

Annual Accounts
As at 31 March 2026
Unaudited



June 2026

Dundee City Council

Annual Accounts 2025/26

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PART 1 - INTRODUCTION AND PROFILE

Introduction

We are pleased to present the Unaudited 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.

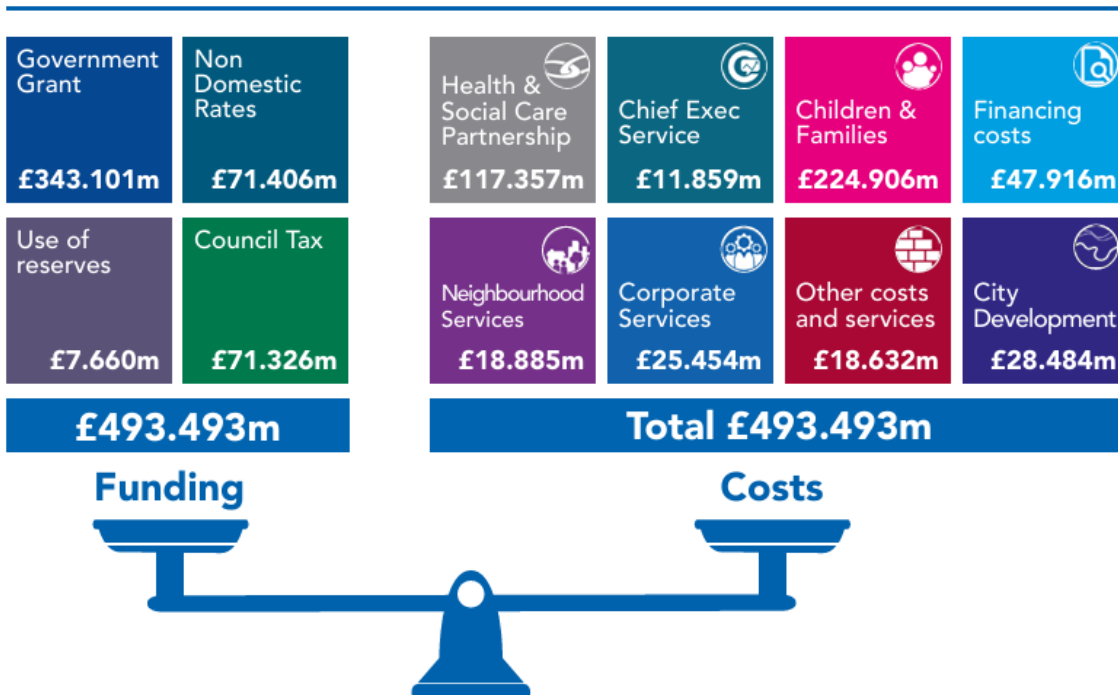
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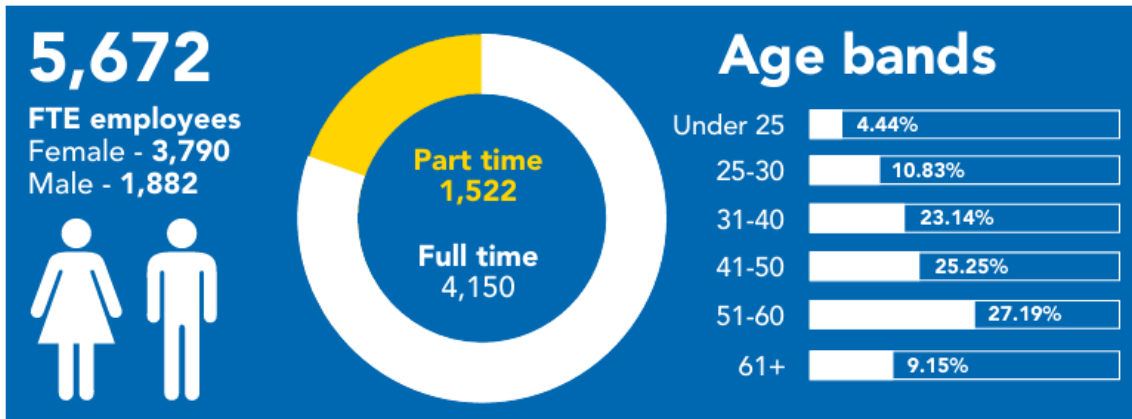
Dundee is Scotland’s fourth largest city, situated on the north coast of the Tay Estuary. The Dundee City Council area covers 60 square kilometres and is, geographically, the smallest local authority area in Scotland. Dundee is home to 149,880 people and is bordered by Perth and Kinross Council to the 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](#).



