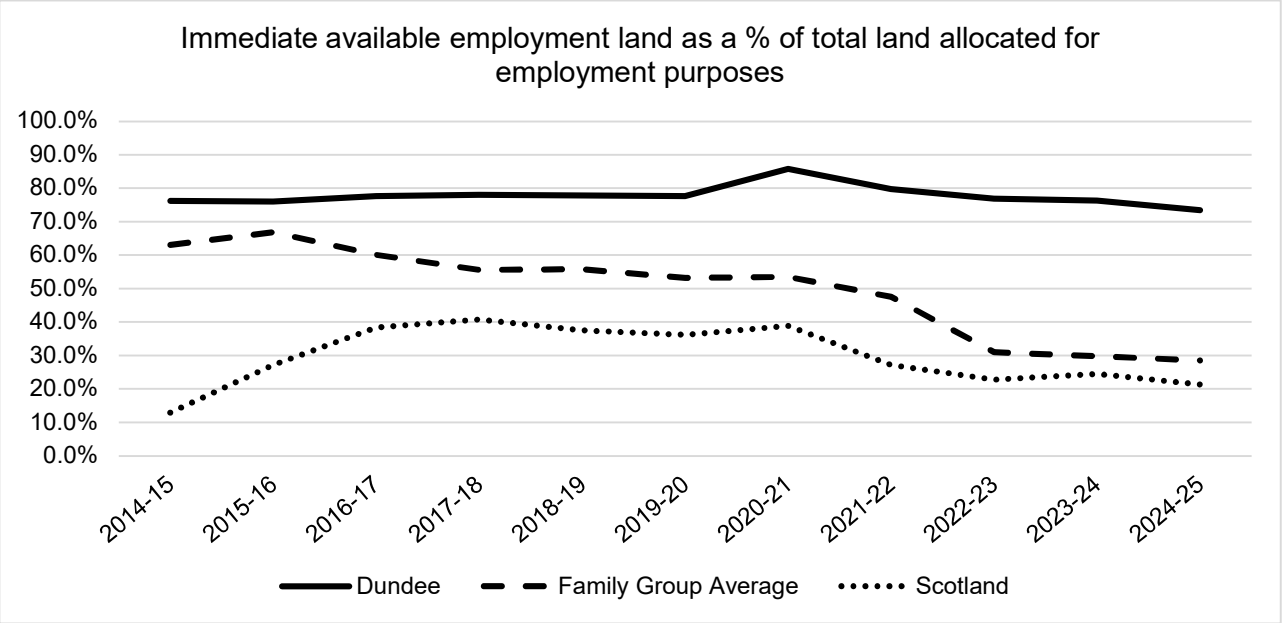
The claimant count as a % of working age population in Dundee has improved between 2023/24 and 2024/25. Currently at 3.9%, this is much lower than the Covid peak of 7.1%, as well as lower than the pre-pandemic 2019/20 figure of 4.6%. However, Dundee also remains above the family group average of 3.7% and is ranked joint 5th in the family group.

Actions included in the Council Plan which will help to increase the number of jobs available for working aged people are:

- Increase and enhance employment pathways, in particular supporting around 11,000 economically inactive people towards job seeking and 16–19-year-olds into positive destinations.
- Maximise apprenticeship opportunities within the Council and working with schools to promote the Council as an employer of choice.
- Deliver an extensive community wealth building strategy, ensuring the maximum level of investment possible is retained within Dundee to support local jobs.
- Continue to grow the number of jobs within Dundee Waterfront.
- Increase the percentage of care experienced young people in positive destinations.

Immediately available employment land as a % of total land allocated for employment purposes in the local development plan.

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Immediately available employment land as a % of land allocated for employment	76.3%	**73.5%**	**28.6%**	157%	4 (=)



Indicator Description

This indicator measures immediately available employment land as a % of total land allocated for employment purposes in the local development plan.

The availability of land for development is a significant factor that affects local economic growth, and it falls within Councils' local development planning powers to influence this. This measure shows how 'investor ready' and competitive a Council is in providing infrastructure to do business.

Data for this indicator is submitted by councils as part of their annual return under the SLAED Indicators Framework.

Performance Context

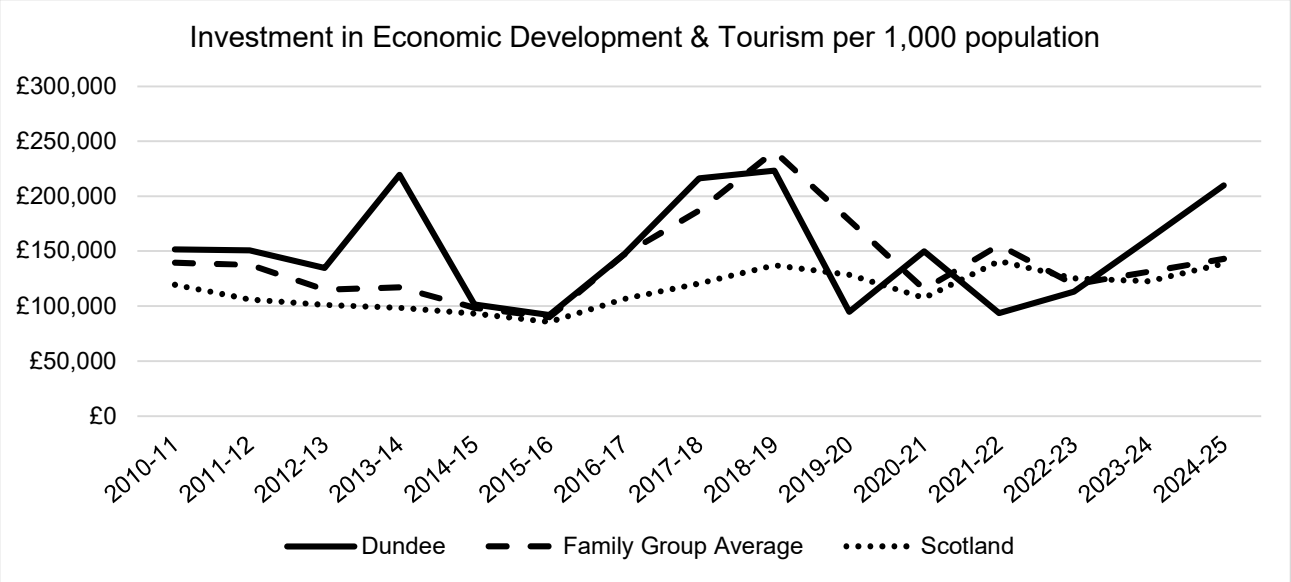
The graph above shows that Dundee has an exceptionally higher proportion of land allocated for employment purposes when compared to the family group average and the Scottish average. This demonstrates that Dundee City Council is 'investor ready' by providing infrastructure for business.

To help facilitate future economic development, Dundee City Council has a number of plans and strategies that will be focused on delivering inclusive economic growth including community wealth building. These include:

- Tay Cities Regional Economic Strategy & Action Plan
- Tay Cities Regional Deal Document
- Dundee Local Development Plan
- City Centre Strategic Investment Plan
- 2001 – 2031 Waterfront Masterplan

Investment in Economic Development & Tourism per 1,000 Population

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Investment in Economic Development & Tourism per 1,000 population	£161,309	**£209,941**	**£143,141**	47%	6 (↑1)



Indicator Description

This indicator measures the Investment in Economic Development & Tourism per 1,000 Population.

This indicator provides a measure of each Council's expenditure on the delivery of their economic development service, both in terms of capital and revenue costs. This indicator is one which local authorities should aim to maximise as a lever to support local economic development.

Gross expenditure is sourced from Local Finance Returns submitted by Councils to the Scottish Government and published as part of the Scottish Local Government Financial Statistics. Population is taken from mid-year estimates from the National Records of Scotland (NRS).

Performance Context

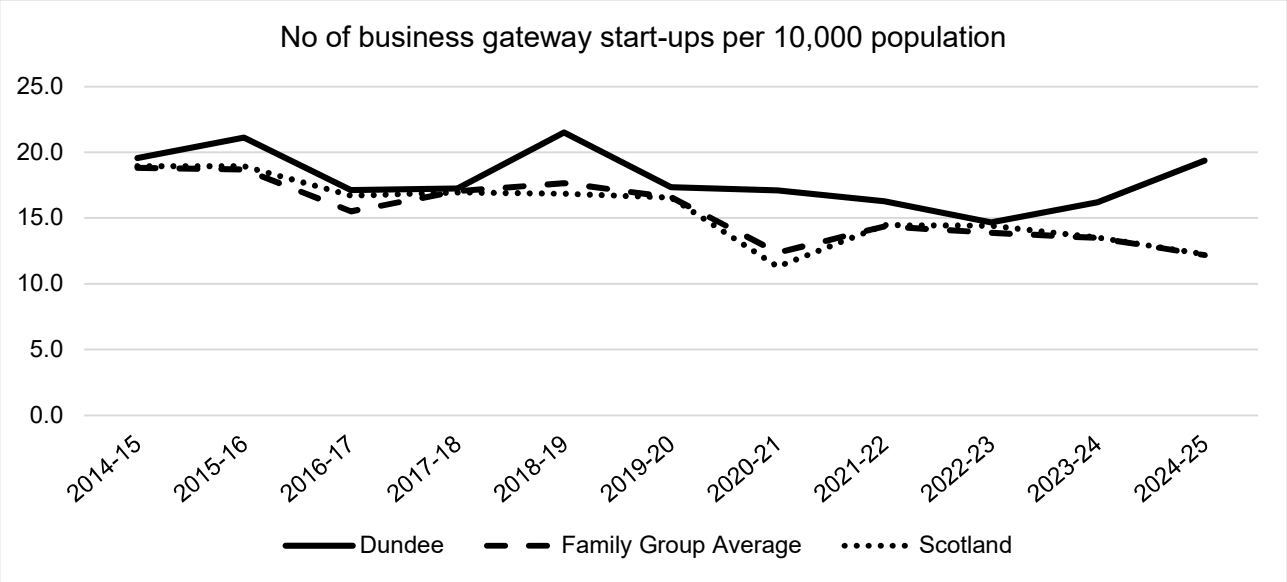
Dundee City Council's investment in economic development and tourism per 1,000 has increased between 2023/24 and 2024/25. There has been an increase in gross expenditure of 43.6% from £24,210,000 in 2023/24 to £31,466,000. Dundee's spend per capita is above the family group and Scottish averages and has increased Dundee's national relative position up 1 place from 7th to 6th. The Council is committed to investing appropriately in its strategic priority to deliver inclusive economic growth including community wealth building through a range of plans and strategies along with our partners.

These include:

- Tay Cities Regional Economic Strategy & Action Plan
- Tay Cities Skills Investment Plan
- Tay Cities Region Tourism Strategy
- Dundee City Events Strategy
- Dundee Local Development Plan
- City Centre Strategic Investment Plan

No of business gateway start-ups per 10,000 population

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Number of Business gateway start-ups per 10,000 Population	16.2	**19.3**	**12.2**	58%	5 (↑12)



Indicator Description

This indicator provides the rate of business gateway start-ups per 10,000 population. In looking at the intermediate outcome of Business Gateway Start-up support, the key economic outcome is that the business has begun trading. Data is available monthly. The annual figure is the average of monthly figures during a financial year.

Data for number of start-ups trading provided directly to the Improvement Service from COSLA. Population is taken from mid-year (June) estimates from the National Records of Scotland (NRS).

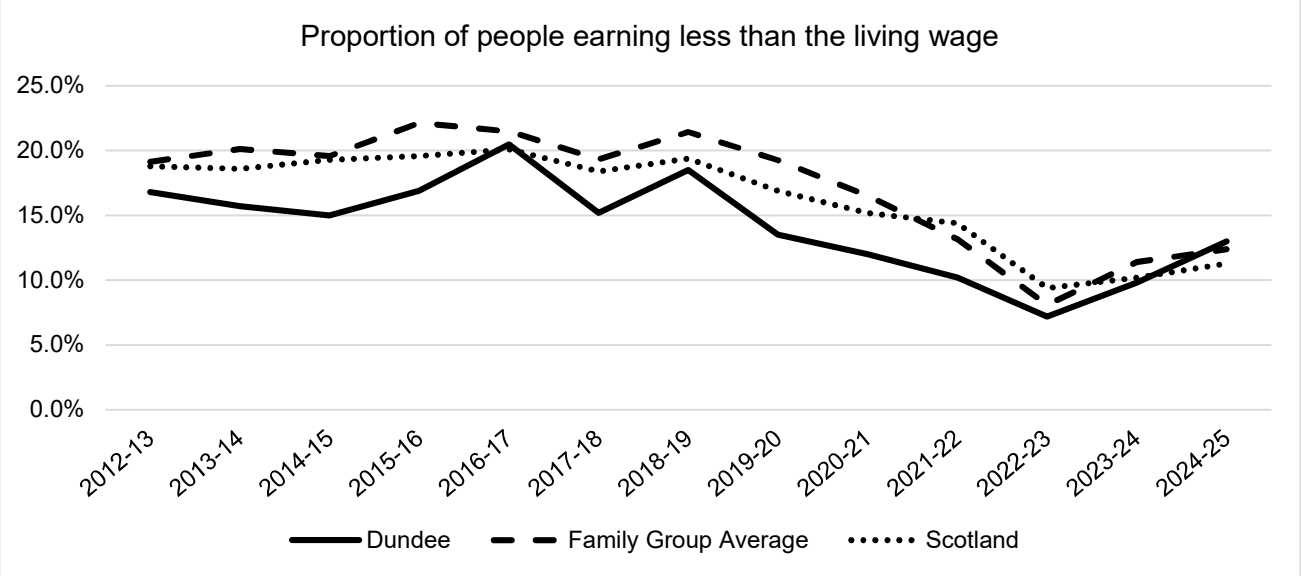
Performance Context

The number of business gateway start-ups per 10,000 in Dundee has increased by 19.5% between 2023/24 and 2024/25. In addition, Dundee has a higher rate of start-ups per population than the family group average and is ranked 2nd out of 8 urban local authorities within this group meaning that despite current financial challenges, this indicator is currently on target.

To further improve on providing a conducive environment for start-ups and entrepreneurship, within the Council Plan, Dundee City Council has committed to increase the number of start-ups and SMEs in the city and support their expansion. The number of new business start-ups increased to 292 in 2024-25 from 239 in 2023/24.

Proportion of people earning less than the living wage

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Proportion of people earning less than the Living Wage	12.0%	**13.0%**	**12.4%**	5%	15 (↓9)



Indicator Description

This indicator measures the percentage of employees (18+) earning less than the real living wage. The real living wage rates have been independently calculated by the Resolution Foundation according to the cost of living based on household goods and services.

Data for this indicator has been collected from the ONS publication 'Annual Survey of Hours and Earning'.

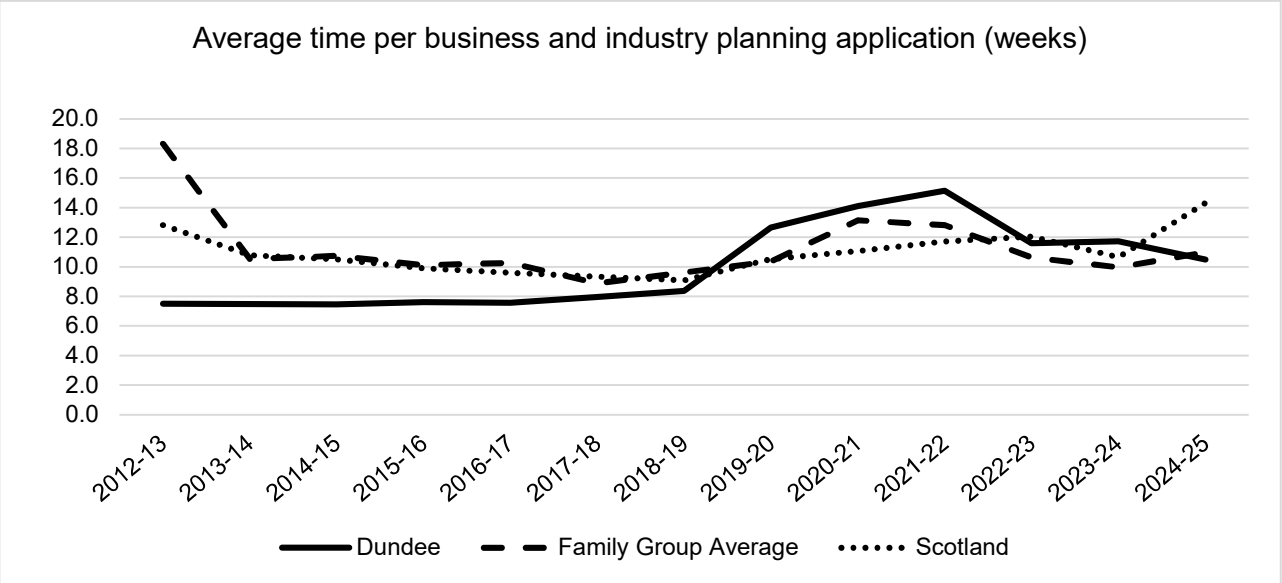
Performance Context

The proportion of people earning less than the living wage in Dundee has increased between 2023/24 and 2024/25. For the first time since the baseline year, the figure for Dundee is higher than the family group average, and Dundee is ranked 4th out of 6 councils in this group (Inverclyde and Comhairle nan Eilean Siar do not provide data for this indicator), showing that this is an area for improvement compared to other similar local authorities. Dundee is also ranked 15th highest across Scottish Councils, a drop of 9 places.

Dundee City Council continues to support employers attain living wage accredited status. As of the 31st of March 2026, there are 118 accredited Living Wage employers in Dundee who collectively employ 43,578 people. During 2025/26, 8 new organisations joined the Living Wage Network in Dundee, employing 137 staff and uplifting 58 workers to the real living wage.

Average time per business and industry planning application (weeks)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Average time taken to deliver a Business or Industry planning application decision	11.7	**10.5**	**11.0**	-5%	12 (↑10)



Indicator Description

This indicator measures the average time taken to deliver a local business and industry planning application decision.

For planning applications, developments are put into one of three categories: local, major, or national. The LGBF measure only includes local developments. Local developments include applications for changes to individual houses and smaller developments for new housing (less than 50 homes) as well as applications covering areas of development such as minerals, business & industry, waste management, electricity generation, freshwater fish farming, marine finfish farming, marine shellfish farming, telecommunications, Approval of Matters Specified in Conditions (AMSCs) and other developments. Most applications will be for local developments.

Data is directly taken from the latest 'Planning Performance Statistics' publication on the Scottish Government website.

Performance Context

The average time per business and industry planning application has improved in Dundee, decreasing between 2023/24 and 2024/25 by 1.2 weeks to 10.5 weeks. As a result of this improvement, Dundee has reduced the average time to a level which is below the family group average of 11 weeks, meaning that the average planning decision is taking 0.5 weeks less in Dundee compared to the average.

The Council's Planning Service introduced a number of initiatives to help improve application times. This included enhanced staff training, pre-application and advice service, dedicated planning officers and improved communication channels. This data shows that the impact of these measures, along with digital transformation and streamlined processes have had impact on the efficiency of processing applications.

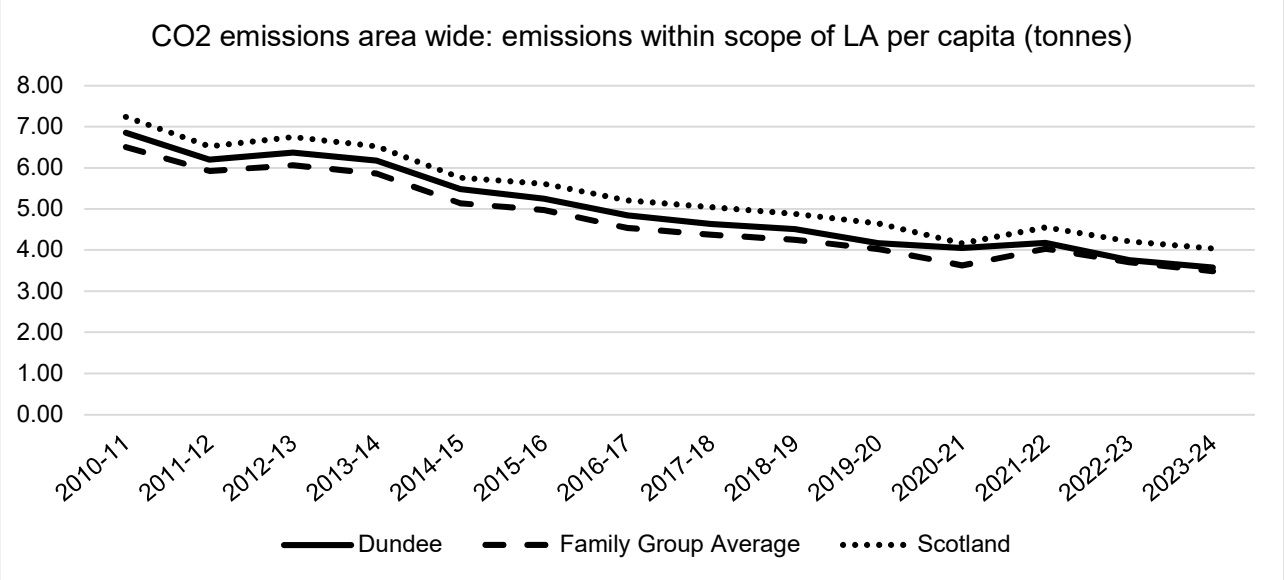
Tackle Climate Change and Reach Net Zero Emissions by 2045

Status	Performance Indicator	-2 Year	-1 Year	Current Value	Family Group Average	Difference	Short Term Trend	Long Term Trend	Scottish Relative Position	Lead Service
	CO2 emissions area wide: emissions within scope of LA per capita (t CO_2e) *	4.17	3.76	**3.58**	**3.49**	3%			9 (↓1)	NS
	CO2 emissions from Transport per capita (t CO_2e)	15.77	20.78	**14.76**	**21.21**	-30%			6 (↑7)	NS
	Percentage of household waste recycled or composted	35.6%	36.6%	**35.1%**	**42.3%**	-17%			29 (↓3)	NS

* Indicates Data is 2023/24

CO_2 emissions area wide: emissions within scope of Local Authority per capita

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	CO2 emissions area wide: emissions within scope of LA per capita (t CO_2e)*	3.76	**3.58**	**3.49**	3%	9 (↓1)



Indicator Description

This indicator records the annual carbon dioxide emissions per capita (in tonnes) in the local authority area that are within the scope of influence of the local authority. This excludes certain emissions which it has been considered local authorities are unable to directly influence, including emissions from motorway traffic, emissions from diesel railways, emissions from the Land Use, Land Use Change and Forestry sector and emissions from sites within the EU ETS (except power stations).