8 wards represented by elected members





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 deprived areas has shown a 29% decrease, while the gap in literacy in P1-7 between 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.

**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 is being 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, Recycling: 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 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.

- **Climate Emergency & Action Plan:**
Declared a climate emergency in 2019 and created a plan to reach Net Zero by 2045, focusing on energy, transport, waste, and resilience.
- **Council Net Zero Plan:**
Approved in 2023, aiming for Net Zero by 2038, with actions on emissions reduction, circular economy, resilience, and fair transition, supported by governance and annual reporting.
- **Energy Planning:**
Ongoing work on LHEES and the Local Area Energy Plan (LAEP), using GIS tools to guide energy efficiency and decarbonisation projects.
- **Climate Reporting:**
Continued statutory climate reporting with improved data, metrics, and governance to increase transparency and compliance.
- **ClimateView Dashboard:**
Relaunched in March 2026 to provide a public view of emissions data, targets, and actions, improving clarity on progress to Net Zero.
- **Integrated Energy Planning:**
Stronger alignment between LHEES and LAEP to coordinate building heat decarbonisation with wider energy and transport planning.
- **Social Housing Collaboration:**
Ongoing work with housing partners to coordinate retrofit, clean heat, and funding, aligned with energy plans.
- **LENZA Tool Use:**
Applied geospatial analysis to identify priority areas for energy projects and support early planning.
- **Council Operations:**
Continued delivery of the Net Zero Plan with stronger governance, clearer actions, and improved tracking and reporting.
- **Public Buildings Upgrade:**
Developing funding bids to install energy management systems in 10 buildings.
- **National Energy Engagement:**
Working with SSEN and NESO to ensure local priorities are reflected in regional and national energy planning.
- **Partnership Working:**
Used the Dundee Climate Leadership Group to coordinate partners and guide delivery of energy plans.
- **Climate Adaptation (Tayside):**
Leading regional collaboration on climate resilience, including risk assessment, shared planning, and improved communication.
- **Engagement & Transparency:**
Improved public access to climate data, held events, and launched a Net Zero learning site for staff.
- **Recognition:**
Maintained strong external ratings (e.g. CDP) for climate leadership and transparency.

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

During 2025/26, 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 an accounting deficit of £115.987m, which, after statutory adjustments of £111.598m, results in a net decrease in usable reserves of £4.389m. For further details please see the section on Management of Reserves below.

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 £1.332m 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	19.067	18.885	(0.182)
Chief Executive	14.320	14.886	14.715	(0.171)
Corporate Services	35.318	35.313	33.927	(1.386)
Construction Services*	0.000	(0.603)	(0.421)	0.182

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	3.380	(1.448)
Extended Producer Responsibility funding	(3.395)	(3.395)	(3.070)	0.325
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	442.507	(0.371)
Financing and Investment Income and Expenditure	28.674	48.523	47.917	(0.607)
Total expenditure	479.116	491.401	490.424	(0.978)
<i>Funded by:</i>				
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	7.661	(1.887)
Use of earmarked reserves	(4.376)	(9.548)	(5.383)	4.165
Decrease/ (increase) in General Fund and HRA	0.000	0.000	2.278	2.278