Data is collected from the UK Government 'UK local authority and regional carbon dioxide emissions national statistics' publication. Population is taken from the Mid-Year Population Estimates from NRS.

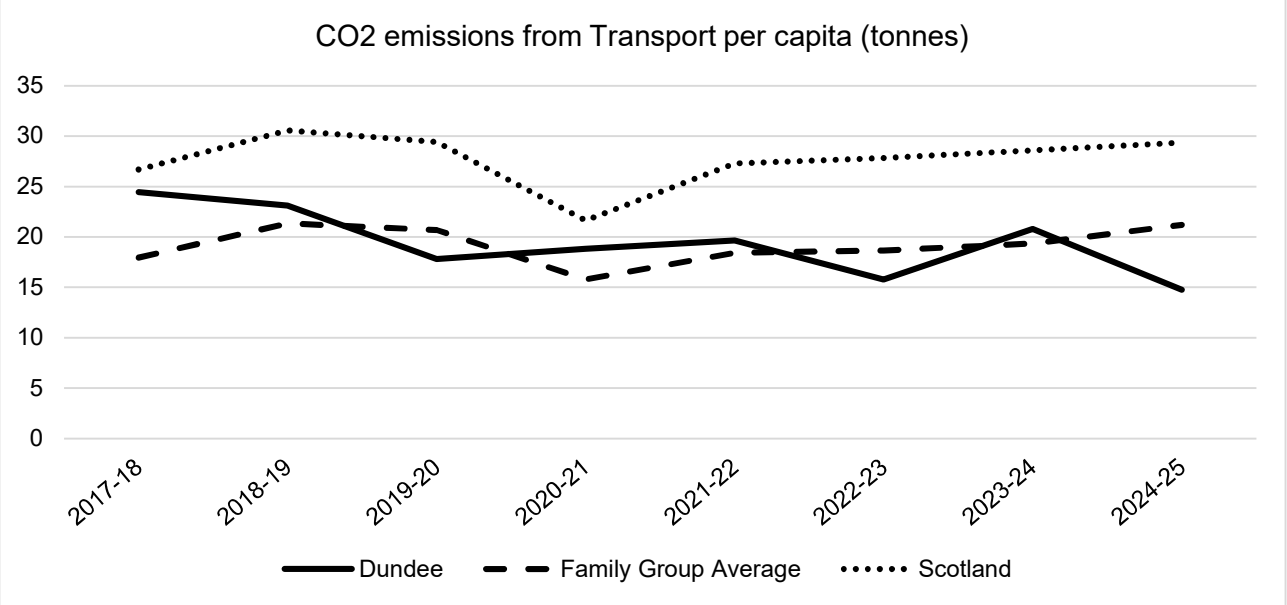
Performance Context

Dundee's CO_2 emissions within scope of Local Authority per Capita improved marginally, down from 3.76 in 2023/24 to 3.58 in 2024/25. The improvement is not significant enough in comparison to others and the Council dropped one place nationally. Although Dundee has the 9th lowest emissions in scope for this indicator, within the urban family group Dundee is below the average and still sitting 5th out of the group of 8 councils with similar characteristics.

Dundee is making steady progress towards its Net Zero commitments. The LEZ is fully operational; the Council has received multiple awards for its drive towards net zero and use of electric vehicles across the fleet. A range of projects within the city centre are underway to support cleaner mobility, sustainable development and regeneration aligned to net zero aims. Progress is also supported by urban panning that prioritises sustainable travel and climate-resilient design.

CO_2 emissions from Transport per capita

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	CO2 emissions from Transport per capita (t CO_2e)	20.78	**14.76**	**21.21**	-30%	6 (↑7)



Indicator Description

This indicator reports carbon dioxide emissions from transport per capita (in tonnes) in the local authority area.

The data for emissions come from 'Annual Local Authority Climate Report', published by Sustainable Scotland Network. Population is taken from the Mid-Year Population Estimates from NRS.

Performance Context

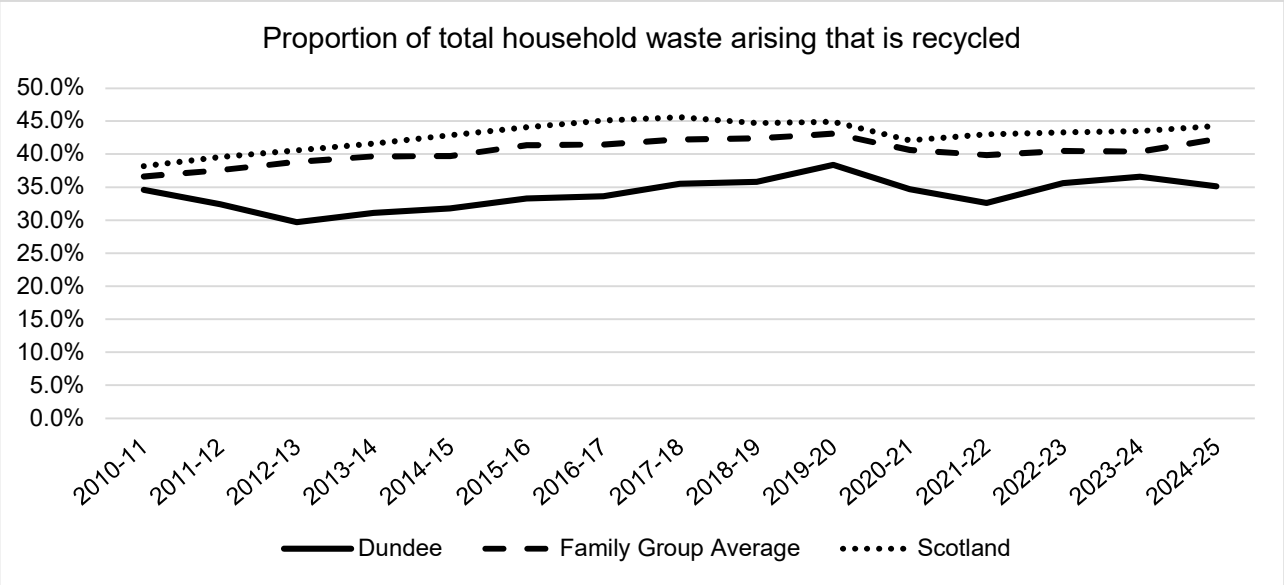
Dundee's CO_2 emissions from Transport per capita has improved by 29% between 2023/24 and 2024/25. Dundee's transport emissions are also now 30% below the family group and are at the lowest level since the baseline year in 2017/18. This improved performance is also reflected in Dundee's relative position in the family group and nationally, being ranked 3rd out of 8, and 6th out of 32 respectively.

Reducing emissions from transport is a significant challenge, not just for Dundee but for every other area across the country. Dundee is addressing transport emissions and has taken several climate-focused actions. The LEZ will cut emissions from the most polluting vehicles within the city centre, and awards in relation to the implementation of electric vehicles demonstrates leadership in fleet decarbonisation. Several transport-related projects are being delivered under the City Centre Strategic Investment Plan which includes supporting sustainable travel and lower-emission movement around the city. Dundee is also the first local authority to use the ClimateOS platform, modelling emission-reduction pathways including: reducing reliance on fossil-fuel cars, increasing cycling and walking infrastructure and transition targets for transport such as shifting from driving to active travel.

In relation to the Council's Net Zero ambitions, there is clear evidence the Council is making steady progress, however we have more to do in achieving climate goals.

% of total household waste arising that is recycled

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Percentage of household waste recycled or composted	36.6%	**35.1%**	**42.3%**	-17%	29 (↓3)



Indicator Description

This indicator shows the percentage of total waste arising that is recycled. It includes waste from household collection rounds, and other household collections such as bulky waste collections, waste deposited by householders at household waste recycling centres recycling points/ bring banks. It excludes non-domestic properties such as hospitals, schools, universities, residential hostels and homes, campsites, caravan sites, self-catering holiday accommodation, public halls, and penal institutions,

Household waste data is available on the SEPA website.

Performance Context

The proportion of total household waste recycled has deteriorated in Dundee between 2023/24 and 2024/25. As a result of this deterioration, Dundee's national position has fallen 3 places to 29th out of 32 and our recycling rate is 17% lower than the family group average. This indicator therefore remains an area for improvement.

Towards a Waste Free Dundee 2026-30, outlined as part of the new Waste and Recycling Strategy Action Plan, sets out a number of actions and initiatives aimed at increasing recycling rates. This includes behaviour-change programmes aimed at raising awareness, service improvements, reducing waste sent to disposal and reducing contamination of recycling bins (particularly in flatted properties).

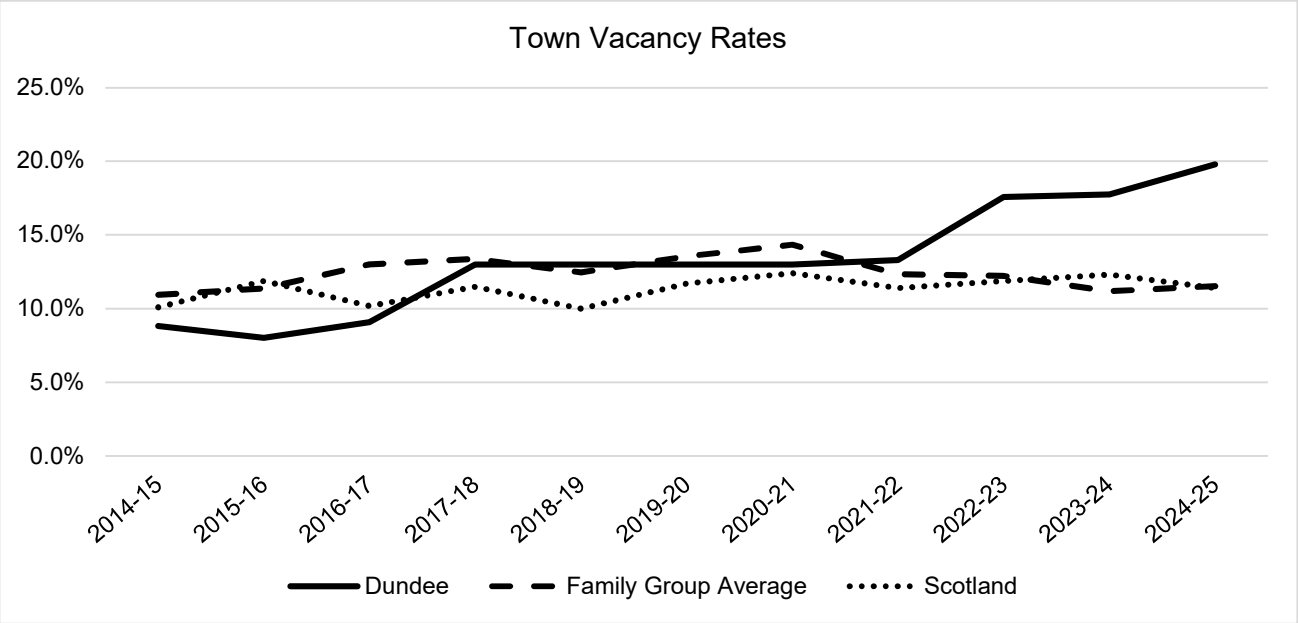
Many of these initiatives are already being implemented and the Council hopes to see a positive change in the data for 2025/26.

Build Resilient and Empowered Communities

Status	Performance Indicator	-2 Year	-1 Year	Current Value	Family Group Average	Difference	Short Term Trend	Long Term Trend	Scottish Relative Position	Lead Service
	Town vacancy rates	17.6%	17.7%	**19.8%**	**11.5%**	72%			31 (↓2)	CD
	Street Cleanliness Score - Streets cleaned to an acceptable standard	86.2%	86.4%	**83.2%**	**88.9%**	-6%			30 (↑1)	NS
	% of housing stock meeting SHQS	79.2%	79.0%	**80.6%**	**85.9%**	-6%			18 (↓4)	NS
	Average time taken to complete non-emergency repairs (days)	15.8	14.5	**15.7**	**9.6**	64%			25 (↓3)	NS

Town Vacancy Rates

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Town vacancy rates	17.7%	**19.8%**	**11.5%**	72%	31 (↓2)



Indicator Description

This indicator measures the number of vacant commercial units as a percentage of total units for the local authority's key town centres.

The vibrancy of town centres is a strategic priority for Economic Development and Planning Services. An important measure of the extent to which town centre management / regeneration policies and initiatives are working is the level of vacant units within town centres.

Data for this indicator is submitted by councils as part of their annual return under the SLAED Indicators Framework.

Performance Context

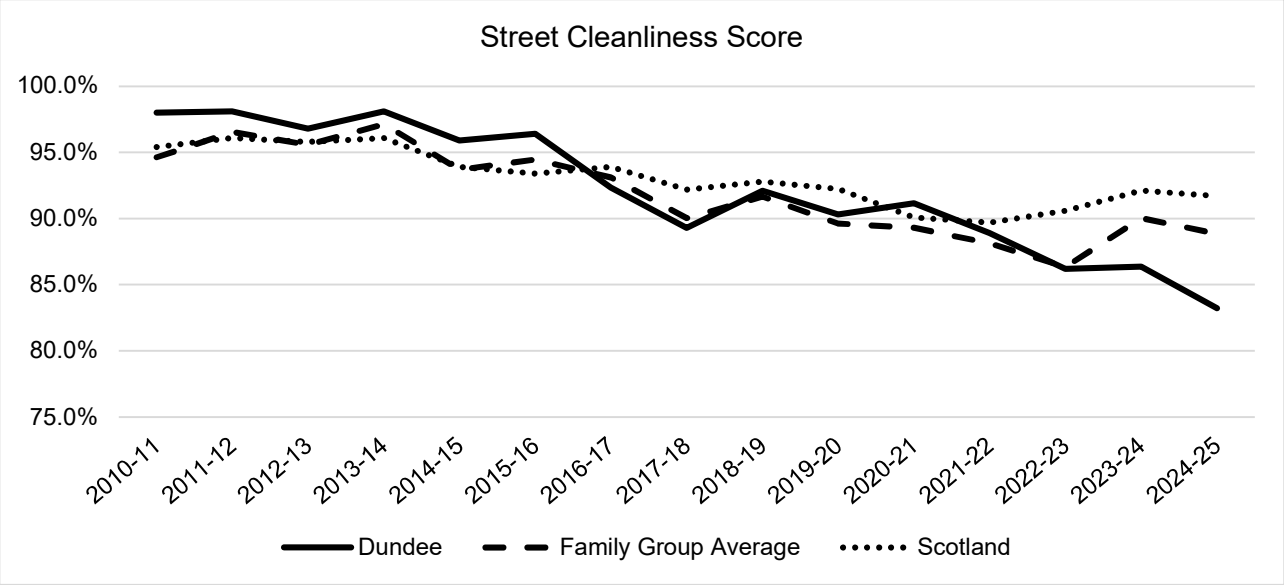
Dundee's town vacancy rates have been increasing since 2021/22 and in 2024/25 are 19.8%, the highest level since the baseline year of 2014/15. Local town vacancy rates in Dundee are 72% more than the family group benchmark. The vibrancy of the town centre is clearly an area of improvement for the Council, and the Strategic Investment Plan sets out our ambitions for the development of the city centre up to 2050.

The Council continues to make significant strides to improving public spaces, including pedestrian areas and green spaces to make the city centre more attractive. This includes the £2 million project to permanently transform Union Street into an accessible pedestrianised space. Investment in the Overgate has seen vacancy rates fall to 2% for the Centre. However, key closures in the Murraygate and Reform Street have had a negative impact. A public realm and infrastructure improvements for the City Centre's Eastern Quarter document has been published with 8 shortlisted environmental improvements.

The Council continues to involve residents, businesses and other stakeholders in the planning and development process to ensure the plan meets the needs of the community. One current collaborative project is the launch of a Business Improvement District in the City Centre following the approval of 380 eligible businesses. The plan for this district focuses on four main ways of improving the area, making it safer trough crime reduction and security initiatives, cleaner with enhanced street cleaning and maintenance, more vibrant with marketing and events, and empowering the business community through support and networking. These improvements will be funded by a 1.5% levy on eligible businesses in the area.

Street Cleanliness Score

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Street Cleanliness Score - Streets cleaned to an acceptable standard	86.4%	**83.2%**	**88.9%**	-6%	30 (↑1)



Indicator Description

This is a measure of the quality of the street cleansing services provided by councils. The cleanliness index is achieved following inspection of a sample of streets and other relevant land and includes % of streets receiving A and B code of practice definitions (i.e. no litter and predominately free of litter and refuse with no accumulations).

This data is taken from Keep Scotland Beautiful's Local Environmental Audit and Management System.

Performance Context

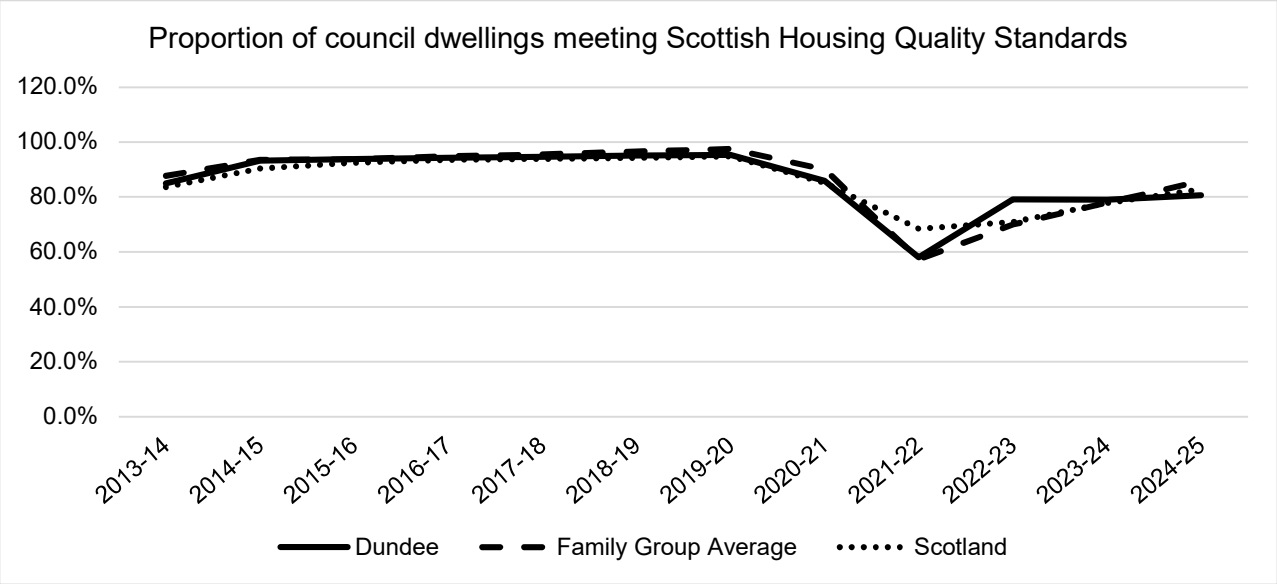
The slight increase in performance in 2023/24 has not been maintained in 2024/25 and Dundee's street cleanliness score dropped to 83.2%, the lowest level since recording began. A slight dip in the family group and national average has resulted in Dundee moving from 31st to 30th place, however, the Council still sits at the bottom of the family group, 6% off target.

During 2024/25, Environmental Services continued to strive to improve the score, supported by £200,000 additional revenue funding to support street cleaning across the city. The recruitment of additional seasonal environment staff and ongoing community clean up works took place. Litter management was the focus within the new Take Pride in Your City Action Plan 2024-26.

Despite all of the above efforts, the street cleanliness score has not improved. It may be that 2025/26 data will show the benefit of the interventions; however, the Council is committed to making improvements to the city and will take this action forward as an area for improvement.

% of council dwellings meeting Scottish Housing Standards

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% of housing stock meeting SHQS	79.0%	**80.6%**	**85.9%**	-6%	18 (↓4)



Indicator Description

This indicator measures the percentage of council dwellings that meet the Scottish Housing Quality Standard (SHQS).

The Scottish Housing Regulator collects and publishes this data as part of the Scottish Housing Charter publication.