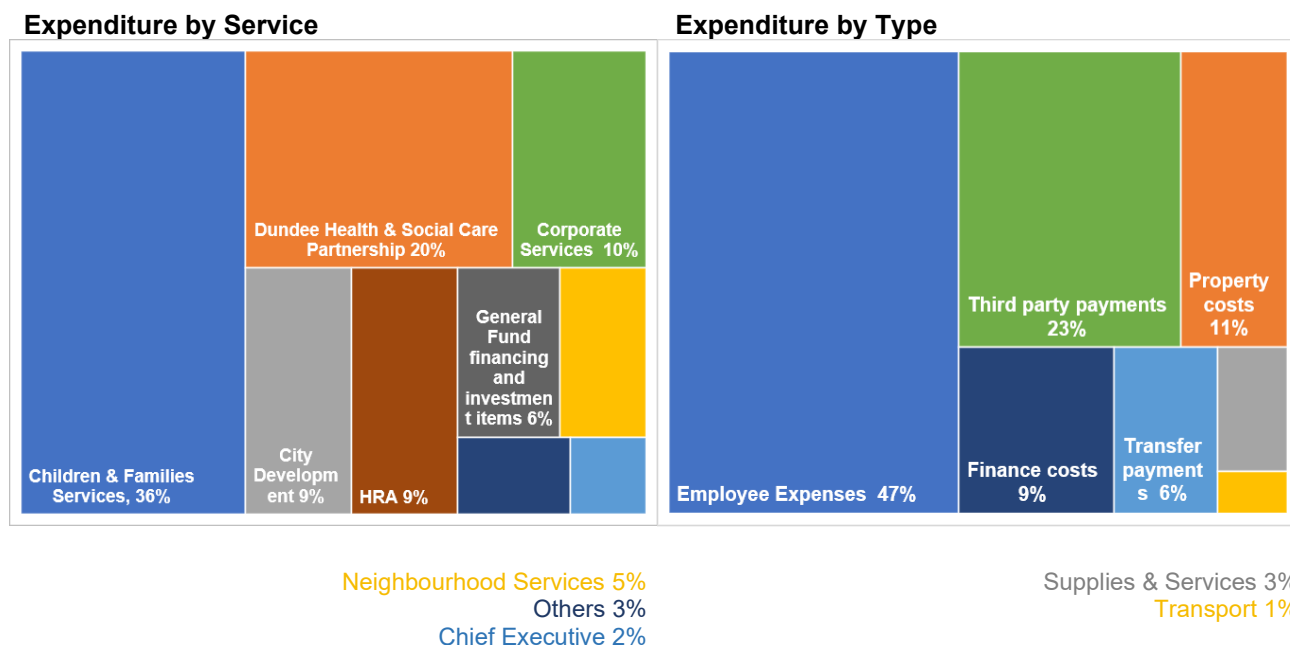
*Construction Services and the Housing Revenue Account are budgeted to break even

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 (£1.448m), 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 £4.165m 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:



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 £874.0m at 31 March 2026, a decrease of £116.0m 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:

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

This table analyses the movement in the Council's usable reserves over the year:

	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).

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)
<i>Funded by:</i>			
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).
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.

Project	Budget £000	Actual £000	Overspend/ (Underspend) £000	Explanation
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 financed. 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.

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.

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
<i>Reserves</i>		
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
<i>Council Tax</i>		
In-year collection rate	93.5%	93.2%
Ratio of Council Tax Income to Overall Level of Funding	13.7%	13.8%
<i>Financial Management</i>		
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
<i>Debt / Long Term Borrowing</i>		
Capital Financing Requirement for the current year	£991.2m	£997.8m
External Debt Levels for the current year	£922.1m	£948.2m
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.

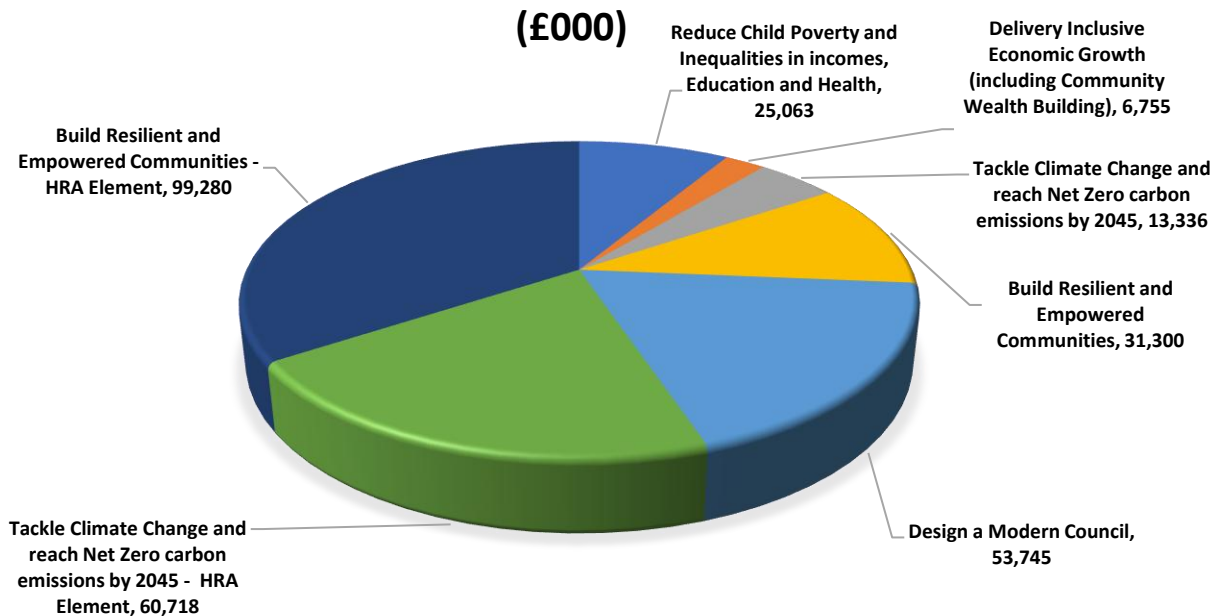
Officers will be exploring opportunities for savings over the summer period and will consider options including income generation, service redesign, partnership working and service reduction. As part of this process, it is recommended that Officers engage with partners that work with Council on delivering 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.