Performance Context

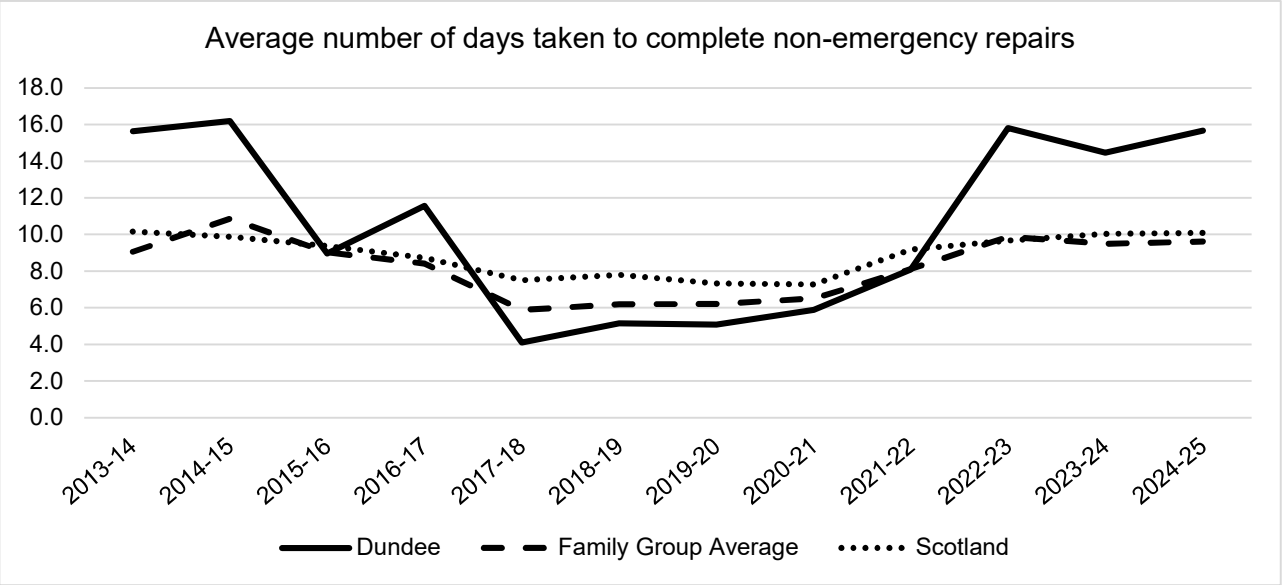
The graph above shows that up until 2020/21, Dundee had a high proportion of dwellings which were meeting Scottish Housing Standards. The number had been increasing year on year over the previous decade. However, due to electrical testing becoming a requirement of SHQS, the percentage of dwellings dropped in 2021/22. Both housing repairs and housing quality were affected by Covid related access issues and subsequent delays in carrying out key safety, inspection, and maintenance services.

Work to clear the backlog of electrical testing from 2021/22 (and those which were due in 22/23) progressed well, and this was reflected in the reported figures for 2022/23 which showed an increase from 58.1% to 79.2%. The Council maintained this level with 79% meeting standards in 2023/24 and 2024/25 data shows an improvement on last year to 80.6%. Despite this improvement, with other Councils also improving, Dundee's national position fell four places to 18th. Dundee sits 4th in the family group.

The Council has several active programmes aimed at increasing the proportion of homes that meet SHQS. The Council has regular engagement with the Scottish Housing Regulator to ensure ongoing efforts remain targeted, effective and compliant in relation to tenant safety, structural concerns and quality issues.

Average number of days taken to complete non-emergency repairs.

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Average time taken to complete non-emergency repairs (days)	14.5	**15.7**	**9.6**	64%	25 (↓3)



Indicator Description

This is the average time taken (expressed in working days) between the earliest date a request is received by the landlord (from either the tenant or a repairs inspector) until the work is satisfactorily completed in the opinion of the landlord.

The Scottish Housing Regulator collects and publishes this data as part of the Scottish Housing Charter publication.

Performance Context

The Council's response time for non-emergency repairs has deteriorated from 14.5 days in 2023/24 to 15.7 days in 2024/25. This has reversed the decrease between 2022/23 and 2023/24, and Dundee remains well above the family group average 9.6 days.

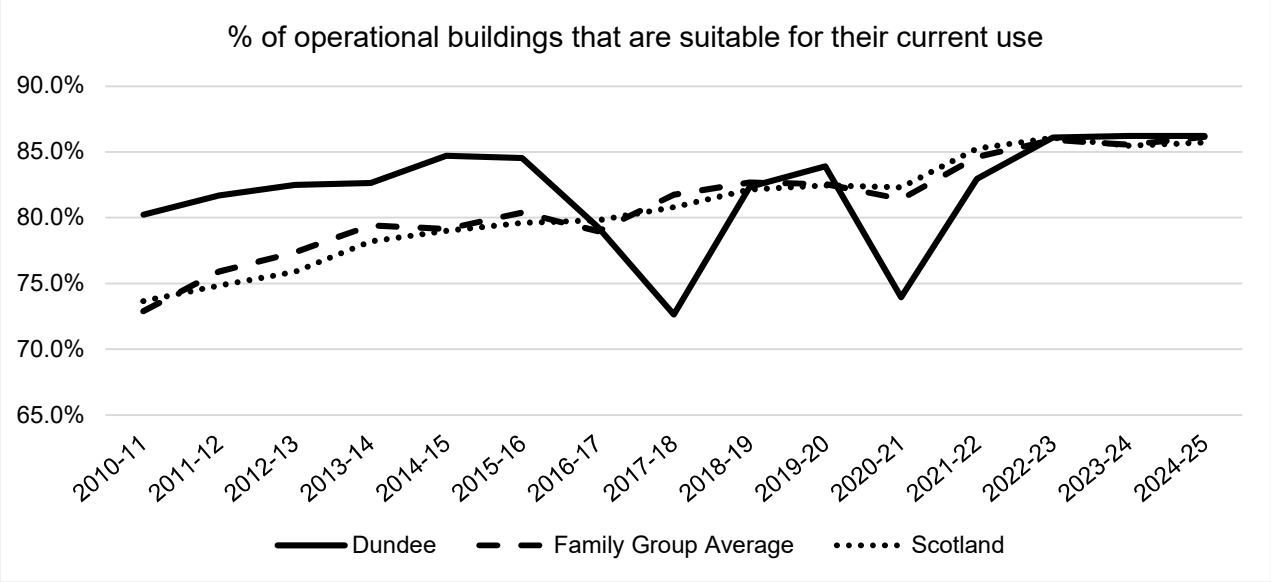
However, following the approval of The Housing Repairs and Relets Plan, alongside the delivery of the plan to remove the repairs and relet backlog, work to modernise the design and delivery of the repairs service to deliver greater levels of customer satisfaction and value for money took place. Since implementation, there has been an improving trend with this indicator. In September 2024, the Council took on average over 16 days to complete a non-emergency repair. Since then, almost every month, this figure has reduced. By the end of 2025, the Council had improved response time to just over 11 days, an improvement, on average, of approximately 5 days. This data from the 2025/26 year shows that the redesign of systems and processes has made a positive difference and will be reflected in the LGBF data next year. This indicator continues to be monitored on a monthly basis by Council Leadership Team.

Design a Modern Council

Status	Performance Indicator	-2 Year	-1 Year	Current Value	Family Group Average	Difference	Short Term Trend	Long Term Trend	Scottish Relative Position	Lead Service
✓	% of operational buildings that are suitable for their current use	86.1%	86.2%	**86.2%**	**86.1%**	0%	–	↑	19 (↑1)	CD
●	% of internal floor area of operational buildings in satisfactory condition	81%	81%	**81%**	**90.1%**	-10%	–	–	29 (↑1)	CD
●	Sickness absence days per employee (non-teacher)	16.2	17.5	**17.9**	**14.7**	22%	↓	↓	31 (↓1)	CS
●	Sickness absence days per teacher	6.1	7.9	**7.8**	**7.2**	8%	↓	↓	14 (↑3)	CF
✓	Gender pay gap	0.3%	-1.2%	**-1.5%**	**0.4%**	-475%	↑	↑	12 (=)	CS
✓	Actual outturn as a percentage of budgeted expenditure	97.8%	101.6%	**101.2%**	**101.3%**	0%	↑	↑	22 (↓2)	CS
●	Uncommitted General Fund Balance as a % of council annual budgeted net revenue	2.2%	2.1%	**1.7%**	**1.9%**	-11%	↓	↓	24 (↓8)	CS
●	Total useable reserves as a % of council annual budgeted revenue	19.2%	19.7%	**15.7%**	**20.1%**	-22%	↓	↓	21 (↑1)	CS
●	Reliance on Reserves as a % of Net Expenditure	0.1%	0.9%	**1.5%**	**0.7%**	114%	↓	↓	26 (↓7)	CS

% of operational buildings that are suitable for their current use

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	% of operational buildings that are suitable for their current use	86.2%	**86.2%**	**86.1%**	0%	19 (↑1)



Indicator Description

This indicator measures the proportion of operational buildings that are suitable for their current use. “Operational accommodation” is all property used for the delivery of services. It includes schools and temporary buildings but excludes rented housing stock and properties available for commercial let. “Suitable for its current use” means assessed using the SEMP core facts criteria as either performing well and operating efficiently or performing well but with minor problems.

Councils return this data direct to the Improvement Service.

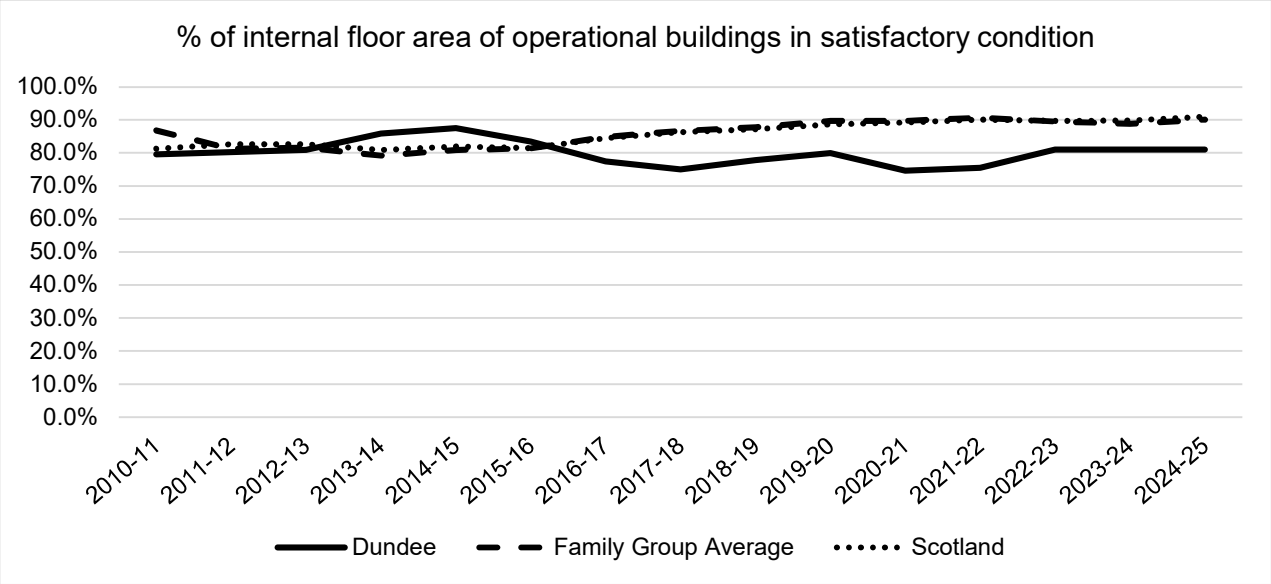
Performance Context

Dundee City Council’s proportion of operational buildings in satisfactory condition has again been maintained at 86.2% for a consecutive year. As Dundee remains marginally higher than the family group average, this indicator is on target. Dundee’s ranking has improved from 20th to 19th nationally.

A ten-year Property Rationalisation Strategy is being developed, ensuring that the Council explores every opportunity and takes the necessary steps to increase this proportion further. The Strategy will ensure the Council continues to work and support colleagues across all Services, Leisure and Culture Dundee and wider partnerships, including community groups, to identify potential areas within the portfolio where the Council can vacate from existing older and less efficient properties to provide services from alternative modern functional premises.

% of internal floor area of operational buildings in satisfactory condition

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	% of internal floor area of operational buildings in satisfactory condition.	81%	**81%**	**90.1%**	-10%	29 (↑1)



Indicator Description

This indicator measures the proportion of internal floor area of operational buildings in satisfactory condition. “Gross internal floor area” is defined as the total internal floor surface area within the external walls. It includes space in cupboards, toilets, and cloakrooms etc. “Operational accommodation” is all property used for the delivery of services. It includes schools and temporary buildings but excludes rented housing stock and properties available for commercial let. “Satisfactory condition” means assessed using the condition categories as specified in the Federation of Property Societies as either performing as intended and operating efficiently or performing as intended but showing minor deterioration.

Councils return this data direct to the Improvement Service.

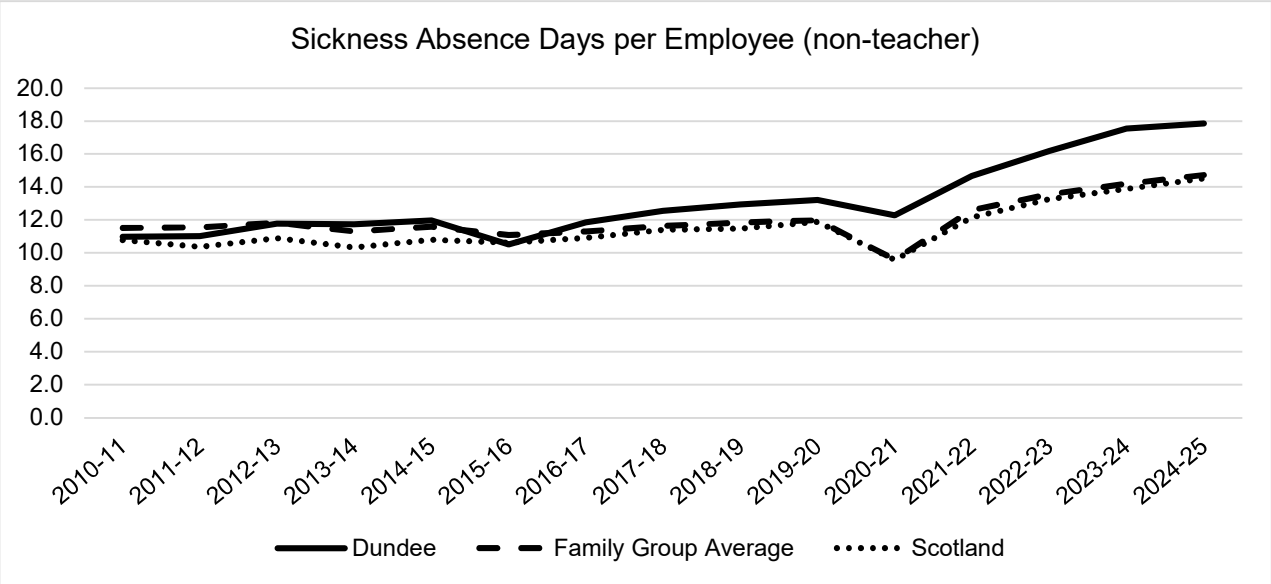
Performance Context

Dundee has maintained a level of 81% for the third consecutive year and improved the national position by one place. However, this is still 10% below the benchmark. As already stated, a new ten-year Property Rationalisation Strategy is being developed and key workstreams identified.

The demolition of buildings in poor condition is also a way to reduce the Council’s property footprint and reduce repair costs. The planned demolition of Clepington Road Depot MOT side building is on hold awaiting a decision from Contracts Services on their future building planning. The opening of Greenfield Academy in August 2025 saw the merger of Braeview Academy and Craigie High School with both former schools now no longer operational and programmed for demolition. Kirkton Community Centre is also being demolished.

Sickness absence days per employee (non-teacher)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Sickness absence days per employee (non-teacher)	17.5	**17.9**	**14.7**	22%	31 (↓1)



Indicator Description

This indicator calculates the sickness absence days per employee by dividing the total number of days lost per year through sickness absence by the total number of FTE staff. Total number of days lost per year through sickness absence includes absence, which is self-certified, certified by a GP, long-term (even if staff are unpaid), industrial injury or disability. Authorised leave, which is not sickness absence, e.g., annual leave, school closure days, maternity, paternity, adoption, maternity support, parental leave, or other similar authorised absence which is not sickness absence is not included.

Total number of FTE staff includes all permanent, temporary, or fixed term staff no matter how long they have been employed by the council. All casual/ supply employees who have no contract hours, and agency staff are to be excluded from the calculations. Part time staff are also included by calculating the FTE for both the numerator and denominator on a consistent basis. For example, where the standard working week for full time employees is 36.25 hours, someone working a 15hr week counts as 41% FTE, therefore, such a part time staff with 9 shifts lost due to sickness absence would have 9 X .41 = 3.7 days sickness absence.

Councils return this data direct to the Improvement Service.

Performance Context

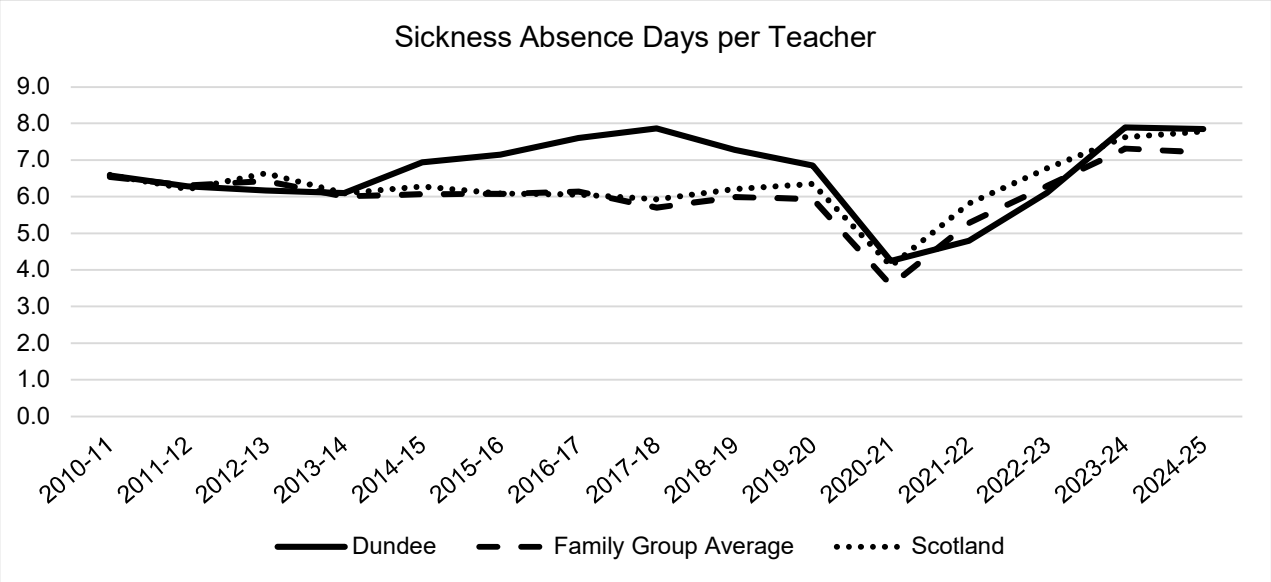
Sickness absence days per employee (non-teacher) increased in Dundee City Council between 2023/24 and 2024/25. The last two years of LGBF data therefore shows that non-teacher employee absence has increased from 14.7 days in 2021/22 to 17.9 days in 2024/25. While this follows a similar trend to the national and family group average, Dundee is notably above the benchmark with, on average, 3 more days lost to sickness compared with our family group average.

There is more recent data available which shows an improving situation. The indicator was at its highest in January 2025 where there were 18.41 days lost per employee. This has reduced through 2025 to 17.05 days in January 2026. The number of initiatives put in place to support employees are having a positive impact on absence and employee wellbeing remains a key priority for the Council.

Improving attendance at work remains a standing item on the agenda every month for Council Leadership Team.

Sickness Absence Days per Teacher

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Sickness absence days per teacher	7.9	**7.8**	**7.2**	8%	14 (↑3)



Indicator Description

This indicator calculates the sickness absence days per teacher by dividing the total number of days lost per year through sickness absence by the total number of FTE staff. Total number of days lost per year through sickness absence includes absence, which is self-certified, certified by a GP, long-term (even if staff are unpaid), industrial injury or disability. Authorised leave, which is not sickness absence, e.g., annual leave, school closure days, maternity, paternity, adoption, maternity support, parental leave, or other similar authorised absence which is not sickness absence is not included.

Total number of FTE staff includes all permanent, temporary, or fixed term staff no matter how long they have been employed by the council. All casual/ supply employees who have no contract hours, and agency staff are to be excluded from the calculations. Part time teachers are also included by calculating the FTE for both the numerator and denominator on a consistent basis. For example, where the standard working week for full time employees is 36.25 hours, someone working a 15hr week counts as 41% FTE, therefore, such a teacher with 9 shifts lost due to sickness absence would have 9 X .41 = 3.7 days sickness absence.

Councils return this data direct to the Improvement Service.

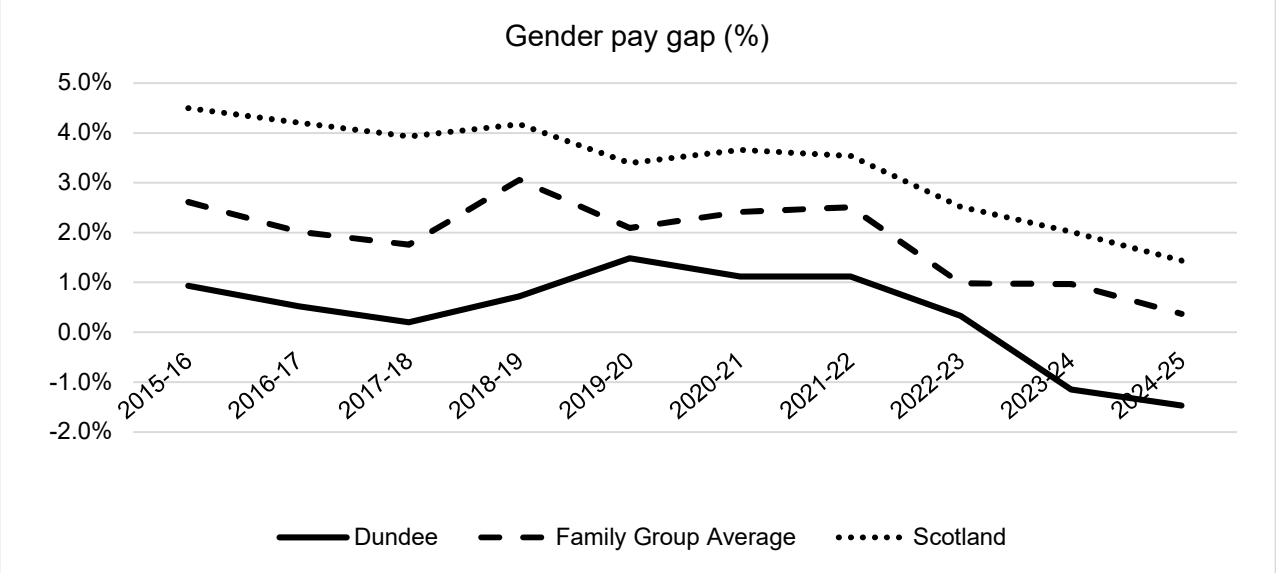
Performance Context

Sickness absence days per teacher has improved in Dundee City Council between 2023/24 and 2024/25 with the Council moving up into the top half nationally. At 7.8 days in 2024/25, the Council remains 8% behind the family group average. As with non-teacher absence, more recent data, monitored closely by managers, senior leaders and on a monthly basis by Council Leadership Team, shows an improving trend over the last year for all employee groups. In January 2025 there were 8.35 days lost per employee. This has reduced through 2025 to 7.01 days in January 2026.

Improving attendance at work remains a standing item on the agenda of Council Leadership Team every month.

The gender pay gap (%)

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Gender pay gap	-1.2%	**-1.5%**	**0.4%**	-475%	12 (=)



Indicator Description

The gender pay gap is the percentage difference between men's and women's hourly pay. This is calculated as the difference between average hourly rate of pay for male staff and average hourly rate of pay for female staff divided by the average hourly rate of pay for male staff. A positive figure indicates male employees are, on average, paid more per hour than female employees, while a negative figure indicates that female employees are, on average, paid more per hour than male employees.

All council staff are included in this calculation. The figures reported should be the number of staff employed by the council on 31 March. For this calculation, any fringe benefits (such as leases of free cars, health insurance, and a range of non-cash benefits) and any overtime pay are excluded.

Councils return this data annually direct to the Improvement Service.

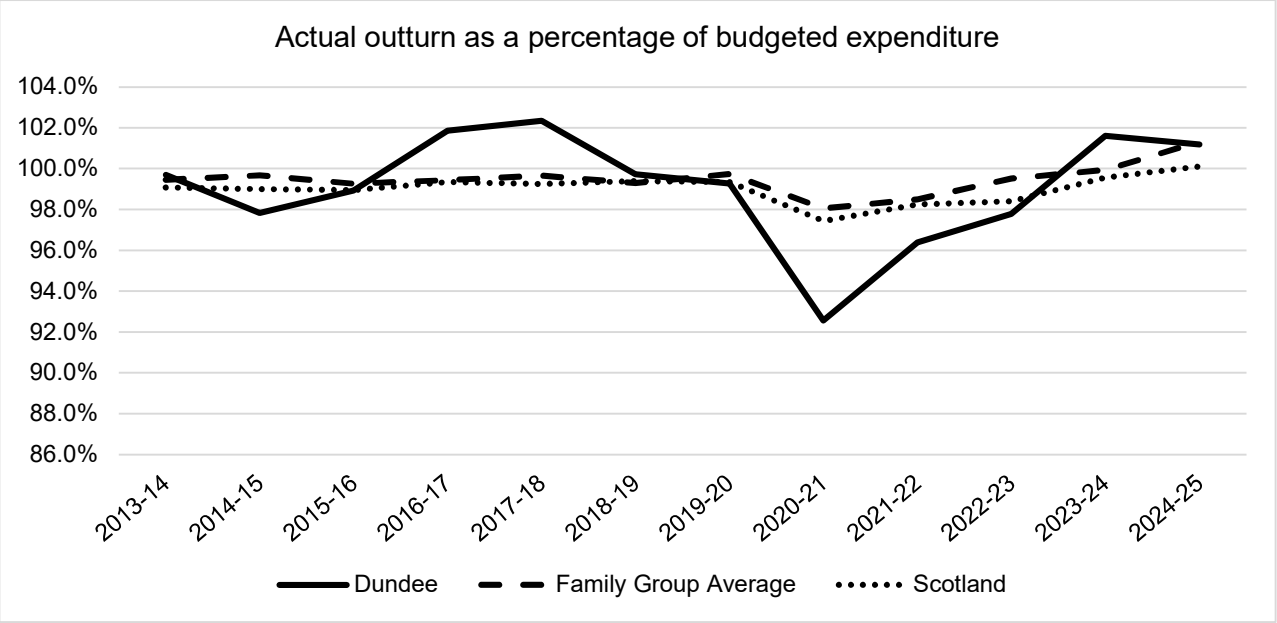
Performance Context

The aim of the gender pay gap indicator is to be as close to zero as possible. Dundee has consistently performed well for this indicator compared to the Family Group and Scottish averages, indicating that Dundee City Council is fulfilling its commitments for equal opportunities.

Dundee City Council commits in the Council Plan to firstly have adaptable and flexible structures which promote working across organisational boundaries with greater employee empowerment, integrated teams, and agile workforce and secondly to have a values-based culture that will unlock and develop the skills and potential of our workforce.

Actual outturn as a percentage of budgeted expenditure

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
✓	Actual outturn as a percentage of budgeted expenditure	101.6%	**101.2%**	**101.3%**	0%	22 (↓2)



Indicator Description

This indicator measures actual outturn as a percentage of budgeted expenditure (per Actual Outturn Report submitted to Committee).

Councils return this data direct to the Improvement Service as part of the annual LGBF Finance Collection.

This is a goldilocks indicator, with Council's being ranked on how to close they are to 100%.

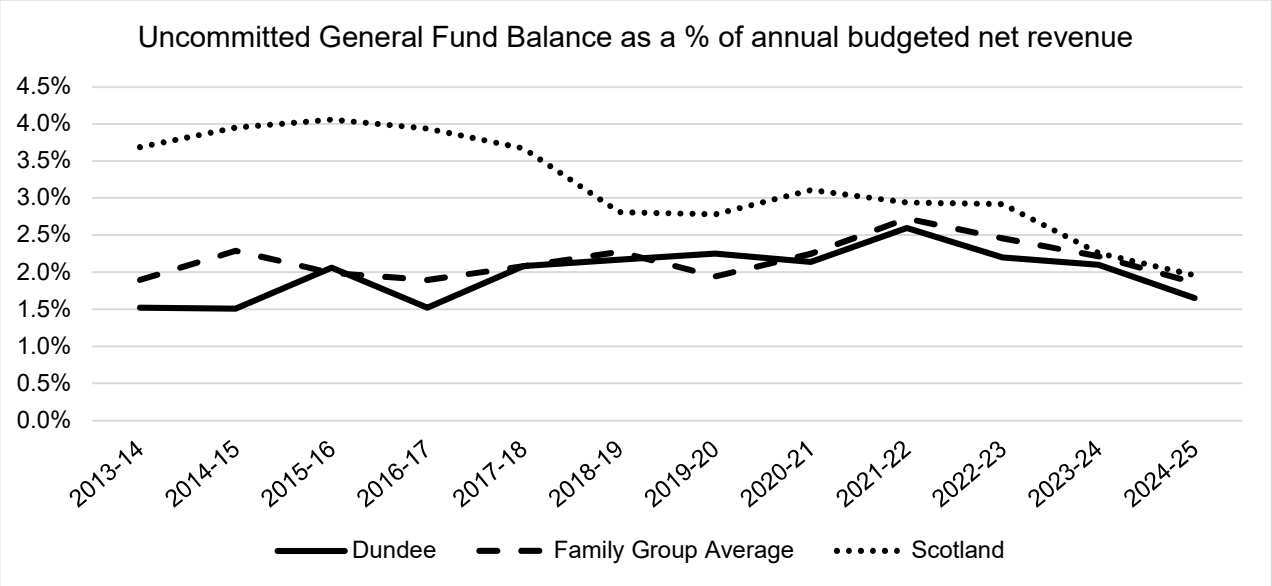
Performance Context

Dundee City Council's actual outturn as a percentage of budgeted expenditure has improved from 2023/24 to 2024/25. The actual outturn for 2024/25 reduced by 0.4% to 101.2% from 101.6% in 2023/24, and Dundee ranks 4th within the family group, although it compares less favourably with Scotland as a whole, being ranked 22nd. Although overbudget, it is within a manageable range. This is evidencing a continued commitment to sound financial management and regular budget monitoring to Elected Members.

Maintaining spend within budget over the last few years has been challenging and is evidence the Council is committed to its transformation programme to being 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.

Uncommitted General Fund Balance as a % of council annual budgeted net revenue

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Uncommitted General Fund Balance as a % of council annual budgeted net revenue	2.1%	**1.7%**	**1.9%**	-11%	24 (↓8)



Indicator Description

This indicator is calculated as the ratio of uncommitted general fund balance to net revenue expenditure.

Councils return this data direct to the Improvement Service as part of the annual LGBF Finance Collection.

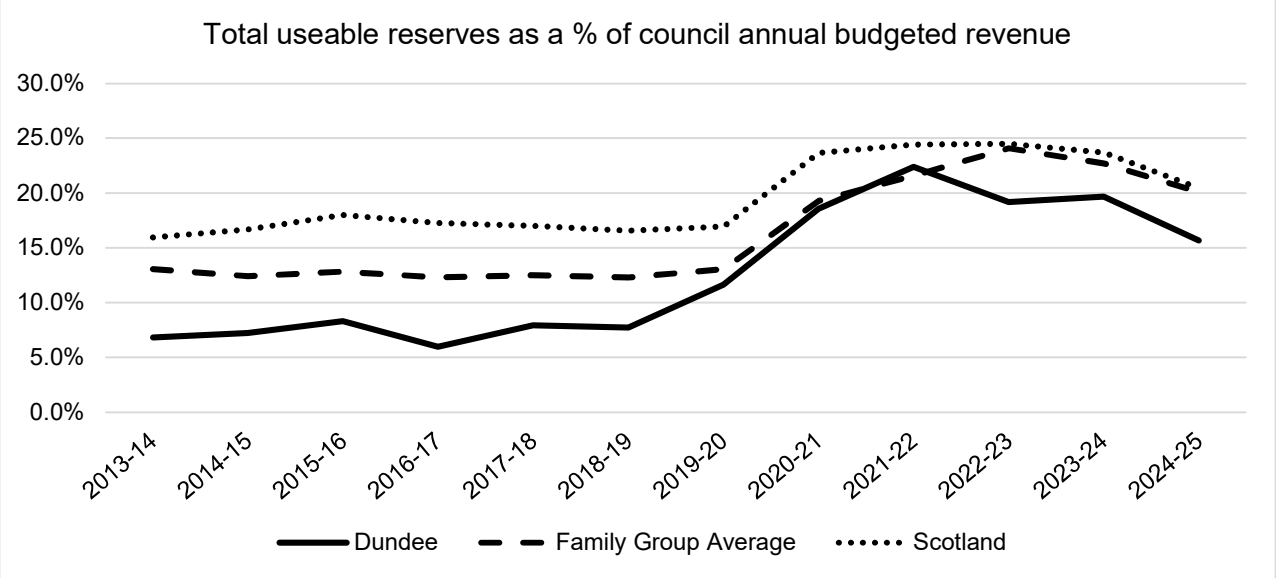
Performance Context

The Council's long-term financial strategy aims to maintain healthy reserve levels to manage financial risks and support long term sustainability. It outlines measures to manage budget shortfalls, including the use of reserves. The Council aims to retain 2% of revenue budget to ensure financial stability, provide a buffer for unexpected expenditures, revenue shortfalls and to maintain priority service delivery.

Dundee City Council's uncommitted general fund balance as a % of annual budgeted net revenue has fallen to 1.7% between 2023/24 and 2024/25, falling below 2% for the first time since reporting began in 2019/20 and significantly below the preferred minimum to ensure financial stability. Unallocated reserves have now fallen below 2 per cent for the family group average as well, reflecting financial fragility across councils similar to Dundee.

Total useable reserves as a % of Council annual budgeted revenue

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Total useable reserves as a % of council annual budgeted revenue	19.7%	**15.7%**	**20.1%**	-22%	21 (↑1)



Indicator Description

This indicator is calculated as the ratio of total usable reserves to council annual budgeted revenue. Definitions include:

- Total usable reserves from as per Movement in Reserves Statement should be used.
- The budget is the approved budget for the start of the year.
- Total usable reserves should include Capital Grants Unapplied and Capital Fund.

Councils return this data direct to the Improvement Service as part of the annual LGBF Finance Collection.

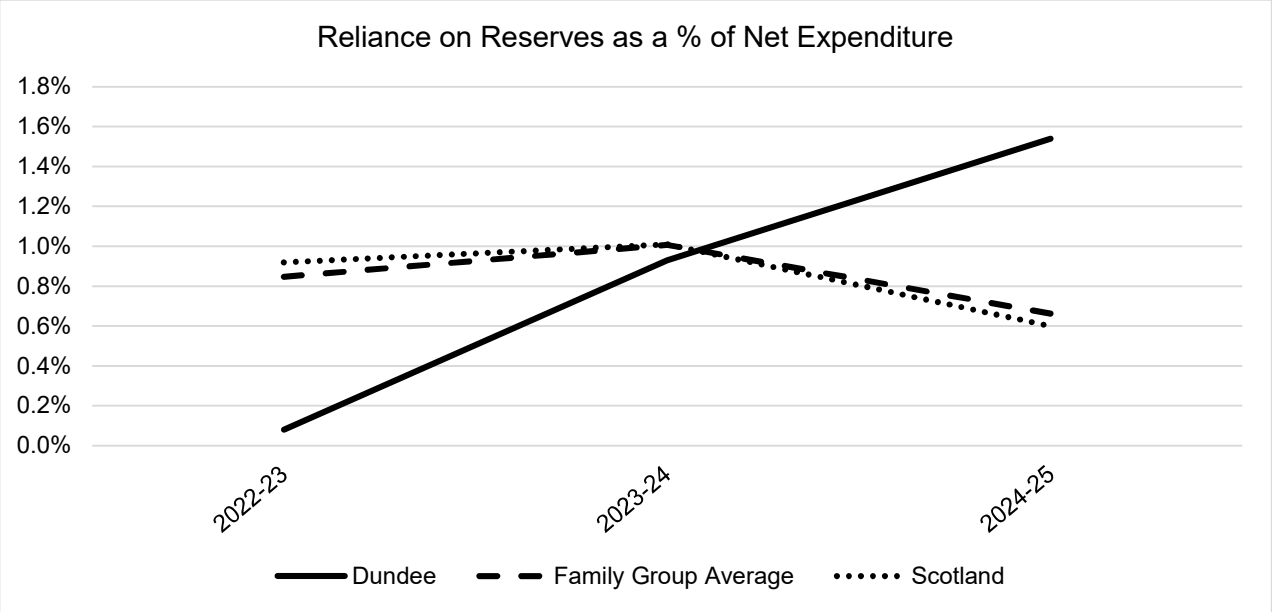
Performance Context

Dundee City Council's total useable reserves as a % of council annual budgeted revenue reduced by 4% between 2023/24 and 2024/25, moving the Council to more than 20% away from the family group benchmark. Dundee is not in an exceptional position, Audit Scotland report this is typical across all Scottish Local Authorities. The national picture shows useable reserves fell by around 7% between 2023/24 and 2024/25.

Reliance on the use of reserves is identified as a key area for improvement for the coming year (see relevant indicator below). The reduction in useable reserves provides the Council with less protection against income shortfalls, cost pressures and other unforeseen situations.

Reliance on Reserves as a % of Net Expenditure

Status	Performance Indicator	-1 Year	Current Value	Family Group Average	Difference	Scottish Relative Position
	Reliance on Reserves as a % of Net Expenditure	0.9%	**1.5%**	**0.7%**	114%	26 (↓7)



Indicator Description

This indicator shows approved use of reserves to address identified revenue budget gaps during budget setting, as defined by, and provided, to Audit Scotland in support of the Accounts Commissions 'Local Government Budgets' publication.

Performance Context

The Council's reliance on the use of reserves as a % of new expenditure has increased from 0.1% in 2022/23 to 1.5% in 2024/25. In contrast to the averages for the family group and nationally, Dundee is continuing on a deteriorating trajectory. In light of this and the commentary on the position in relation to the two indicators above, the Council will be taking this forward as a key area for improvement over next year and beyond.

With falling useable reserves, tightly constrained, reducing balances and increasing reliance on non-recurring measures to sustain services, the Council needs to take action to reduce reliance on reserves. Moving forward into 2026/27, this is a key area for improvement for the Council

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE - 23 SEPTEMBER 2026**

REPORT ON: **INTERNAL AUDIT PLAN UPDATE AND PROGRESS REPORT**

REPORT BY: **CHIEF INTERNAL AUDITOR**

REPORT NO: **194-2026**

1.0 PURPOSE OF REPORT

To submit to members of the Scrutiny Committee an update on the progress towards delivering the 2026/2027 Internal Audit Plan; the audits from previous years' plans that were not complete in June 2026, and information about the number of open Internal Audit Recommendations.

2.0 RECOMMENDATIONS

It is recommended that the Committee:-

(i) review and comment on the progress with the Internal Audit Plan;

(ii) review and comment on the progress with the implementation of agreed internal audit recommendations; and

(iii) note the position regarding the latest review of the Internal Audit Mandate and Charter.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 AUDIT PROGRESS

4.1 Appendix 1 notes the current stage of progress with implementing the 2026/2027 Internal Audit plan and the outstanding items brought forward from previous plans (the plan). It also includes the current position regarding previous years' internal audits with remaining open actions as of August 2026.

4.2 Appendix 2 shows the total open internal audit recommendations by service, audit year and risk priority. Some progress has been made to implement and close open actions, with 22 actions closed since this was last reported in June 2026. As of April 2026, the Council Leadership Team has issued instructions that Services will no longer be permitted to extend the due dates for outstanding Internal Audit Actions. Accordingly, actions where the due date has not been previously extended are reported as overdue.

4.3 Staffing Update - A member of the team left in July 2026 and the process to recruit a replacement is underway. This will impact on the capacity to deliver the plan as was agreed in April 2026. Further updates on how the plan will need to be revised will be bought to the committee in November (2026).

5.0 INTERNAL AUDIT MANDATE AND CHARTER REVIEW

5.1 The Internal Audit Mandate and Charter were approved in April 2025. Under Domain III (Governing the Internal Audit Function), Principle 6 (Authorised by the Board), and specifically Standard 6.2 (Internal Audit Charter), of the Global internal Audit Standards, a change in

leadership is categorised as a significant organisational event that triggers an immediate review.

5.2 This review has been undertaken by the new Chief Internal Auditor, now referred to as Chief Audit Executive (CAE) in the Global Internal Audit Standards (GIAS UK). No changes are proposed at this time; any revisions will be made as part of the process for the creation of the 2027/28 Charter document.

5.3 Linked to the GIAS in the UK Public Sector are Topical Requirements, these are areas of Internal Audit that are set as advisory, or mandatory by the Internal Audit Standards Board. Where they are mandatory this applies when that audit is undertaken. The most recent Topical Requirement is Organisational Behaviour, and this has been "disapplied" to the UK Public Sector. Topical Requirements will be included in some form? in the planning for 2027/28.

6.0 POLICY IMPLICATIONS

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

7.0 CONSULTATIONS

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

8.0 BACKGROUND PAPERS

No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than containing confidential or exempt information) were relied on to a material extent in preparing the above report.

Appendix 1 - Internal Audit Plan update 2026/27 plus previous years' not reported by June 2026.

Appendix 2 - Outstanding Internal Audit Agreed Actions.

TONY ROSE, CHIEF INTERNAL AUDITOR (CIA/CAE) **DATE: 23 SEPTEMBER 2026**

Appendix 1 - Internal Audit Plan update 2026/27 plus previous years' not reported by June 2026

The tables below show the progress stage of each audit, and the overall assurance level provided from completed audit work. They also include the numbers of remaining open actions for each report to allow members to assess if risks identified during the audit are now mitigated, or where risk remains outstanding.