PLANNED CAPITAL EXPENDITURE 2026-2031 BY THEME



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
23 September 2026

Gregory Colgan BAcc (Hons),
ACMA, CGMA
Chief Executive
Dundee City Council
23 September 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council
23 September 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.

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

23 September 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council

23 September 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

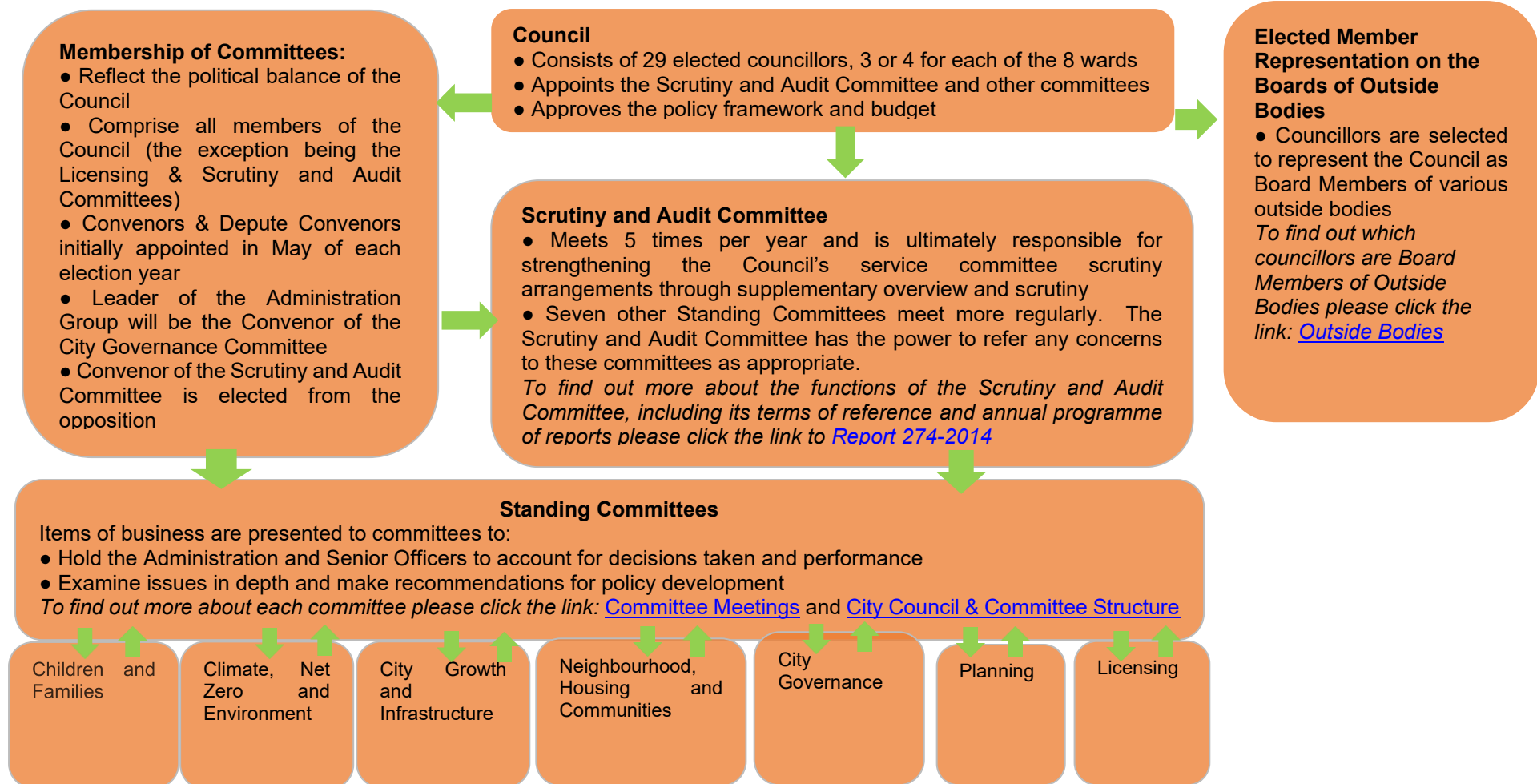
APPENDIX 2

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 £487,555, reflecting pay rises of 0.4%, 2.8%, 2.2%, 4.2%, 5.2%, 2.7%, 6.2% and 17.2% applied from 2018 to 2026.