Progress with previous years' audits not "complete" at the last report in June 2026

2025/26 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
ICT Reviews								
Cyber Security - Supply Chain Security	Review of arrangements for management of cyber security within supply chains. This will cut across IT, Information Governance and procurement.	April 2026 revised to December 2026	Draft Report Issued 05 May 2026	TBC	-	-	-	-
Combined Review – Cyber Incident / Business Continuity Planning	Review the adequacy of design and operating effectiveness of key controls established in services to ensure delivery of their key activities to a minimum agreed level, during a cyber incident. Review extent to which Business Continuity Plans are in place, up to date, and consistent with Council policies and guidance.	April 2026 Revised to December 2026	Draft Report Issued 08 May 2026	TBC	-	-	-	-
Financial Reviews								
Treasury Management – Large Value Transactions	Review of procedures for processing and authorisation of large value transactions involving Council funds.	N/A	Complete	Substantial Assurance	0	0	2	0
Other Reviews								

2025/26 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
Schools Administration Support	Review of the arrangements to provide administrative and office support to schools, including arrangements for backfill in the event of absence.	N/A	Complete	Limited Assurance	0	7	0	0

Progress with the 2026/27 Internal Audit Reviews

2026/27 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
Council Tax and Non-Domestic Rates refunds	Review of the processes and controls for managing Council Tax and Non-Domestic Rates refunds, taking cognisance of work already carried out within Digital and Customer Services on Council Tax Refunds.	April 2026 Revised to December 2026	Draft Report Issued 13 July 2026	TBC	-	-	-	-
Self-Direct Support (Children's)	Review of the arrangements for the uptake of and management of self-directed support	December 2026	Fieldwork In Progress	N/A	-	-	-	-
Registers of Interest, Gifts, Gratuities and Hospitality	Review of implementation of policies and procedures.	December 2026	Fieldwork In Progress	N/A	-	-	-	-
Self-Directed Support (Adult Services)	Review of the arrangements for the uptake of and management of self-directed support	December 2026	Fieldwork In Progress	N/A	-	-	-	-
Scottish Welfare Fund/Crisis Payments	Review of the arrangements in place within the Council to manage the Scottish Welfare Fund	February 2026	Scope Agreed	N/A	-	-	-	-

2026/27 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
	Crisis Grants and Community Care Grants in line with Scottish Government guidance.							
Employability Services	Review of the efficiency and effectiveness of the Employability pathway, and arrangements to implement the Scottish Government's No one left behind policy.	February 2026	Scoping Underway	N/A	-	-	-	-
(FTF) Partner Bodies Support Services	Audit undertaken on behalf of the IJB	N/A	N/A	N/A	-	-	-	-
Booking and Charging for Hubs	Review of processes for receiving and processing bookings, payments, and allocation of income.	February 2027	Scoping Underway	N/A	-	-	-	-
Tay Cities Deal	The Grant Offer Letter provided to Dundee City Council as lead authority for the deal requires that the Authority's Internal Audit Service performs a review of arrangements to implement and oversee the deal at least every other year	February 2027	Scoping Underway	N/A	-	-	-	-
Payroll	Azets to provide support and training to the team in the use of Power BI for better data analytics/continuous auditing	February 2027	Scoping Underway	N/A	-	-	-	-
Dundee IJB – Implementation and Monitoring of Directions	Review of the governance and operational arrangements for the agreement, implementation and monitoring of Directions from Dundee IJB to the Council.	-	Deferred from 2026/27	-	-	-	-	-

2026/27 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
Income Collection - Car Parking	Review income collection procedures and processes, including car parking and write-offs.	February 2027	Scoping Underway	N/A	-	-	-	-
Compliance with Legislation	Review of procedures for identifying new legislation and monitoring arrangements to ensure compliance	April 2027	Not Started	N/A	-	-	-	-
Energy Management and Billing	Evaluation of the processes in place for energy metering and billing, and monitoring of usage and costs, including an assessment of value for money.	April 2027	Not Started	N/A	-	-	-	-
Information Governance (progress of GDPR Action plan)	Review of Corporate Information Governance arrangements, including the progress of previous action plans. A rolling programme of service reviews will be considered in future years.	April 2027	Not Started	N/A	-	-	-	-
DWP Appointeeships	Review of the arrangements in place within the Council for the management of DWP Appointeeship clients who are deemed incapable of managing their own affairs.	April 2027	Not Started	N/A	-	-	-	-
Trade Waste & Recycling Permits	Review of the processes and controls in respect of managing the arrangements for trade waste and recycling permits.	April 2027	Not Started	N/A	-	-	-	-
Supplier Management and Contract Monitoring	Review of corporate arrangements including implementation of the Procurement Transformation Plan, maintenance	April 2027	Not Started	N/A	-	-	-	-

2026/27 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
	of contract registers, monitoring contract performance, and planning for tendering.							
Overtime and Accuracy of Submission	Review of implementation of processes and procedures for overtime recording and payments, including correction of errors.	June 2027	Not Started	N/A	-	-	-	-
HSCP Review	Review subject and scope to be agreed. Review of process for approving care packages being considered	June 2027	Not Started	N/A	-	-	-	-
IT Review 1	Not Yet Defined	June 2027	Not Started	N/A	-	-	-	-
IT Review 2	Not Yet Defined	June 2027	Not Started	N/A	-	-	-	-
New Legislation for Events Planners	Review of the Council's arrangements for hosting and managing events in the City, including compliance with new legislation.	June 2027	Not Started	N/A	-	-	-	-
Fire Safety in Multi Stories	Review of fire risk assessments and other fire safety / health and safety arrangements in Multi Storey buildings	June 2027	Not Started	N/A	-	-	-	-
Regulatory Services	Review of a process relating to the Council's statutory regulatory and inspection responsibilities, selected in consultation with management from within Public Health, Food Safety, Health and Safety, and Trading Standards.	June 2027	Not Started	N/A	-	-	-	-

2026/27 INTERNAL AUDITS	Proposed / Actual Coverage	Target Scrutiny Reporting	Status / Update	Assurance Level	Actions Summary			
					C	H	M	L
Other								
Follow-Up	Review of progress with the implementation of prior Internal Audit Actions.	Each meeting	Ongoing	N/A	-	-	-	-
Technical Development	Review and update of the Council's Internal Audit Methodology following the implementation of Global Internal Audit Standards. Further refinement of the Council Audit Universe in consultation with Services. Development and implementation of a Data Analytics strategy and capability.	On-going	In Progress	N/A	-	-	-	-
Advice and Guidance	Provision of ad-hoc support to assist services in respect of specific queries and contribute to the delivery of improvements in the Council's framework of governance, risk management and control. This will include the ongoing provision of advice and guidance surrounding the development of newly implemented systems and processes, or the revision and update of those processes.	N/A	Ongoing	N/A	-	-	-	-
GIAS (UK Public Sector) Quality Self-Assessment Process	Annual self-assessment for conformance with GIAS (UK Public Sector).	June 2027	Ongoing	N/A	-	-	-	-
Specific Investigations	To respond to requests for advice and assistance as required in respect of cases of suspected fraud, corruption or malpractice.	As required	Ongoing	N/A	-	-	-	-

Definitions of Levels of Assurance

Comprehensive Assurance	The system of controls is essentially sound and supports the achievement of objectives and management of risk. Controls are consistently applied. Some improvement in relatively minor areas may be identified.
Substantial Assurance	Systems of control are generally sound, however there are instances in which controls can be strengthened, or where controls have not been effectively applied giving rise to increased risk.
Limited Assurance	Some satisfactory elements of control are present; however, weaknesses exist in the system of control, and / or their application, which give rise to significant risk.
No Assurance	Minimal or no satisfactory elements of control are present. Major weaknesses or gaps exist in the system of control, and/or the implementation of established controls, resulting in areas of unmanaged risk.
Advisory	No assurance level is provided as the report is advisory

Previous Years Internal Audit Plan - Progress Report (Audits with audit actions remaining open at August 2026)

The following table shows the audits from previous years that still have outstanding actions, or where the final actions have been closed since we last reported. Once all actions are closed the report will be removed at the following reporting cycle. There are four reports in that position.

Revised dates have been agreed where some actions have past their original agreed completion date, however as noted in paragraph 4.3 since April revised dates are no longer being provided.

Previous Year's Audit	Open actions	Report Number	Reported to Scrutiny Committee	Report Assurance level	Open Actions at August 2026			
					C	H	M	L
Lone Working	3 Warning Alerts	2017/07	2017/18 audit year	2 closed actions	-	1	-	-
Joint Community Equipment Service	1 Partnership Agreement	2019/17	2019/20 audit year	4 closed actions	-	1	-	-
Payroll	1 Salary Additional Payments/Deductions	2021/01	June 2022	2 actions closed	-	-	-	1
Stocks and Inventories - 2020/21 Year End	2 Construction Services Stock	2021/03	Sept 2021	0 closed actions	-	1	-	-
Fire Risk Assessments	3 Procedures and Controls for ensuring all Relevant Properties are Fire Risk Assessed - Housing Division as Part of Neighbourhood Services	2021/22	June 2023	3 closed actions	-	1	-	-
Adaptations and Equipment for people with Disabilities	4a Adaptation Budgets and Criteria 4b Adaptation Budgets and Criteria 5a Procurement 5b Procurement	2022/04	June 2024	5 closed actions	-	4	-	-

Previous Year's Audit	Open actions	Report Number	Reported to Scrutiny Committee	Report Assurance level	Open Actions at August 2026			
					C	H	M	L
Tay Cities Region Deal		2022/08	Sept 2023	4closed actions	-	-	-	-
LACD Financial Sustainability	1 Service Agreement 2 Monitoring 3 Service Level Agreements 4 Management Fee Plus 4 LACD actions	2022/09	June 2024	0 closed actions	2	2	-	-
General Ledger	4 Monitoring Timetable	2022/17	Sept 2023	6 closed actions	-	1	-	-
Cyber Security		2022/20	City Governance Feb 2024	7 closed actions	-	-	-	-
Procurement		2022/21	June 2024	5 closed actions	-	-	-	-
Health and Safety - Incident Reports	1 Conduct regular audits and quality checks on the incident reporting and recording 2 Improve the storing and filing of incident information 4 Promote management involvement in investigations	2022/23	Sept 2024	1 closed action	-	1	1	1
Recruitment (Contractor)	1 Formalising service areas' succession plans	2023/08	Dec 2024	0 closed actions	-	1	-	-

Previous Year's Audit	Open actions	Report Number	Reported to Scrutiny Committee	Report Assurance level	Open Actions at August 2026			
					C	H	M	L
Permanence	1 Improve Document Storage and Accessibility 2 Enhance Meeting Documentation 3 Improve Communication about Legal Processes 4 Implement and Evaluate New Date Recording Form in MOSAIC	2023/10	April 2025	0 closed actions	-	-	4	-
Health and Safety Risk Assessments and Incident Management in Schools	1 Mandatory Health and Safety Training Programme	2023/24	April 2025	2 closed actions	-	-	1	-
Microsoft Office 365 (Contractor)	3 Application Restrictions	2023/28	June 2025	6 closed actions	-	1	-	-
User Access Management (Contractor)	5 Civica Monitoring	2023/29	Feb 2024	4 closed actions	-	1	-	-
Risk Management (Contractor)	2 Update and Enhance the Risk Management Procedures 3 Develop and Maintain a Risk Appetite Framework 4 Strengthen Risk Identification Process and Refresh the Risk Register to reflect Current and Emerging risks 5 Ensure Risk Description is completed, and Proper Risk Ownership is assigned 6 Review and Cleanse Risk Records Across Pentana 7 Strengthening the Consistency of the Prioritisation Practices 8 Strengthening Risk Mitigation 9 Strengthening Monitoring to Drive Effective Risk Reduction	2024/04	June 2025	1 closed action	-	-	6	2

Previous Year's Audit	Open actions	Report Number	Reported to Scrutiny Committee	Report Assurance level	Open Actions at August 2026			
					C	H	M	L
User Access Management Northgate	3B System Monitoring	2024/06	June 2025	4 closed actions	-	-	1	-
Payroll - Changes in Circumstances	2 Development of Payroll processing guidance	2024/08	June 2025	6 closed actions	-	-	1	-

OUTSTANDING INTERNAL AUDIT AGREED ACTIONS

Agreed actions from Internal Audit recommendations are recorded in Pentana and implementation is monitored by Services and the Risk and Assurance Board. Implementation of the agreed action is the responsibility of the service area, and the risk exposure identified in the audit remains in place until the action has been completed.

The numbers of outstanding actions in Pentana for each Service, by audit year, on 26 August 2026 are noted above against individual reports and summarised in the following tables.

- Table 1 - shows actions that have not yet reached their original agreed due date.
- Table 2 - shows actions overdue from their agreed due date.

At 26 August 2026 there were 65 open actions in Pentana including actions allocated to Dundee HSCP, compared to 83 reported at 1 June 2026. Three of these actions are critical and relate to on-going work in relation to LACD, and controls in relation to payments raised through the MOSAIC System.

There has been some progress in closing actions, with 22 actions closed. Four new actions have been added.

From April 2026 the Council Leadership Team has issued instructions that Services will no longer be permitted to extend the due dates for outstanding Internal Audit Actions. Accordingly, actions that previously had an extended date are included in Table 2.

Table 1 - Actions not yet reached original agreed due date

Service	Audit Year	Critical	High	Medium	Low	Total
		No	No	No	No	No
City Development	2024/25	-	1	-	1	2
Dundee HSCP	2025/26	-	-	1	-	1
Neighbourhood Services	2024/25	-	-	3	1	4
	2025/26	-	-	3	2	5
26 August 2026 Totals		**0**	**1**	**7**	**4**	**12**
1 June 2026 Totals		**0**	**1**	**7**	**4**	**12**

Table 2 - Actions overdue from agreed due date

Service	Audit Year	Critical	High	Medium	Low	Total
		No	No	No	No	No
City Development	2024/25	-	1	4	-	5
Chief Executive's Service	2022/23	2	-	-	-	2
Children and Families	2023/24	-	-	4	1	5
	2024/25	1	-	3	2	6
Corporate Services	2021/22	-	1	-	1	2
	2022/23	-	3	-	-	3
	2023/24	-	3	-	-	3
	2024/25	-	-	9	2	11
	2025/26	-	-	-	1	1
Corporate (Council Wide)	2023/24	-	1	4	-	5
Health and Social Care Partnership	2019/20	-	1	-	-	1
	2022/23	-	3	-	-	3
Neighbourhood Services	2017/18	-	1	-	-	1
	2021/22		1	-	-	1
	2022/23	-	2	1	1	4
26 August 2026 Totals		**3**	**17**	**25**	**8**	**53**
1 June 2026 Totals		**3**	**24**	**34**	**10**	**71**

Definitions of Action Priority

Critical	**Very high-risk exposure to potentially major negative impact** on resources, security, records, compliance, or reputation from absence of or failure of a fundamental control. Immediate attention is required.
High	**High risk exposure to potentially significant negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a key control. Prompt attention is required.
Medium	**Moderate risk exposure to potentially medium negative impact** on resources, security, records, compliance or reputation from absence or non-compliance with an important supporting control, or isolated non-compliance with a key control. Attention is required within a reasonable timescale.
Low	**Low risk exposure to potentially minor negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a lower-level control**, or areas without risk exposure but which are inefficient, or inconsistent with best practice.** Attention is required within a reasonable timescale.
Advisory	**Advice** is provided without an assurance level being assessed for this area.

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REPORT TO: **SCRUTINY AND AUDIT COMMITTEE - 23 SEPTEMBER 2026**

REPORT ON: **INTERNAL AUDIT REPORTS**

REPORT BY: **CHIEF INTERNAL AUDITOR**

REPORT NO: **191-2026**

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny and Audit Committee a summary of the Internal Audit Reports finalised since the last Scrutiny and Audit Committee.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

4.1. The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. On completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to management for a formal response and submission of management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by management.

4.2. In arriving at the overall assurance level for each audit, the assurance levels within the individual objectives do not always carry equal weighting. Findings from the audit are considered in total against the scope and risk levels to arrive at the overall assurance opinion.

4.3. Executive Summaries for the reviews which have been finalised in terms of paragraph 4.1 above since the last Scrutiny meeting are provided at Appendix A. The full reports are available to Elected Members on request. Reporting in Appendix A covers:

Audit	**Assurance level**
Large Value Transactions	Substantial Assurance
Schools Administration Support	Limited Assurance

4.4. Internal audit recommendations are categorised as either relating to the design of the control system (Design) or compliance with the operation of the controls (Operational).

5.0 POLICY IMPLICATIONS

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

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

None.

TONY ROSE, CHIEF INTERNAL AUDITOR **31 AUGUST 2026**

(i) INTERNAL AUDIT REPORT 2025/02

Client	**Corporate Services – Corporate Finance**
Subject	**Large Value Transactions**

Executive Summary

Conclusion

Substantial Assurance
The processes applied to large value transactions are generally sound, with most expected controls in place and operating satisfactorily. However, we observed some opportunities to strengthen controls by documenting operational procedures and user access management practices.

Background

The majority of the Council's financial transactions are processed through electronic systems which have been implemented to manage specific activity such as purchasing, invoicing, and payroll. However, some transactions are processed by direct interaction with the Council's bank accounts through the Bankline system.

Bankline may be used in instances where transactions are large enough to require specific authorisation by Senior Management, are low volume, or are required to be processed the same day. Such transactions include those related to the Council's structured loan arrangements, emergency support disbursements via BACS and internal transfers from the collection account to the main council account. These transactions can be substantial—up to £20 million—and, while they follow similar authorisation protocols, the procedures may vary depending on the nature of the payment.

The Treasury Management function is primarily responsible for securing loans to fund the Council's Capital Programme and managing short-term cashflow requirements. According to the Council's 2025/2026 Treasury Management Strategy, net new borrowing for the year is projected at £36 million. These loans are typically arranged through brokers, with individual amounts ranging between £5 million and £20 million. On average, 2–3 loans are arranged per month; however, transaction volumes have recently increased due to rising interest rates and market volatility.

Scope

Review of procedures for processing and authorisation of large value transactions involving Council funds.

In order to ensure processing of such transactions is adequately controlled, this review will consider the processes in place to request and authorise large value transactions.

For the purpose of this audit the transactions over £1 million were selected as large value transactions based on the size and volume of the payments made.

Objectives

		Action Priority			
		C	H	M	L
The Council has established policies and procedures governing the authorisation of large-value transactions, including authorisation of Loan Funding and transactions processed through Bankline.	**Substantial Assurance**	-	-	1	-
The Council has introduced adequate controls, including proper segregation of duties and adequate senior management oversight to ensure large-value transactions are only processed in line with policy and with appropriate authorisation.	**Substantial Assurance**	-	-	1	-
Loan transactions are consistent with the Council's Treasury Management Strategy and adhere to its requirements.	**Comprehensive Assurance**	-	-	-	-
TOTAL		-	-	2	-

Nature of Recommendations

The recommendations made relate to issues identified with the design of existing controls, and represent instances in which the control framework requires revision to adequately address risks.

Key Findings

We identified a number of areas of good practice:

- The Treasury Management Policy and Strategy are well documented, approved and up to date.
- There is an up-to-date and approved authorisation matrix for large-value transactions.
- Adequate segregation of duties is implemented through clearly defined user roles governing the preparation and authorisation of transaction supporting documentation and access within the Bankline system.
- There are set processing timescales aligned with service-level expectations to avoid processing delays, prioritise urgent large value transactions, and manage cashflows.
- Regular reconciliations ensure that large value transactions are accurately recorded across systems.
- Large-value transactions, including loans and investments, are reviewed and authorised by senior finance officials to ensure compliance with the Council’s Treasury Management Strategy.
- Treasury activity is regularly monitored, providing visibility to Senior Management and providing assurance it is in line with the Council’s strategies and prudential objectives.

We have identified the following areas for improvement.

- The operational level procedure documentation available does not provide adequate guidance in handling the large value transactions. As a consequence, some established practices for exceptional circumstances are undocumented, though as implemented do not give rise to significant gaps in control.
- There is no formal training due to the small size of the team, and knowledge of the processes is acquired on the job. We noted some difficulty in accessing records where key staff were absent.

- The user access list and permissions for the Bankline system are up to date, however there is no documented user access management policy.

Impact on risk register

The Corporate and Service risk registers included, at time of audit, the following risks:

- DCC001 Financial Sustainability (inherent risk 5x4, residual risk 5x5)
- DCC013 Fraud & Corruption (inherent risk 4x5, residual risk 4x3)
- CSCF008 Compliance (inherent risk 5x5, residual risk 4x3)
- CSCF010 Finance – Management (inherent risk 5x5, residual risk 5x5)

The internal controls relevant to the scope of the review in the Corporate and Service risk registers consist of:

- Formal reconciliation framework.
- Systems access controls
- Job related training and awareness.
- Monitoring & reporting procedures.
- Segregation of duties.

We have identified areas for improvement in relation to the process documentation and documentation of user access management processes.

(ii) INTERNAL AUDIT REPORT 2025/18

Client	**Children and Families Service**
Subject	**Schools Administrative Support**

Executive Summary

Conclusion

Limited Assurance
The administrative support model has operated since 2014 without clear agreement between Corporate Business Support Services and the Education Service as to the responsibilities of the school administrative role and the expected level of staffing coverage. As a result, responsibility for staffing, absence management, and provision of staffing cover is unclear. In the absence of an agreed service framework, we observed differences in expectation with regard to key structural elements of the model, including staffing allocation review, absence cover arrangements and approval timescales. In the event of absence, there is no supply pool, framework arrangement, or fast-track approval route for cover, and schools are routinely left without administrative cover for extended periods. The methodology for allocation of administrative staff to individual schools has not been reviewed since 2014 and as a result there is limited assurance that it meets current operational requirements. The initial Committee report establishing the methodology no longer reflects the current management structure. Seven High-priority findings have been identified, all of which are design-related and structural in nature.

Background

The Council currently has 54 Educational Establishments across Dundee:

- 7 mainstream secondary schools
- 1 Offsite Education Service (supporting children and young people who have disengaged from full-time mainstream education)
- 33 primary schools, 19 of which have nurseries attached.
- 12 standalone nurseries
- 1 special education school

Administrative and clerical staff are employed across these establishments through different arrangements depending on the sector and are budgeted through the Corporate Business Support Service (CBSS). Secondary schools also have Business Managers who oversee the management of support staff and are budgeted through Education.

Administrative Officer posts are budgeted through and resourced by Corporate Business Support, however line management responsibility currently sits with Headteachers. This arrangement is understood to be unique within Business Support, where line management for other staff groups sits within the service itself.

There were, at time of review, 68 administrative and clerical posts across schools (33 primary, 28 nursery, 7 secondary). Absence levels among CBSS school-based administrative staff totalled 553.97 days in the last 12 months.

Corporate Business Support Management have highlighted that improvements could be made to current arrangements in order to operate more effectively and efficiently. In initial scoping discussions, management raised the following:

- There is no automatic notification to the Corporate Business Support Service in the event administrative or clerical staff are absent. Instead, Headteachers must provide the notification, which often happens only at crisis point after schools have attempted to manage without cover.

- There is no supply budget or pool for covering absence, and temporary arrangements require Establishment Control Board (ECB) approval that can take considerable time. This limits the ability to respond quickly to staffing shortages, resulting in Headteachers frequently undertaking administrative duties during periods of absence.

Scope

Review of the arrangements to provide administrative and office support to schools, including arrangements for backfill in the event of absence.

Objectives

		Action Priority			
		C	H	M	L
1. Administrative and clerical staffing arrangements provide appropriate coverage across establishments and are determined based on relevant factors relating to each establishment's operational needs	**Limited Assurance**	-	1	-	-
2. Effective processes exist for identifying when administrative support is needed and communicating requirements clearly between schools and Corporate Business Support Service	**No Assurance**	-	3	-	-
3. Available options for securing cover during absence are accessible and operate effectively within existing approval frameworks 4. Management information is regularly compiled and reported to monitor administrative support performance, identify service issues, and support decision-making	**Limited Assurance**	-	3	-	-
TOTAL		-	7	-	-

Nature of Recommendations

All seven recommendations relate to the design of controls. This indicates that the weaknesses identified are structural in nature, the issues arise from the absence of formal arrangements, documented responsibilities and management information rather than from failures in the operation of existing processes.

Key Findings

The arrangement between CBSS and Education has operated since 2014 on the basis of a committee report that established a management structure but did not set out respective responsibilities, service standards or accountability arrangements. No service level agreement has been put in place. This absence of a formal governance and service framework is the primary underlying root cause of the findings identified in this audit.

The absence of agreed responsibilities and service standards means that key elements of the administrative support model, including staffing allocations, absence management, cover arrangements and performance reporting, have developed without a shared framework against which they could be designed, reviewed or maintained. An agreed framework would give both services a shared basis for understanding respective responsibilities and addressing any differences in expectations as they arise.

We identified a number of areas of good practice:

- A number of processes have been established by CBSS to support communication and engagement with the school administrative staff group.
- An approval process exists for cover arrangements, with a clear and consistently applied distinction between cases requiring ECB submission and those that can be managed informally without financial implications.
- There is regular communication between CBSS and head teachers in relation to administrative support, and where schools make contact regarding cover or staffing requirements CBSS engages proactively to progress requests.
- Once cover or recruitment has been approved by the ECB, CBSS manages the subsequent recruitment process. While formal responsibility for recruitment sits with CBSS, head teachers are involved in elements of the process for their own establishments, including participating in interview panels.

We have identified the following areas for improvement:

- The staffing allocation methodology for administrative officers in primary schools was established by committee report in 2014 with a commitment to continuous review, however no such review has taken place.
- Current administrative staffing allocations in primary schools do not clearly align with the length of the core operational day or additional operational demands since the methodology was developed.
- There is no clear agreement between CBSS and Education as to the purposes of the administrative support arrangement, and expected level of resource.
- Responsibilities for the day-to-day management of administrative staff are not documented in primary schools and standalone nurseries. Under the current line management arrangements there is no contingency in place for any staffing issues to be dealt with outwith term time.
- The administrative officer job descriptions do not provide a sufficiently detailed basis for consistent service delivery across establishments.
- There is no reliable mechanism to notify CBSS when an administrative/clerical officer/assistant is absent, and no documented process for head teachers to request administrative support.
- There is no management information on administrative support arrangements. Other than aggregate absence data, we were unable to establish a clear picture of the scale, frequency or operational impact of administrative staff absence.
- There is no supply pool, budget or framework for covering administrative absence, and schools routinely operate without substantive administrative cover for extended periods.
- Provision of cover through temporary or permanent recruitment requires ECB approval, however this process is not calibrated for the provision of urgent, short-term cover.

Impact on Risk Register

The (Service) risk register included, at time of audit, the following risks:

- DCC008 Workforce (inherent 4x4, residual 4x4)
- CFED012 Children and Young People Development (inherent 5x4, residual 4x2).

DCC008 identifies recruitment procedures, sickness absence monitoring and employee support as mitigating controls, all rated fully effective. The findings of this audit indicate that none of these controls are operating effectively for this staff group. The gaps identified are an ECB process that cannot respond to operational urgency, absence monitoring information not made available to CBSS, and HR processes with no documented owner. These represent a more significant residual risk position than the register currently reflects.

The audit identified structural gaps that are not captured in either register as risks or controls: the absence of a formal agreement between CBSS and Education, and the absence of any management

information on cover arrangements across the school estate. Both are already resulting in adverse outcomes rather than representing future risk.

Risk owners should consider updating their assessment of the effectiveness of the mitigating controls under DCC008 in light of the audit findings, and reflect the structural gaps identified above. Implementation of the recommendations in this report would address a number of these gaps and should be factored into any revised assessment.

Definitions of Levels of Assurance

Comprehensive Assurance	The system of controls is essentially sound and supports the achievement of objectives and management of risk. Controls are consistently applied. Some improvement in relatively minor areas may be identified.
Substantial Assurance	Systems of control are generally sound, however there are instances in which controls can be strengthened, or where controls have not been effectively applied giving rise to increased risk.
Limited Assurance	Some satisfactory elements of control are present; however, weaknesses exist in the system of control, and / or their application, which give rise to significant risk.
No Assurance	Minimal or no satisfactory elements of control are present. Major weaknesses or gaps exist in the system of control, and / or the implementation of established controls, resulting in areas of unmanaged risk.
Advisory	No assurance level is provided as the report is advisory

Definitions of Action Priorities

Critical	**Very High-risk exposure to potentially major negative impact** on resources, security, records, compliance, or reputation from absence of or failure of a fundamental control. Immediate attention is required.
High	**High risk exposure to potentially significant negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a key control. Prompt attention is required.
Medium	**Moderate risk exposure to potentially medium negative impact** on resources, security, records, compliance or reputation from absence or non-compliance with an important supporting control, or isolated non-compliance with a key control. Attention is required within a reasonable timescale.
Low	**Low risk exposure to potentially minor negative impact** on resources, security, records, compliance, or reputation from absence of or non-compliance with a lower-level control**, or areas without risk exposure but which are inefficient, or inconsistent with best practice.** Attention is required within a reasonable timescale.

ITEM No …6……..

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE - 23 SEPTEMBER 2026**

REPORT ON: **NATIONAL FRAUD INITIATIVE**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **193-2026**

1. PURPOSE OF REPORT

This report is to inform Elected Members of updates on the completion of the mandatory NFI 2024/2025 exercise, updated for 2025/26, the 2024/2025 Council Tax Single Person Discount v Electoral Roll data matching exercise and the forthcoming mandatory NFI 2026/2027 exercises.

2. RECOMMENDATIONS

It is recommended that Members of the Committee note:-

(i) the update and completion of the work investigating the 2024/2025 NFI exercises at Appendix 1;

(ii) the completed NFI Self-Appraisal Checklist Part A for those charged with governance at Appendix 2;

(iii) the arrangements for the forthcoming mandatory NFI 2026/2027 exercises;

(iv) the Cabinet Office, NFI Estimates Outcomes Methodologies 2024/25 at Appendix 3; and

(v) the Audit Scotland publication: The National Fraud Initiative in Scotland 2026. A link to this report is provided below.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4. BACKGROUND

4.1. The NFI is a biennial data matching exercise, co-ordinated at a national level by the Cabinet Office, designed to help participating bodies detect fraud and error. Computerised techniques are utilised to compare electronic data held by different public and private sector bodies in Scotland, England and Wales and identify data matches, which may, following further examination, uncover the existence of fraud or error. The NFI exercise in Scotland is led by Audit Scotland and participation is mandatory for the Council. Participation also assists the Council with its Deter agenda.

4.2. The Senior Responsible Officer for the NFI exercise in the Council is the Executive Director of Corporate Services and the Key Contact is the Corporate Fraud Supervisor, who reports operationally to the Acting Senior Manager - Internal Audit. Key Contact responsibilities include:-

- co-ordinating and monitoring the overall exercise.
- ensuring that the specifications for data sets are adhered to.
- ensuring data sets are uploaded accurately and timeously.

- ensuring that key individuals required to assist with the investigation of matches are identified and adequately trained.
- ensuring outcomes of the investigation of matches are recorded on the NFI Website promptly and accurately.

5. NFI 2024/2025 EXERCISE

5.1. The completed 2024/2025 NFI exercise has identified overpayments of £374,863 from investigating 5,634 matches with errors identified in 159 of them. 77 of these errors have produced overpayments and these have either been recovered, or a formal recovery arrangement is in place. No frauds have been identified or reported in this exercise. An error refers to an incorrect payment, record, entitlement or transaction that has occurred unintentionally as opposed to deliberate fraud.

5.2. The NFI also records estimated figures (notional savings) where it is reasonable to assume that incidents of fraud, overpayments and errors would have continued undetected without NFI data matching. For the completed 2024/2025 NFI exercise, a total estimated notional savings (total estimated fraud prevented) figure of £527,613 has been calculated which arises from 110 cases. A further 2 cases relating to National Insurance Number errors have no overpayment or notional element.

5.3. This estimated figure combined with actual overpayments gives a total value of £902,476. (See Appendix 1). 30 of the cases have both an overpayment and a notional savings figure. The savings figures for the 2022/23 mandatory exercise reported to the Scrutiny Committee in September 2024 is also provided at Appendix 1 for comparison purposes with the 2024/25 NFI exercise.

5.4. The UK Cabinet Office governs the NFI estimates of outcomes. Their latest estimates and methodologies publication is provided at Appendix 3.

2024/2025 Supplementary mandatory data matching exercise

5.5. In January 2025 the Council submitted data for a NFI supplementary mandatory exercise of data from the Electoral Roll against those households where Council Tax Single Person Discount was being claimed. Work on these matches was carried out by the Corporate Fraud Team (CFT) with the match being Council Tax Single Person Discount to Electoral Roll to Payroll data. The CFT identified and reported 3 cases with an overpayment of total of £1,722 and an estimated notional saving of £2,230 giving an overall total of £3,952. These overpayments have either been recovered, or a formal recovery arrangement is in place.

External Council Tax / Single Person data match exercise

5.6. A separate Council Tax data matching exercise was carried out during 2024/25, by Datatank who were contracted by the Customer Services & Benefit Delivery Team for this service. The exercise identified 715 records where there was no entitlement to single person discount. An additional £230,269 of Council Tax liability was processed through the removal of the single person discount for these records.

6. NFI 2026/2027

6.1. The next National Fraud Initiative Exercise will take place this year and the Council will participate fully in this mandatory exercise. The Council has received instructions from the Cabinet Office, via the NFI Team, confirming how it should prepare for the 2026/27 NFI Exercise. Steps have already been taken to plan for the extraction of required data sets.

6.2. Following an internal quality control process, the CFT Supervisor will upload the required to the NFI Website in line with the Instructions for Participants and Cabinet Office timetable, commencing October 2026. It is anticipated by the Cabinet Office that the data matches will be made available to the Council for investigation by the end of January 2027.

6.3. Training on how to deal with the data matches along with responsibilities, investigation procedures and how to record outcomes on the NFI Website will be delivered in January 2027, by the CFT Supervisor, to all participating staff from the services detailed Table 1 below.

6.4. Participating Teams from various Service Areas are to be trained to carry out work on the matches. Staff from Creditors, Council Tax, Pensions, Corporate Fraud, Housing, including Dundee Health & Social Care Partnership staff from Finance Admin and Blue Badge Admin will receive training.

6.5. The NFI Team at the UK Cabinet Office have issued instructions, a timetable and the data sets required to be uploaded for the national mandatory exercises. The required data that will be uploaded is detailed in Table 1 below.

Table 1 - Mandatory Data Required 2026 TO 2027 Exercise

Service Area	Data Required
Corporate Services	• Council Tax Annual data submission • Council Tax reduction scheme • Electoral Register Annual data submission • Non-Domestic Rates • Payroll • Pensions • Taxi driver licences • Trade creditors' - payment history • Trade creditors' - standing creditors
Neighbourhood Services	• Housing tenants • Housing waiting list
Dundee Health and Social Care Partnership	• Blue Badges • Residential Care Homes • Personal budgets
Chief Executive Services	• Concessionary travel permits (NEC Data)
City Development	• Resident parking permits

7. AUDIT SCOTLAND SELF-APPRAISAL CHECKLIST

7.1. Audit Scotland have published the latest NFI Self-Appraisal Checklist. It is recommended that Audit Committees, or equivalent, and staff leading the NFI should review and complete the NFI Self-Appraisal Checklist to ensure that they are fully informed of their organisation's NFI arrangements including planning and reviewing progress with the NFI exercise.

7.2. Part A of the Self-Appraisal Checklist is for review by Scrutiny Committee Members and has been completed by Council Officers to give assurance over the effectiveness of the Council's participation in the NFI. The checklist is included at Appendix 2.

8. AUDIT SCOTLAND REPORT: THE NATIONAL FRAUD INITIATIVE IN SCOTLAND 2026

8.1. Audit Scotland published their latest national report on the NFI in August 2026. The Key Messages from that report are:

- The National Fraud Initiative (NFI) continues to play a key role in the battle against fraud and error across the public sector in Scotland and the rest of the United Kingdom. Data is matched across a range of systems and between bodies every two years, to identify matches and anomalies worthy of further review and investigation.

- The NFI remains vitally important at a time of ongoing financial pressures across the public sector. In addition to the monetary outcomes identified by bodies participating, it also helps deter fraud and can provide wider assurance that controls are working effectively.

- The 2024/25 NFI data matching exercise identified £21.7 million of outcomes. There was a slight fall in overall outcomes when compared to the previous NFI exercise, but this is due mainly to reduced savings from housing benefits as the number of recipients continues to fall. Excluding housing benefits, other outcomes identified by Scottish bodies have increased overall.

- Delivery of the NFI is improving, with auditors reporting fewer significant issues than in previous exercises. Following up matches plays an important role in supporting the effectiveness of the NFI but, in some cases, there is scope for this to be timelier and better focused. This reflects both the complexity of this work and the availability of staff to support it. We will continue to work with public bodies to support effective and efficient delivery of the NFI through our ongoing engagement activities.

8.2. A link to the full report can be found at The National Fraud Initiative in Scotland 2026 | Audit Scotland.

9. POLICY IMPLICATIONS

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

10. CONSULTATIONS

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

11. BACKGROUND PAPERS

None.

PAUL THOMSON **DATE: 24 AUGUST 2026**
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

APPENDIX 1

NFI RESULTS FOR 2024/2025 MANDATORY EXERCISE AND COMPARISON AGAINST 2022/23 EXERCISE

REPORT CONTENT	No of Errors	Actual Savings £	Notional Savings £	No of Errors	Actual Savings £	Notional Savings £
	2024/25 NFI Exercise			2022/23 NFI Exercise		
Deceased Pensions	6	14,030	337,581	9	18,151	461,032
Blue Badges (no longer valid and cancelled)	75	-	59,550	148	-	96,200
Council Tax Reduction Scheme	17	28,700	10,908	15	10,602	8,243
Creditors	47	307,492	-	4	62,528	-
Housing Waiting Lists (applications removed)	5	-	21,415	-	-	-
Private Residential Care Homes	7	24,641	98,159	-	-	-
National Insurance Number Errors	2	-	-	-	-	-
TOTALS	**159**	**374,863**	**£527,613**	**176**	**91,281**	**565,475**
	Total Savings	**£902,476**		**Total Savings**	**£656,756**	

Category Descriptions

- Deceased Pensions – payments made for pensioners after they have died.
- Blue Badges – blue badges not returned to the Council after the badge holder has died.
- Council Tax Reduction Scheme – Overpayments of discount and relief not entitled under the scheme matched to DWP death records and other public sector bodies records.
- Creditors – overpayments made as a result of duplicate payments.
- Housing Waiting Lists – applicants removed from Council Housing Waiting lists who were not entitled to be on the waiting list, e.g. those that are on more than one organisation's waiting list.
- Private Residential Care Homes – overpayments made to care homes after residents had died.
- National Insurance Number Errors - inconsistencies and errors in National Insurance numbers across multiple Council systems.

APPENDIX 2

NFI Self-appraisal checklist 2026

For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
1. Are we aware of emerging fraud risks and have we taken appropriate preventative and detective action?	**YES** The Council, through the Corporate Fraud Team, receive alerts of emerging risks from various agencies, e.g. Police Scotland, National Anti-Fraud Network, Trading Standards Scotland and various cross border Law Enforcement Agencies. The Corporate Fraud Team share these alerts and intelligence with appropriate staff from all Service Areas. The Council's Corporate Fraud Team carry out comprehensive investigations with actions required to address any internal controls to mitigate fraud going forward.	NO	
2. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	**YES** The Corporate Fraud and Corruption Policy was reviewed in 2022 and approved by the Council Leadership Team. The policy includes reference to participating in the National Fraud Initiative. The Council's Scrutiny and Audit Committee receives an annual NFI Performance Report and Corporate Fraud Team Performance Report Including Whistleblowing. NFI updates are communicated regularly along with outcomes and	NO	

For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
	progression and to key members of staff as and when appropriate. The Internal Audit and Corporate Fraud Service Internet and Intranet pages communicate to users that responsibilities surrounding NFI rest with the Corporate Fraud Team. The NFI Key Contact for the Council is the Corporate Fraud Supervisor reporting to the Acting Senior Manager – Internal Audit. Information re NFI is also available via a link on the Council Internet. At least once a year, all Council payslips (monthly & weekly) and pension notifications, are published with a notification of the Council's data matching exercise.		
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error? And do we refer to NFI in our Governance codes and statements?	**YES** As above, the NFI is an integral part of the Council's Corporate Fraud & Corruption Policy. The Council's participation in the NFI is reflected in the Council's Local Code of Corporate Governance and the Annual Governance Statement.	NO	
4. Does our Key Contact have sufficient authority and time to ensure that NFI is delivered effectively?	**YES** Since 2015, the Council's Key Contact is the Corporate Fraud Supervisor. The NFI is a continuous programme of works for the Key Contact with administration, training, reporting, checking of matches / outcomes and regular meetings with Audit	NO	

For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
	Scotland (NFI administrators for Scotland).		
5. Has the approach to follow-up of different NFI match types been clearly set out and reported as part of the bodies NFI planning process?	**YES** The NFI planning process includes the different and new NFI match types. The Council have received new matches for Non-Domestic Rates with data held by HMRC, and the return of matches for Residential Social Care payments. The outcomes for these matches will be included in reports to the Scrutiny and Audit Committee.	NO	
6. Are NFI progress and outcomes reported regularly to senior management and elected/board members (e.g., the audit committee or equivalent)?	**YES** The NFI progress and outcomes are reported to the Scrutiny and Audit Committee on an annual basis covering the period 1 April to 31 March. A regular NFI Progress report is prepared by the Corporate Fraud Supervisor for the Acting Senior Manager – Internal Audit and the Chief Internal Auditor.	NO	
7. Where we have not submitted data or used the matches returned to us (e.g., council tax single person discounts), are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	**N/A** The Council submits all mandatory data requested.	N/A	

For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
8. Does Internal Audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	**YES** The Corporate Fraud Supervisor reports to the Acting Senior Manager – Internal Audit and updates the Chief Internal Auditor regularly. Regular updates on progress with the NFI exercise are provided to the Acting Senior Manager – Internal Audit and this is discussed at regular update meetings. Any identified weaknesses are considered for any further investigative action.	NO	
9. Do we review how frauds errors arose and use this information to improve our internal controls?	**YES** The Corporate Fraud Team reports all investigation findings, including actions required to mitigate the fraud re-occurring. These reports are for the Senior Manager – Internal Audit, Service Areas and People Services where necessary. Fraud Awareness training is offered to the Service Area and is delivered as awareness and a deterrent internally. Case studies are used in the training.	NO	
10. Do we need and have access to Fraud Investigation Officers to enable frauds to be followed-up fully?	**YES** The Council's Corporate Fraud Team has one Corporate Fraud Supervisor and three Fraud Investigation Officers. All four Officers hold professional accreditations in Counter Fraud Investigations and Counter Fraud Management.	NO	

For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
11. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (e.g., successful prosecutions)?	**YES** The Corporate Fraud Team's Activity and Performance Report, which is published annually through reporting to the Scrutiny and Audit Committee, contains outcomes relating to all corporate fraud employee investigations including the Council's Whistleblowing activity and outcomes.	NO	

Cabinet Office

National Fraud Initiative

National Fraud Initiative

Estimates Outcomes Methodologies 2024/25



Estimated Outcomes Methodologies 2024/25

The NFI uses the term 'outcomes' to refer to the financial value of fraud, error and overpayment that can be attributed to NFI data matching. In some cases NFI outcomes include an estimated element which seek to capture:

1. The value of loss from a fraud or error detected as a result of an NFI match, in instances where no monetary value can be recovered - such as the value of recovering a property from a tenant who has fraudulently obtained that tenancy.
2. The value of any future losses that may have been incurred without intervention as a result of an NFI match. For example, the value of future overpayments prevented through detecting and stopping a fraudulent or erroneous housing benefit claim.