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

23 September 2026

Councillor Mark Flynn
Leader of the Council
Dundee City Council

23 September 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
Fraser Macpherson	Depute Convener of Scrutiny and Audit Committee	26,797	-	26,797	24,015
Heather Anderson	Convener of Climate, Net Zero and Environment Committee	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	17,561
Kevin Keenan	Convener of Scrutiny and Audit Committee, Leader of the Major Opposition Group	33,242	-	33,242	27,398
Lee Mills	Depute Convener of Climate, Net Zero and Environment Committee (from 22 September 2025)	27,125	-	27,125	28,352
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		487,855	1,325	489,180	414,565

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	140,895
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	971,529

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	-	-	5,027	5,027
Fraser Macpherson	Depute Convener of Scrutiny and Audit Committee	2.2	0.6	-	-	4,207	3,770

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 £
Heather Anderson	Convener of Climate, Net Zero and Environment Committee	4.9	0.9	-	-	4,451	4,451
Kevin Cordell	Depute Lord Provost (to 27 October 2025), Convener of Neighbourhood Housing and Communities Committee	7.9	0.8	-	-	4,301	2,757
Kevin Keenan	Convener of Scrutiny and Audit Committee, Leader of the Major Opposition Group	11.9	1.4	2.6	0.1	4,451	4,301
Lee Mills	Depute Convener of Climate, Net Zero and Environment Committee (from 22 September 2025)	0.8	0.8	-	-	4,259	4,451
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	-	-	5,777	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		92.6	12.9	9.7	0.4	71,331	62,207

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	Pension	Lump Sum	Lump Sum	Pension	Pension
		at 31 March 2026	Difference from 31 March 2025	as at 31 March 2026	Difference from 31 March 2025	Contribution 2025/2026	Contribution 2024/2025
		£000	£000	£000	£000	£	£
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	22,081
Robin Presswood	Executive Director of City Development	69.2	4.9	69.9	2.7	22,965	20,833
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 Committee at its meeting on 23 September 2026.

Signed on behalf of Dundee City Council

Councillor Mark Flynn
Leader of the Council
23 September 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

24 June 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	(125,504)	155,636
20,907	(6,872)	27,779	Neighbourhood Services	18,885	(5,208)	24,093
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	445,576	(145,517)	591,093
(419,089)	32,753	(451,842)	Other Income and Expenditure	(442,292)	31,985	(474,277)
14,972	(48,299)	63,271	(Surplus) or Deficit on Provision of Services	3,284	(113,532)	116,816
(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)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments	Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£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	(133,633)	187	7,942	(125,504)
(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	(158,366)	4,764	8,085	(145,517)
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	(117,078)	3,610	(64)	(113,532)

Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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	188,333	(32,697)	153,636
39,693	(11,914)	27,779	Neighbourhood Services	36,864	(12,771)	24,093
16,931	(2,406)	14,525	Chief Executive	16,834	(2,150)	14,684
86,206	(49,798)	36,408	Corporate Services	80,648	(44,041)	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	931,869	(340,776)	589,093
		(3,046)	Other Operating Expenditure (note 5)			1,881
		35,361	Financing and Investment Income and Expenditure (note 6)			41,137
		(484,157)	Taxation and Non-Specific Grant Income (note 7)			(517,295)
		63,271	Deficit on Provision of Services			116,816
		24,585	(Surplus) or Deficit on revaluation of non-current assets			(3,198)
		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			(829)
		82,654	Total Comprehensive (Income) / Expenditure			115,987

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.

2024/2025	<u>Revenue Reserves</u>				<u>Capital Reserves</u>		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 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)

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

2025/2026	Revenue Reserves				Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal & Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 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	96,701	20,115	-	-	-	-	116,816	(829)	115,987
Adjustments to Usable Reserves Permitted by Accounting Standards	(26,881)	(12,587)	-	-	-	-	(39,468)	39,468	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 9)	(67,868)	(6,196)	-	-	50	1,055	(72,959)	72,959	-
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	1,952	1,332	-	-	50	1,055	4,389	111,598	115,987
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	111,598	115,987
Balance at 31 March 2026 carried forward	(64,753)	-	(5,277)	(1,281)	(291)	(1,754)	(73,356)	(800,685)	(874,041)

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	1,806,984
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		1,849,212
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	11,492
76,005	Current Assets		106,284
(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		874,041
77,745	Usable Reserves	11	73,356
912,283	Unusable Reserves	12	800,685
990,028	Total Reserves		874,041

The unaudited accounts were authorised for issue on 24 June 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	116,816
(71,848)	Adjust net (surplus) on the provision of services for non-cash movements	(173,347)
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

Benefits Payable During Employment

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 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.

Financial Assets Measured at Amortised Cost

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.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. 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.

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 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 let councils spread principal repayments over a longer period, creating a one-off credit to the General Fund, ongoing annual savings until contract end and after the contract ends, repayments 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

Provisions – General

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 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.	If collection rates were to deteriorate, an increase in the amount provided for doubtful debts would require to be charged.

5 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

2024/2025 £000		2025/2026 £000
(3,046)	(Gains) / losses on the disposal of non current assets	797
-	Impairment of Assets Held for Sale	1,084
(3,046)	Total	1,881

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	5,338
(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	41,137

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)
-	Extended Producer Responsibility Funding	(3,070)
(63)	Donated asset	(45)
(484,157)	Total	(517,295)

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	15,533
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	177,368
39,019	Interest payments	40,483
1,029	Precepts and levies	1,174
911,669	Total Expenditure	981,932
(218,425)	Fees, charges and other service income	(180,325)
(2,500)	Interest and investment income	(3,308)
(66,343)	Income from Council Tax	(71,326)
(558,085)	Government grants and contributions	(610,954)
(3,045)	Gain on disposal of non-current assets	797
(848,398)	Total Income	(865,116)
63,271	(Surplus) or Deficit on the Provision of Services	116,816

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.

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

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

2024/2025 (continued)	Usable Reserves			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2024/2025 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the 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			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2025/2026 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments involving the Capital Adjustment Account:						
<u>Reversal of items debited or credited to the CIES:</u>						
Charges for depreciation and impairment of non-current assets	(110,717)	(20,306)	-	-	131,023	-
Movements in the market value of Investment Properties and Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	(6,422)	-	-	-	6,422	-
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	(842)	45	-	-	797	-
<u>Insertion of items not debited or credited to the CIES:</u>						
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			Capital Grants & Receipts Unapplied Account £000	Movement in Unusable Reserves £000	Total 2025/2026 £000
	General Fund Balance £000	HRA Balance £000	Capital Fund £000			
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the 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	(67,868)	(6,196)	1,055	50	72,959	-

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	(721,074)
299	Financial Instruments Revaluation Reserve	348
(207,420)	Capital Adjustment Account	(131,036)
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	(800,685)

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	(5,716)
84,321	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	2,639
24,903	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(3,077)
40,187	Difference between fair value depreciation and historical cost depreciation	39,468
65	Accumulated gains on assets sold or scrapped	-
(757,465)	Balance at 31 March	(721,074)

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	131,023
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	797
59,799		132,274
(66)	Adjusting amounts written out of the Revaluation Reserve	-
(191)	Other adjustments relating to IFRS 16 adoption, donated assets and long-term debt write off	(165)
59,542	Net written out amount of the cost of non-current assets consumed in the year	132,109
	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	6,422
(207,420)	Balance at 31 March	(131,036)

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
<u>The main items of income and related expenditure which are included in the Comprehensive Income and Expenditure Accounts are:</u>				
Non-Covid:				
Special Education services to Various Local Authorities	(1,274)	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	-	-	-	-
<u>The main items of income and related expenditure which are not included in the Comprehensive Income and Expenditure Accounts are:</u>				
Non-Covid:				
Tay Cities Region Deal	(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	Scottish Police Authority (Civilians)
Dundee City Council	TACTRAN
Dundee and Angus College	Tayplan
Perth & Kinross Council	Tay Road Bridge Joint Board
Perth College	Tayside Contracts
	Tayside Valuation Joint Board

Admitted Bodies (28)

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

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

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

Under the Local Government Pension Scheme (Administration) (Scotland) Regulations, there is a requirement for the Council to publish a pension fund annual report, 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
<i>Cost of Services:</i>		
<i>Service cost comprising:</i>		
• current service cost	28,877	22,613
• past service costs	-	47
• (Gains)/Losses on settlements and curtailments	395	396
<i>Financing and Investment Income and Expenditure</i>		
• 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
<i>Other Post Employment Benefit Charged to the CIES</i>		
<i>Remeasurement gains or (losses) against net defined benefit liability comprising:</i>		
• Return on plan assets (excluding the amount included in the net interest expense)	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
<i>Movement in Reserves Statement</i>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(28,771)	(24,209)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• 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)	-	0
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)	(780)	(39)
Rate of increase in salaries (increase or decrease by 0.1%)	-	-
Rate of increase in pensions (increase or decrease by 0.1%)	(731)	(681)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	721	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 24 June 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	115,135	115,135	8,450	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	23,650	22,347
Land	670	670
Total	24,320	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.