Most NFI datasets have a methodology to calculate estimated outcomes. These methodologies take into account:

- data relevant to the fraud problem, including national published data and data from previous NFI cases
- the policy context relative to the fraud problem
- any regional variances that may result in the generation of estimate methodologies specific to a region or area
- alignment where possible with relevant estimated savings methodologies used in other central government departments

All methodologies are reviewed prior to the start of each new NFI exercise. Any changes are reviewed by the Cabinet Office NFI Governance Board and approved by the Cabinet Office Fraud Prevention Panel. This panel consists of cross government counter fraud experts (including representatives from DWP, HMRC, NHS, MOD, BEIS, DFID, NAO, etc.) who review and challenge, where necessary, methodologies for calculating the estimated value of fraud prevention initiatives across government departments.

Once approved, these methodologies are built into the NFI web application to enable the estimated outcomes element to be automatically generated.

A summary of the outcomes methodology calculations applied to NFI datasets is set out in the following table.

Data Match	Estimated Savings Methodology
Housing Benefit	Weekly benefit reduction multiplied by 29 weeks Aligned with the DWP 'Future Overpayments Prevented' (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected, and takes into account detection and recovery rates.
Council Tax Reduction	Weekly benefit reduction multiplied by 40 weeks Aligned with the DWP 'Future Overpayments Prevented' (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected, and takes into account detection and recovery rates.
Welfare Benefits	Weekly benefit reduction multiplied by 29 weeks Aligned with the DWP 'Future Overpayments Prevented' (FOP) methodology which utilises data from previous cases to calculate the average period of time an overpayment may continue undetected, and takes into account detection and recovery rates.
Pensions	**Deceased Pensioners:** Annual pension multiplied by the number of years until the pensioner would have reached the age of 85 (ONS life expectancy for an individual over 65). If the pensioner is 85, a one year multiplier is applied
Blue Badges	£794 per blue badge cancelled to reflect lost parking and congestion charge revenue. **Estimate considers:** ● the average reported cost per badge per year due to badge misuse ● the prevalence of fraud - proportion of blue badges that are likely to be misused ● the duration for which fraudulent use of the blue badge may continue undetected
Concessionary Travel	£38 per concessionary pass cancelled, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme. **Estimate considers**: ● the cost of concessionary journeys made ● costs associated with card administration ● the duration for which fraudulent use of the pass may continue undetected ● the prevalence of fraud - proportion of passes that are likely to be misused

Housing Tenancy	£78,300 per property recovered £51,460 per property recovered in Northern Ireland **Estimate considers:** ● annual cost of temporary accommodation £12,000 (£7,670 for Northern Ireland) ● duration for which fraudulent tenancy may continue undetected - 6 years; this constitutes the fraud occurring for 3 years at point of detection and a further 3 years forward savings for the expected time it would have continued ● other non-recoverable costs including legal costs to recover property; re-let cost
Right to Buy	**This estimate has the following regional variations:** ● England (excluding London) £102,400 per application withdrawn to reflect average house prices and the maximum value of Right to Buy discount available for properties in England. ● London: £136,400 per application withdrawn to reflect average house prices and the maximum value of Right to Buy discount available for London properties ● Northern Ireland: £24,000 per application withdrawn based on average house prices and Right to Buy discounts in Northern Ireland
Housing Waiting Lists	£4,283 per individual removed from the Housing Waiting List **Estimate Considers:** ● the annual cost of housing a family in temporary accommodation (12.1K) ● the likelihood a waiting list case would have been provided a property ● the duration for which a fraudulent case may continue undetected
Council Tax Single Person Discount	Annual Council Tax discount multiplied by 2 years
Payroll	£6,054 per standard case **Estimates consider:** ● cost of individuals working at a different body while in receipt of sick pay from primary employer ● failure for an individual to meet contractual obligations at one body due to multiple employment and conflicting obligations

ITEM No …7……..

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE - 23 SEPTEMBER 2026**

REPORT ON: **CORPORATE FRAUD TEAM ACTIVITY AND PERFORMANCE, INCLUDING WHISTLEBLOWING 2025/2026**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **192-2026**

1.0 PURPOSE OF REPORT

This report is to inform Elected Members of the Corporate Fraud Team's (CFT's) activity and performance for the 12-month period to 31 March 2026, including whistleblowing activity.

2.0 RECOMMENDATIONS

It is recommended that Members of the Committee note the information in this report.

3.0 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the agreement of this report.

4.0 BACKGROUND

4.1 At the 27 April 2015 Policy and Resources Committee (Article VIII, Report No 180-2015), Members approved the establishment of a CFT from 1 June 2015. The CFT is a specialist investigative unit with responsibility for investigating all types of fraud.

4.2 The Corporate Fraud Team comprises of 4 professionally qualified staff, comprising 1 Corporate Fraud Supervisor (Accredited Counter Fraud Manager) and 3 Corporate Fraud Investigation Officers (Accredited Counter Fraud Investigators).

4.3 The Fraud Team is charged with preventing, detecting and investigating fraud, The Team has successfully promoted an anti-fraud culture over many years with targeted fraud awareness training to Service Areas and prosecutions resulting in local and national publicity. The value of fraud prevention cannot be easily determined but there is no doubt that having an active Fraud Team and supporting policies decreases the risk of fraud being perpetrated.

5.0 CORPORATE FRAUD TEAM ACTIVITY

5.1 <u>Corporate Fraud Team Investigative Work</u>

- Throughout 2025/2026, the CFT investigated cases of alleged bribery and corruption involving staff, stolen cash and vouchers and a case of financial exploitation of vulnerable adults by external parties. A total of 6 cases were reported to Police Scotland in 2025/26 and the CFT continue to work with Police Scotland and the Procurator Fiscal for those cases.

- Overall, from 1 April 2025 to 31 March 2026, the CFT identified £140,014 of savings/benefits identified from general investigative work. Further detail is included at Appendix 1 along with referral statistics for the year.

5.2 Business Grants

During 2025/2026, the CFT continued to play a pivotal role in the mandatory process of due diligence of the applicants/businesses prior to any business grant being awarded. These grants included the Business Growth and Innovation Grant, Commercial Buildings Enhancement Grant and the Community Facilities funding.

5.3 DWP and other Partner Working

- The CFT continues to work closely with the DWP and is represented at both local and national (Scottish) level meetings to help support the Housing Benefit investigation process in general and recovery of overpayments from Housing Benefit fraud and error in Dundee.

- The CFT participates in the investigations of Housing Benefit through gathering and sharing of evidence and producing witness statements as part of an agreement with DWP. That work identified £91,015 of fraud and / or error in Housing Benefits through the collaborative working practices. Further detail is included at Appendix 1 along with statistics for the previous year.

- Fraud knows no boundaries. By working with other public sector organisations, we strengthen our fraud alerts, fraud trends, prevention and detection knowledge. Sharing best working practices strengthens our ability to identify, investigate, and prevent fraud more effectively. This assists in creating a united front against fraud, safeguarding public resources and upholding integrity in the process.

- The CFT currently work and share best practice with various other agencies and public sector bodies. These include various teams within Police Scotland, Scottish Government, Audit Scotland, OSCR (Office of the Scottish Charity Regulator), the Cabinet Office, SEPA (Scottish Environment Protection Agency), NHS Counter Fraud Services, SAAS (Student Awards Agency Scotland), HMRC and other Scottish local authorities through our membership of SLAIG (Scottish Local Authorities Investigators Group.

5.4 Advice, Guidance and Corporate Support

In addition to the investigative work carried out during 2025/2026, the CFT has continued to provide a diverse range of advice, guidance and support to the Council's strategic services.

- The CFT have an active role in Government Procurement Card (GPC) compliance including delivering training/awareness and completing compliance checks on usage of GPCs as per the Council's Guidelines. The CFT work closely with the Corporate Procurement Team and Service Area management teams of the cardholders.

- During 2025/26 the Council had 449 active GPCs. The CFT carried out proactive work with 46 compliance checks on high value transactions and these were closed with no further action. 4 separate cases were referred to the CFT for investigation and as at 31 March 2026 were still active. Where the outcomes of these investigations show misuse of the GPC, these will be referred to the Procurement team in line with the GPC policy. Further training, cancellation of the card or appropriate disciplinary action may be taken.

- The CFT have assisted Democratic and Legal Services by carrying out a proportion of checks of Licence Renewal Applications (Taxi and Civic) as part of the Licence Renewal Process and for new licenses.

- The CFT has continued to be actively involved in operational groups and processes, including the Serious Organised Crime Group and Integrity Group both of which are chaired by the Head of Corporate Finance.

- The CFT Supervisor's work in the Council's Serious Organised Crime Group includes maintaining a Serious Organised Crime Risk Register. The CFT Supervisor continues to work closely with local Police Scotland teams and the National Serious Organised Crime Interventions Unit (NSOCIU), Scottish Crime Campus, Gartcosh.

- The CFT Supervisor has continued during 2025/2026 to be the Scottish representative on the Executive Board of NAFN (National Anti-Fraud Network) and an active member of SLAIG (Scottish Local Authority Investigators Group). As part of SLAIG, the CFT Supervisor participates in discussions with the Crown Office and Procurator Fiscal Service (COPFS) and Scottish Government regarding the ongoing prevention and detection of public sector fraud.

- The CFT also receive national fraud alerts through NAFN from the National Crime Agency, the National Fraud Intelligence Bureau and the National Cyber Security Centre. These alerts are distributed to key Council staff.

5.5 Fraud and Corruption Heat Map

- The Corporate Fraud Team, in conjunction with Risk Management has developed a Fraud and Corruption Heat Map which identifies a number of potential fraud and corruption risk types and gives an indication of where fraud is more likely to arise across a particular service area.

- Service Areas are required to address and manage fraud and corruption risks as part of their existing Risk Registers (RR's). The heat map is there to supplement existing Service Area RR's and to assist both the CFT and Services in pro-actively focussing on key risks. It sets out to identify the degree of risk in Service Areas against a standard set of fraud and corruption risks, highlighted by a 'RAG' (red/amber/green) rating, where efforts to mitigate fraud and corruption risks should be focussed.

- The Integrity Group are updated on a regular basis on the progress of mitigation of the fraud and corruption risks identified in this heat map and of any new risks that require to be added. All risks are reviewed on a periodic basis by the Corporate Fraud Team and reported to the Integrity Group.

5.6 Corporate Fraud Employee Investigations

- All allegations of fraud and corruption are investigated by the CFT, in partnership with other Council colleagues and external agencies where appropriate.

- During 2025/2026, the CFT investigated allegations of fraud which at times involved working alongside Police Scotland and the COPFS. Other CFT investigations during 2025/2026 involving employees included allegations of secondary / self-employment working whilst off sick or during working hours, theft of items, materials and cash, not working contracted hours, abuse of flexible working, using council vehicle for personal use, Council Tax liability circumvention, bribery, breach of IT Security policy, breach of data protection, Social Media Policy breach, misuse of position, illegal disposal of tyres and misuse of Government Procurement Cards.

- Following conclusion of investigations, recommendations are made for new or revised internal controls to reduce the risk of similar incidents happening in the future. Examples included reminders to staff to keep cash and valuables secure at all times, breach of data protection reported to the Information Governance Team for further consideration, and recommendations for requirement for better premises security and the use of CCTV. Advice around reducing cash on premises and banking and recording cash was provided to staff for one of the investigations. Some of the investigations were closed not proven.

- Where the result of any investigation is referred to the People Service, it is the remit of the People Service and the employee's Head of Service to consider whether any disciplinary action is required.

5.7 Whistleblowing

- The Council's whistleblowing function is corporately managed by the CFT. The CFT manages the Council's dedicated whistleblowing telephone line and email reporting arrangements. It also monitors and records all whistleblowing allegations and outcomes on the Council's Fraud Management System.

- In line with the policy, all whistleblowing allegations received are shared with the Council's Service Lead HR (People Service), the Head of Democratic and Legal Services and the Acting Senior Manager - Internal Audit. These managers, or an appropriate delegated officer, determine how best to proceed with, and who should lead, an investigation.

- The action taken by the Council in response to a reported concern will depend on its nature, but may include one or more of the following:

  - carrying out an internal investigation (People Service, Internal Audit and/or CFT).
  - dealing with the matter through an internal Service Area procedure.
  - referring the issue to Police Scotland and/or to External Audit.
  - referring the issue to an external public or regulatory authority.
  - appointing external specialists to investigate where required.
  - no formal investigation is required.

- Employees can report concerns in a variety of ways e.g. speak to their supervisor, send a letter, complete an anonymous form on the intranet or internet, email the dedicated whistleblowing email address or phone the 24hr freephone whistleblowing telephone number.

- For the 12-month period to 31 March 2026 the Council received 22 whistleblowing allegations (31 for period to 31 March 2025). The continued reporting of whistleblowing allegations demonstrates the ongoing positive culture of the organisation in which staff feel comfortable enough to report their concerns. Whistleblowing allegation statistics, split by service area, can be found at Appendix 2 along with corresponding outcomes data.

5.8 National Fraud Initiative (NFI)

The National Fraud Initiative (NFI) in Scotland is a biennial counter-fraud exercise led by Audit Scotland that uses data matching to detect and prevent fraud and payment errors across public bodies in Scotland, England & Wales. The Council's participation in the NFI is co-ordinated by the CFT and the Council's Key Contact is the CFT Supervisor. The Council's NFI performance is reported in a separate annual report to this Committee. (Report 193-2026 refers).

5.9 CIPFA Code of Practice on Managing the Risk of Fraud

- The CFT completes an annual self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. The Code of practice outlines five key principles an organisation should follow to avoid fraud and the specific steps involved:

  - acknowledge the responsibility of the governing body for countering fraud and corruption.
  - identify the fraud and corruption risks.
  - develop an appropriate counter fraud and corruption strategy.
  - provide resources to implement the strategy.
  - take action in response to fraud and corruption.

- The Self-Assessment has been completed and confirms that the Council has adopted a response that is appropriate for its fraud and corruption risks. Appendix 3 refers.

6.0 POLICY IMPLICATIONS

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

7.0 CONSULTATIONS

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

8.0 BACKGROUND PAPERS

None.

PAUL THOMSON **DATE: 31 AUGUST 2026**
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

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APPENDIX 1

CORPORATE FRAUD ACTIVITY AND PERFORMANCE REPORT - 1 APRIL 2025 TO 31 MARCH 2026 (including comparison with 2024/2025)

Table 1 - CFT Referrals/Information Exchanges Statistics and Employee Cases

REFERRALS FRAUD OR ERROR TYPE/SERVICE AREA	NUMBER OF REFERRALS 2024/25	NUMBER OF REFERRALS 2025/26
Referral Type/Information Exchanges		
Blue Badge	45	45
Business Grants/Other Grants	72	12
Children & Families Services		1
City Dev Services		7
Community Safety & Protection	-	1
Corporate Services		14
Council Tax (Council Tax Reduction and Discounts)	35	47
Dundee Health & Social Care Partnership		2
Education	-	2
Government Procurement Card Compliance Checks (GPC)	1	46
Housing Tenancy Fraud	9	13
Housing & Communities	-	1
Legal Team	1	2
Leisure & Culture	-	1
Licensing	-	1
Non-Domestic Rates	3	-
Payroll	47	2
Parking	1	-
Pensions	1	-
Procurement	1	1
School Placing Requests	3	3
Service Area (allegations involving employees / internal investigations - see para 5.6 above for examples)		
Children and Families	20	12
City Development	6	2
Corporate Services	4	1
Neighbourhood Services	11	2
Dundee Health and Social Care Partnership	4	3
Leisure and Culture Dundee	5	1
SUB-TOTAL	**269**	**222**
Data Protection Enquiries & Police Portal Exchange from other Enforcement Agencies/LA's	11	23
Housing Benefit - DWP Information Exchange for Investigation Cases	15	24
TOTAL	**295**	**269**

APPENDIX 1 cont'd

Table 2 - Savings/Benefits Identified

FRAUD OR ERROR TYPE	NUMBER OF CASES 2024/25	SAVINGS IDENTIFIED (£)/ BENEFITS 2024/25	NUMBER OF CASES 2025/26	SAVINGS IDENTIFIED (£)/ BENEFITS 2025/26
Council Tax (Council Tax Reduction, Single Person Discount and Exemptions)	20	28,439	22	34,659
Business Grants	12	69,225	-	-
General (Business Rates/School Placings)	2	2,246	-	-
Legal Enquiry	-	-	1	7,163
Neighbourhood Services	-	-	1	17,510
Blue Badge Fraud	-	-	3	2,382**
Tenancy Fraud	2	186,000*	1	78,300*
SUB-TOTAL	**36**	**285,910**	**28**	**140,014**
Housing Benefit - DWP Information Exchange for Investigation Cases	9	65,148	11	91,015
TOTAL	**45**	**351,058**	**39**	**231,029**

*notional saving figure - £93,000 per property recovered in 2024/25 & £78,300 per property recovered 2025/26. Notional amounts based on NFI Estimates Outcomes Methodologies (Cabinet Office).

** notional saving figure - £794.00 per Blue Badge recovered

APPENDIX 2

The tables below provide a summary of results from the whistleblowing activity for 12 months to 31 March 2026 (including comparison with 2024/2025).

Table 1 - Whistleblowing Allegations per Service Area

Service Area	No of Allegations 2024/25	No of Allegations 2025/26
Chief Executives Service	-	1
Children and Families	8	8
City Development	1	4
Corporate Services	4	2
Neighbourhood Services	15	6
Dundee Health and Social Care Partnership	3	1
TOTAL	**31**	**22**

Table 2 - Outcomes of Whistleblowing Allegations

Progress / Outcome	No of Outcomes 2024/25	No of Outcomes 2025/26
Ongoing	11	13
No further action / unsubstantiated	12	6
Dealt with in line with current HR procedures	8	3
TOTAL	**31**	**22**

APPENDIX 3

Dundee City Council 2025/2026 - Self-Assessment against CIPFA Code of Practice on Managing the Risk of Fraud & Corruption

CIPFA Code of Practice	CIPFA Good Practice Guidance	
A1 The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.	It is good practice for the responsibilities for managing the risk of fraud and corruption to be included in the organisation's scheme of delegation or terms of reference.	Corporate Fraud and Corruption Policy in place. Last revised and approved by Council Leadership Team in 2022. Policy references responsibilities of officers and Councillors. Financial Regulations Paragraph 2.5.1 - includes Service Executive Director responsibility to report any suspected irregularity or suspected fraud to Internal Audit. Oversight of counter-fraud arrangements is provided by the Scrutiny and Audit Committee in response to an annual report of Corporate Fraud Performance and Activity plus Whistleblowing. Corporate Fraud and Risk Heat Map in place.
A2 The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.	The organisation's leadership team can support a counter fraud culture by: • Providing visible support for counter fraud and corruption activity. • Recognising the risk of fraud and corruption and the harm it can cause to the organisation and to those the organisation helps and/or protects. • Including reference to counter fraud and corruption activities in the principles of good governance and standards	Corporate Fraud and Corruption Policy. Annual Corporate Governance questionnaire includes questions on fraud prevention and detection arrangements and arrangements are reflected in the Annual Governance Statement. Fraud Governance Arrangements in place to support recognition of risk and harm to protect the organisation:- • Whistleblowing Policy and Guidance for Managers and Employees • Bribery Policy and Procedures • Corporate-Fraud and Corruption Policy and Procedures • Anti-Money Laundering Policy and Procedures • Fraud Guidelines/Standing Orders/Financial Regulations • Registers of Members and Officers Interests • Gifts, Gratuities and Hospitality Policy and Register • Participation in the National Fraud Initiative • Council's Integrity Group • Serious Organised Crime Group and Risk Register • Internal Data Matching/External Data Matching

CIPFA Code of Practice	CIPFA Good Practice Guidance	
	of conduct adopted by the organisation. • Ensuring the organisation is responsive to new fraud and corruption risks. • Embedding strong counter fraud controls and systems within the organisation. • Providing visible support and resourcing for fraud awareness activity. • Supporting counter fraud and corruption training throughout the organisation. • Ensuring that other governance papers, strategies and policies include fraud and corruption risks wherever relevant.	• Corporate Fraud Hotline/Dedicated Whistleblowing Line • Corporate Fraud Risk Heat Map Resources are provided for a Corporate Fraud Team to prevent, detect, investigate and raise awareness of fraud. Currently fraud staff resources are 1 x Accredited Corporate Fraud Supervisor and 3 x Accredited Corporate Fraud Investigators. Employee Code of Conduct in place including the Nolan Principles. Financial Regulations Paragraph 2.5.1 - includes Service Executive Director officer responsibility to report any suspected irregularity or suspected fraud to Internal Audit. Local Code of Corporate Governance includes reference to counter-fraud work including Fraud reporting and whistleblowing and sets out the principle of “behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law”.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
A3 The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.	The governing body should ensure that there is a clear programme of work in accordance with the Code to manage the risk of fraud and corruption. The organisation's leadership team can also provide strong and genuine support by delegating appropriate authority to counter fraud professionals.	Adoption of this CIPFA self-assessment. Remit of the Scrutiny and Audit Committee. Annual Corporate Fraud report to Scrutiny and Audit Committee. Local Code of Corporate Governance includes reference to counter-fraud work. Corporate Fraud Team operating within Internal Audit. Annual Corporate Governance questionnaire includes questions on fraud prevention and detection arrangements and arrangements are reflected in the Annual Governance Statement. Annual Governance Statement approved as part of the final accounts process.
A4 The governing body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention.	Could include: • Formal fraud risk management process. • Production, maintenance and review of a fraud strategy. • Formal fraud awareness activity. • Clear directions on actions to be taken if fraud or corruption is discovered.	A Fraud Risk Heat Map has been produced for incorporation into the Council's Risk Management process. All Service Area Leadership Teams were briefed. The Heat Map is managed and maintained by the Corporate Fraud Supervisor. Fraud and Corruption Risks are included in Service Risk Registers. Internal and external data matching exercises undertaken using Council Tax Single Person Discount and internal records, e.g. National Entitlement Card and Housing Waiting lists, new employees. Participation in the biennial National Fraud Initiative. Fraud awareness activity is both reactive, e.g. whistleblowing allegations and proactive e.g. compliance work on controls and processes relating to Government Procurement Cards. The Council has established an Integrity Group which meets quarterly and on an ad-hoc basis when allegations of a serious fraud or corruption have potentially been identified. Participation in the biennial National Fraud Initiative and other data matching fraud exercises hosted by the National Fraud Initiative Team.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
B1 Fraud risks are routinely considered as part of the organisation's risk management arrangements.	Fraud risk identification could include: • Compare identified risks with other similar organisations • Fraud risk workshops within departments • Fraud risk review conducted by internal audit, external audit or specialist consultant	The Council's Corporate Fraud Team works with and shares best practice with various other agencies and public sector bodies. These include various teams within Police Scotland, Scottish Government, Audit Scotland, OSCR (Office of the Scottish Charity Regulator), the Cabinet Office, SEPA (Scottish Environment Protection Agency), NHS Counter-Fraud Services, SAAS (Student Awards Agency Scotland), HMRC and other Scottish local authorities. Sharing best practice and monitoring the fraud risk areas as part of the Scottish Local Authorities Investigators Group (SLAIG). Fraud Heat Map. Fraud and Corruption Risks are included in Service Risk Registers.
B2 The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.		Financial Regulations Paragraph 2.5.1 - includes Service Executive Director responsibility to report any suspected irregularity or suspected fraud to Internal Audit. Code of Conduct for Employees Code of Conduct for Elected Members Local Code of Corporate Governance.
B3 The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures.	The organisation can use estimates of fraud loss and any measurement exercise to quantify the potential losses that different fraud risks cause.	Work of Corporate Fraud Team includes review of published information including National Fraud Initiative Reports, Audit Scotland Reports and other published reports containing losses and reference to fraud risks.
B4 The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause.	Reputational damage to the organisation or damage to specific service objectives.	Counter fraud work contributes to the Council's priorities including: • Reduce inequalities in incomes (Housing, School Placement, Blue Badge) • Build resilient and empowered communities (Housing)

CIPFA Code of Practice	CIPFA Good Practice Guidance	
C1 The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged responsibilities and goals.		The Counter-Fraud and Corruption Policy details the Council's approach to the prevention and detection of fraud and corruption and applies across all Council service areas.
C2 The strategy includes the organisation's use of joint working or partnership approaches to managing its risks, where appropriate.		The Counter-Fraud and Corruption Policy details the Council's approach to joint working / partnership working - see Section 7 (Investigation Sources and Pro-Active Work) and Section 9 (Co-operation with Others).
C3 The strategy includes both proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks.	<u>Proactive</u> • Develop a counter fraud culture • Prevent fraud through internal control measures • Use techniques to validate data • Publicise counter fraud policy and actions <u>Responsive</u> • Detecting fraud through data and intelligence analysis • Implement effective reporting arrangements • Investigate fraud referrals	<u>Proactive</u> • Partnership work with internal colleagues. • Online fraud reporting form. • Robust internal controls. • Acknowledge receipt of policy through Employee Resources. • Fraud Heat Map. <u>Responsive</u> • Data matching - internal and National Fraud Initiative. • Integrity Group. • Whistleblowing. • Recovery of losses. • Disciplinary action. • Specialist investigations. • Reporting direct to COPFS or Police Scotland.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
C4 The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.	The strategy should - • Allow for measurement • Identify the key fraud risks • Be considered by Audit Committee	Revised Corporate Fraud and Corruption Policy approved by Council Leadership Team 2022. Policy references responsibilities of Officers and Councillors. Annual Corporate Fraud report to Scrutiny and Audit Committee.
D1 An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk.	An annual assessment should be conducted to review whether the level of resource invested is proportionate for the level of risk.	Reviewed as part of the completion of this self-assessment - no resource issues identified. Will be reviewed annually. External Audit comments in annual report. Incident and Probity logs completed and assessed to determine whether any further work required on identified areas. Annual Governance Statement.
D2 The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation	Training needs to be provided to ensure that counter fraud staff have the skills, experience and accreditation to conduct their work.	Corporate Fraud Team staff are appropriately qualified, skilled and experienced. Ongoing consideration is given to the training requirements of corporate fraud staff.
D3 The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes.		Financial Regulations 2.5.1 - references Internal Audit which includes the Corporate Fraud Team as having this access.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
D4 The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.		Corporate Fraud Team work with partners including the DWP, NFI, National Anti-Fraud Network, Police Scotland and others to share intelligence and data to support counter-fraud activity. Data is shared through appropriate legal gateways.
E1 The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes: • Counter fraud policy • Whistleblowing policy		Policy in place - Corporate Fraud and Corruption Policy. Policy in place.
• Anti-money laundering policy		Policy in place
• Anti-bribery policy		Policy in place
• Anti-corruption policy • Gifts & hospitality policy & register		Policy in place - Corporate Fraud and Corruption Policy. Policy and Register in place.
• Pecuniary interest and conflicts of interest policies and register		In place for Councillors and staff.
• Codes of conduct and ethics		In place for Councillors and staff.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
• Information Security Policy		Policy in place
• Cyber security policy		Policy in place for Councillors & staff - ICT Safe and Secure Use Policy. The above policies are available to staff from One Dundee intranet / SharePoint
E2 Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption.	A proactive plan can be developed to achieve early detection of fraud and corruption	Key risks are addressed thus contributing to the overall goal. Fraud and Corruption Risks are included in Service Risk Registers. Proactive work will continue to be planned as a response to the key fraud risks faced by the Council.
E3 Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing.		National Fraud Initiative Scottish Local Authority Investigator's Group National Anti-Fraud Network Scottish Local Authority Chief Internal Auditor's Group
E4 Providing for independent assurance over fraud risk management, strategy and activities.		Internal Audit reviews. e.g. side by side activity between Corporate Fraud Team and Internal Audit Team. External Audit report to Members. Fraud Governance was reviewed by Council's Internal audit co-sourcing partner in 2018.

CIPFA Code of Practice	CIPFA Good Practice Guidance	
E5 There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.		Annual Governance Statement. Annual Corporate Fraud Performance and Activity report to Scrutiny and Audit Committee.

REPORT TO: **SCRUTINY AND AUDIT COMMITTEE – 23 SEPTEMBER 2026**

REPORT ON: **AUDIT SCOTLAND NATIONAL REPORTS**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **172-2026**

1 PURPOSE OF REPORT

1.1 To provide elected members with a summary of recent national publications and reports that have been undertaken by Audit Scotland on behalf of the Accounts Commission.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee notes the key messages arising from the Audit Scotland reports and other information included in the report. In particular:

- note there are no additional actions are required beyond existing monitoring and governance arrangements; and
- note there is no Dundee-specific recommendations were made in any of these national reports.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4 MAIN TEXT

4.1 Audit Scotland regularly issues national publications and reports which have implications for local authorities. This report summarises various key reports issued from 1 February 2026 to 30 June 2026 and highlights the implications for Dundee City Council and provides an overview of the work undertaken within the Council to tackle the issues highlighted in these reports. There are no Dundee City Council specific recommendations in these Audit Scotland reports.

4.2 The key Audit Scotland reports for this period included:

a) Local Government Budgets 2026/27 issued in June 2026 which supplements the Scottish Budget report issued in February 2026.

Despite a funding increase in 2026/27, councils will continue to face significant challenges in remaining financially sustainable over the medium term as demands rise and costs increase. Furthermore, funding from the Scottish Government to 2028/29 is projected to fall in real terms, challenging councils to consider and implement the measures necessary to ensure the ongoing delivery of services.

The local governments budgets for 2026/27 included £15.7billion of Scottish Government funding. Council's approved net revenue budgets of £18.9billion. The revenue budget shortfall

identified by councils at the time of the budget 2026/27 budgets was £529million which represents approximately 3% of council's general fund revenue budgets.

In real terms the capital funding to council's dropped by 15% between 2025/26 and 2026/27. Local Authority approved capital budgets are currently £5billion made up of General Fund £3.5billion and Housing Revenue Account £1.5billion.

A 15 per cent decrease in capital funding is limiting councils' capacity to sustain and develop infrastructure, resulting in greater dependence on borrowing and heightened long-term financial risk. Nevertheless, overall councils are expanding their capital budgets for housing, with all councils committing to investment in new housing for 2026/27.

Local authority's revenue contributions to Integration Joint Boards (IJBs) are £4.3billion for 2026/27 which is a real terms increase of £220million compared to 2025/26. Councils contributions to IJBs represent 24% of their revenue budget.

To achieve a balanced budget in 2026/27, councils are implementing a range of local measures, including planned savings of one per cent of the combined net revenue budget across services and the use of reserves. All councils increased council tax for a second consecutive year by an average of 7.7 per cent and collectively expect to raise more than £1.2 billion through fees and charges for local services.

Projected reductions in Scottish Government funding over the medium term are expected to intensify financial pressures and increase the risk of councils becoming financially unsustainable, unless they stop, reduce or significantly redesign services. Funding for social care, mainly through Integration Joint Boards (IJBs), represents a high proportion of council spend, with increasing demand for these services, putting pressure on council budgets. Councils continue to forecast short-term budget gaps to 2028/29 and are considering a wide range of measures to achieve balanced budgets in future years. As savings options increasingly focus on changes that impact on services offered to people, effective and consistent consultation with communities will be essential.

DCC Response:

Dundee City Council considered the content of both reports. Notably as part of its cyclical processes Dundee City Council provides an update on its budget strategy and financial outlook. The update encompasses all known environmental changes that will impact on the forthcoming budget process. Report 195-2026 Budget Strategy and Financial Outlook (City Governance Committee – 21 September 2026) considers fully both the Local Government Budgets 2026/27 and the Scottish Budget report.

The Council's current financial forecasts continue to indicate a challenging medium-term position, with a projected budget shortfall of at least £12.7m in 2027/28 and an estimated cumulative gap of £34.7m over 2027-30, before any agreed Council Tax increases. Key risks include future Scottish Government funding levels, pay inflation, statutory duties and demand-led pressures, including Health and Social Care.

Officers are identifying savings options to support the setting of a balanced budget, including operational efficiencies, income generation, transformational change and workforce-related savings. Where proposals may affect services, consultation and impact assessment processes will be used to ensure that elected members' decisions are informed by community feedback and equality considerations.

The Council will continue to review assumptions, monitor financial risks and report updated budget information to members as further national funding announcements become available.

b) Code of Practice 2026 June 2026

This Code describes the purpose and scope of public audit in Scotland. The 2026 update replaces the Code issued in June 2021 and comes into effect for audits of financial years starting from 2027/28. The Code sits at the centre of the arrangements for public audit in Scotland, and it is a condition of their audit appointment that auditors comply with its requirements. The Code sets out the framework for strong and effective public audit which supports accountability and provides independent assurance that public money is spent and reported properly. It applies to all audit work undertaken by appointed auditors and by performance auditors including the audit of the annual accounts, which has a wider scope than the private sector, performance auditing and auditing Best Value arrangements. It reflects the legal requirements for audit, as well the professional standards with which auditors must comply. In addition, it sets out the arrangements which promote auditor independence and monitor audit quality.

DCC Response:
Dundee City Council takes a proactive approach towards the Code of Practice. Dundee City Council participated in the Code of Audit Practice 2026 consultation process. The Council's Final Accounts Working Group (FAWG) sets out a programmed review and implementation of legislative changes and good practice guidance each year. The process is cyclic commencing in October prior to the year end. The process identifies tasks and forms an action plan that enables timely amendments to be implemented enabling all statutory requirements and best practice to be delivered. The process operates in partnership with external audit to enable smooth implementation. The adoption of the 2026 Code of Practice will be embedded within this annual process.

c) Climate Change Plan 2026-30 - January 2026

The focus of the report is in the main in relation to Audit Scotland climate change activities. Nonetheless there are specific considerations in terms of the actions of public bodies. The report outlines Audit Scotland's aim to hold public bodies to account and help drive change and improvement in how they are working together and targeting resources to reduce emissions and build resilience to climate change. Audit Scotland have indicated that good practice includes disclosures in annual accounts and enhanced transparent governance arrangements.

DCC Response:
The Climate Change (Scotland) Act 2009 requires Dundee City Council to reduce carbon emissions, adapt to climate change, and act sustainably. Tackling climate change and achieving Net Zero is a key strategic priority in the Council Plan and Dundee Partnership's City Plan.

Dundee City Council recognises that climate change represents one of the most significant long-term challenges facing public services, communities and local economies. In response, the Council has adopted a strategic and coordinated approach to both reducing emissions and preparing for the impacts of a changing climate. Through its Net Zero Transition Plan, the Council has committed to becoming a net zero organisation by 2038 or sooner, with a programme of work that extends across all Council services and incorporates emissions reduction, climate resilience, circular economy principles, procurement, staff engagement and a just transition. The plan provides a framework for embedding climate considerations into decision-making, governance and service delivery across the organisation.

Dundee City Council is taking a collaborative, evidence-led approach to climate action. Through its Local Area Energy Plan (LAEP), the Council has identified a long-term pathway for decarbonising heat and energy across the city, while Climate View provides a data-driven platform to support planning, monitoring and reporting of progress towards net zero. Alongside strategic planning, the Council continues to secure investment for public building

decarbonisation, housing retrofit and low-carbon heat projects, helping to reduce emissions while delivering wider social and economic benefits.

The Council is also working closely with regional and national partners to ensure that climate action delivers wider social, environmental and economic benefits. Through programmes such as Climate Ready Tayside, Dundee City Council is helping to improve resilience to the impacts of climate change and strengthen adaptation planning across the region. This work is complemented by local initiatives including Water Resilient Dundee, which promotes a collaborative approach to managing flood risk and creating climate-resilient places, and the development of Nature Networks, which seek to enhance biodiversity, improve ecological connectivity and deliver multiple benefits for communities, health and wellbeing.

In terms of annual accounts there are detailed disclosures contained within the Performance Reporting section of the Management Commentary which specifically includes details of the following (the list is not exhaustive):-

a) Climate Emergency Plan (2019)
b) Council Net Zero Plan (2023)
c) Energy Planning
d) Climate Reporting
e) Climate View Dashboard
f) Climate Adaptation (Tayside)
g) Climate Fund

d) Delivering for the Future – May 2026

Scotland's councils continue to face deepening financial challenges, with increasing demand, the cost of delivering services is rising faster than available funding, mounting debt and falling reserves. The need for sustainable change is urgent. Transformational approaches to redesign services are an important part of the solution and delaying transformation could risk greater costs, tougher decisions and increased challenges in future years. As a result, councils need to set out clear objectives and measurable outcomes, as well as clear alignment with strategic priorities and wider plans.

It is essential that councils work with their partners in the public, private and third sectors to deliver transformation. It is important that there is consultation with communities on transformation projects in order that they understand how transformation is contributing to strategic priorities, financial sustainability and service delivery. Similarly, the effective use of Equality Impact Assessments assists in identifying and monitoring the effects of transformation activities on vulnerable and protected groups.

DCC Response:

Dundee City Council has an established transformation framework which supports clear objectives, measurable outcomes and alignment with the City Plan, Council Plan and wider strategic priorities. The Transformation Programme is structured around four key themes: Property Rationalisation, Service Design, Digital and Procurement, with progress reported regularly through established governance arrangements.

Transformation activity is directly linked to financial sustainability, with savings identified through the programme feeding into the budget-setting process and annual Council Plan reporting. Examples include the Corporate Property Rationalisation Strategy, which supports a more sustainable and fit-for-purpose estate, and the Reflect, Refresh and Renew Programme, which has delivered improved outcomes for care experienced children and young people alongside reduced expenditure.

The Council recognises that effective transformation must be informed by those affected by service change. Consultation, Integrated Impact Assessments and analysis of impacts on communities, including SIMD areas and protected groups, are used to inform proposals, identify mitigations and support elected member decision-making. Examples such as the East End Community Campus and the annual budget consultation demonstrate the Council's commitment to engaging stakeholders and ensuring transformation supports strategic priorities, financial sustainability and improved outcomes

e) Integration Joint Boards – February 2026

Over the next year, IJBs and their partner council and NHS boards need to work more collaboratively to set realistic budgets before the start of the financial year that minimise the need for additional in-year contributions. In addition, IJBs need to consult and communicate with service users, carers and the wider public on plans for changes to services and ensure appropriate impact assessments are undertaken. IJBs must set out in strategic plans as to how services will be made financially sustainable and how future demand can be managed through investment in prevention in the medium and long term, including consideration, for example, what services are delivered, how and to whom those services are delivered, and charges in services.

Over the next year, IJBs should improve the clarity and comprehensiveness of their public reporting on savings performance, including comparisons to targets agreed during budget-setting, and whether savings made were recurring or non-recurring.

DCC Response:
The Dundee City Integration Joint Board commences its detailed budget process in the summer prior to the budget's formal approval which occurs in March preceding the new budget year. An initial overview of the forthcoming budget is provided to members in the autumn. This is the first in a series of budget development reports to ensure the Dundee City Integration Joint Board is fully informed of the financial environment impacting on Dundee City Council, NHS Tayside and ultimately the Integration Joint Boards delegated budget. Notably several private development sessions are held with Integration Joint Board members during the winter months to supplement formal papers in order to keep members up to date with emerging pressures, issues and other information.

The Integration Joint Board launches its formal budget consultation in February each year with the process lasting a month. Regular promotion of the consultation is undertaken during the process to encourage feedback from a variety of stakeholders, including people who use health and social care services and supports, unpaid carers, members of the health and social care workforce and providers of health and social care services in the third and independent sector. As part of the 2026/27 process there were 565 responses.

The budget process is designed with a view to invest in additional capacity to support services and transformation that will support a strategic approach to financial sustainability. The outlook focuses on both medium and long-term needs with prevention being a key priority.

It is recognised that whilst Dundee City Integration Joint Board take a strategic approach to the budget process, they are nonetheless subject to the Scottish Government's annual national budget statement and consequently Dundee City Council's budget setting and the indicative information provided by NHS Tayside's financial plan, before they can formally set a budget each year.

In its budget setting process Dundee City Integration Joint Board provides a detailed outline of its savings identifying recurring and non-recurring savings. The published information breaks down the savings charting the impact on all stakeholders. Delivery of savings is

incorporated into regular financial monitoring reports provided to the Dundee City Integration Joint Board.

f) Audit Scotland Performance Reports

Audit Scotland as with all public bodies are required to report on its annual performance .In addition to demonstrating transparency Audit Scotland must report on the quality of its work and the quality of public audit in Scotland. In addition, Audit Scotland report on correspondence and whistleblowing from clients.

DCC Response:
Dundee City Council enjoys a strong working relationship with Audit Scotland. This has enabled both Dundee City Council and Audit Scotland to discharge their statutory duties in an efficient, effective and timely manner. The Council and Audit Scotland enjoy a partnership approach and the linkage between both bodies continues to be professional, holistic and cordial. Notably both bodies deliver to prescribed timelines which can often be tight. This is in the main due to the endeavours of staff members and robust planning. In respect of 2025/26 and to the date of this report there has been no whistleblowing or complaints made to Audit Scotland by Dundee City Council.

4.3 The Audit Scotland national reports from 1 July 2026 to 30 September 2026 will be brought to the Scrutiny and Audit Committee on the 9 December 2026. This will provide the Council the opportunity to review the content of the reports and where necessary identify and take remedial action if required. This will provide members with a comprehensive perspective on each report and how it impacts on the Council. Thereafter a report will be brought to the Scrutiny and Audit Committee in each cycle where an Audit Scotland report has a significant material impact on Dundee City Council.

5 POLICY IMPLICATIONS

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

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

7.1 None

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES 1 SEPTEMBER 2026