	31 March 2025 £000	31 March 2026 £000
Financing Arrangement Liabilities (net present value of minimum financing arrangement payments):		
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

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

	31 March 2025 £000	31 March 2026 £000
Finance Lease Liabilities		
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	8,923
Later than one year and not later than five years	23,726	26,255
Later than five years	93,456	96,311
	124,649	131,489

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:

	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2026 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	691	-	691
Office Units	-	-	-	-
Commercial Units	-	5,216	-	5,216
Total	-	5,907	-	5,907

2025 Comparative Figures:

	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2025 £000
Recurring Fair Value measurements using:				
Assets held for Capital Appreciation	-	7,589	-	7,589
Office Units	-	134	-	134
Commercial Units	-	5,350	-	5,350
Total	-	13,073	-	13,073

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	2025/2026
	£000	£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	-	-	-	608	-	-	-
Additions	14,127	20,876	4,487	11,169	191	856	-	16,842	68,548	-	-	-
Revaluation inc/(dec) recognised in the Revaluation Reserve	-	(2,047)	-	-	-	-	-	-	(2,047)	-	-	-
Revaluation inc/(dec) recognised in the Surplus / Deficit on the Provision of Services	(14,127)	(76,954)	(75)	(3,515)	-	-	-	(236)	(94,907)	-	-	-
Disposals	-	(1,062)	(648)	-	(315)	-	-	-	(2,025)	-	-	-
Reclassification within PPE	-	99,663	-	-	-	-	3,723	(110,222)	(6,836)	-	-	-
At 31 March 2026	508,308	1,097,637	124,670	-	3,100	7,349	10,344	28,820	1,787,882	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	-	5,124	-	-	-	-	-	-	5,124	-	-	-
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	(17,758)	(60,062)	(106,478)	-	(1,503)	-	-	-	(185,801)	(8,509)	(1,521)	(4,316)
Net Book Value:												
At 31 March 2026	490,550	1,037,575	18,192	212,557	1,597	7,349	10,344	28,820	1,806,984	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
<i>Opening Capital Financing Requirement</i>	846,362	991,235
<i>Capital investment</i>		
Property, Plant and Equipment	121,146	67,480
Intangible Assets	824	953
Revenue Expenditure Funded from Capital under Statute	272	454
<i>Sources of finance:</i>		
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
<i>Explanation of movements in year</i>		
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	1,675	4,373	-	10,956
Payable within 2-5 years	20,353	7,292	16,357	323	44,325
Payable within 6 - 10 years	24,307	11,755	17,461	1,968	55,491
Payable within 11 - 15 years	25,017	17,090	12,432	1,960	56,499
Payable within 16 - 20 years	23,693	23,654	5,340	473	53,160
Payable within 21 - 25 Years	-	-	-	-	0
TOTAL	98,278	61,466	55,963	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	-	8,665
Revaluation gains/(losses)	-	(1,084)
Assets sold	(45)	(537)
Balance at year-end	4,448	11,492

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		2025/2026			2025/2026 Total £000
		Financial Liabilities measured at amortised cost £000	Financial Assets Loans and receivables £000	Financial Assets Investments £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:

Note	31 March 2025			31 March 2026			Fair Value £000
	Carrying Amount £000	Fair Value £000	Principal Amount Outstanding £000	LOBO Accounting Adjustment £000	Add Accrued Interest £000	Carrying Amount £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)								
Other	i	(165,566)	(165,566)	(187,998)	-	(1,821)	(189,819)	(189,819)
Temporary Advances from Other Accounts								
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		31 March 2026	
		Carrying Amount £000	Fair Value £000	Carrying Amount £000	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							2025/2026
Total	Income and Expenditure	A	B	C	D	E	Total
£000		£000	£000	£000	£000	£000	£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	31 March 2026
	£000	£000
PPP Schools Liability	112,171	106,804
DBFM School Liability (Baldrigon)	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	0
Budgets Delegated to Dundee Health & Social Care Partnership	274,176	(157,178)	116,998	0
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	0	191	0
Tayside Valuation Joint Board	1,174	0	1,174	0
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 Capital Grants & Receipts Unapplied Account

	31 March 2025 £000	31 March 2026 £000
Capital Grants	341	291
Total	341	291

48 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

49 TAY CITIES REGION DEAL - LEAD AUTHORITY DISCLOSURES

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

During 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	-	-	-
Innerpeffer Library	100	-	100	-	-	-	-
Aero Space Kinross	1,600	-	1,600	-	-	-	-
Crieff International Highland Centre	1,000	-	1,000	-	-	-	-
Stretch Dome Simulator	300	-	300	-	-	-	-
Total Capital Grant	278,801	128,801	150,000	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

50 Low Emission Zone Statement of Account

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

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

	2019/2020 £000	2020/2021 £000	2021/2022 £000	2022/2023 £000	2023/2024 £000	2024/2025 £000	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		2025/2026
£000		£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		2025/2026
£000		£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		Notes	2025/2026
£000			£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**

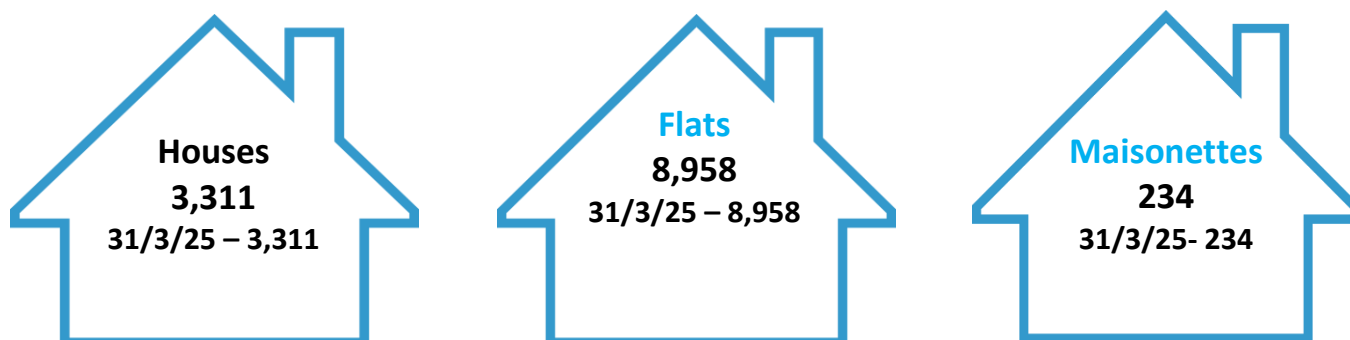
2024/2025 £000		2025/2026 £000
(222)	Gain or loss on sale of HRA non-current assets	(45)
-	- Impairment of Assets Held for Sale	-
	Transfer to/from Revaluation Reserve:	
18,347	* Current Value Element of Depreciation Charge	18,530
	Transfer to/from Capital Adjustment Account:	
15,453	* Depreciation and 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**

Rent Arrears at 31 March 2026 were £5,206k (£4,638k at 31 March 2025).

5 Impairment of Debtors

In 2025/26 an impairment of £5,675k has been provided in the Balance Sheet for irrecoverable rents, a net increase of £461k 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 £1,861m was earmarked for the Housing Revenue Account.

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

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

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	245,738	(21,163)	224,575
279,750	(167,840)	111,910	273,482	(157,178)	116,304
113,928	(33,098)	80,830	186,684	(32,697)	153,987
39,989	(12,372)	27,617	37,184	(13,249)	23,935
5,134	(2,004)	3,130	2,165	(1,584)	581
86,206	(49,798)	36,408	72,175	(44,041)	28,134
8,456	(8,009)	447	8,239	(6,003)	2,236
79,090	(61,942)	17,148	78,020	(64,021)	13,999
493	-	493	191	-	191
1,028	-	1,028	1,174	-	1,174
3,443	222	3,665	15,324	(752)	14,572
142	-	142	154	-	154
19,510	(8,166)	11,344	20,210	(10,147)	10,063
879,957	(364,915)	515,042	940,740	(350,835)	589,905
		(3,405)			1,593
		35,160			40,866
		(484,157)			(517,295)
		62,640			115,069
		3,039			2,927
		65,679			117,996
		24,585			(3,198)
		317			-
		2			49
		(230)			-
		(5,291)			2,320
		-			-
		19,383			(829)
		85,062			117,167

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

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

	<u>Revenue Reserves</u>				<u>Capital Reserves</u>		Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal and Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 2024	(96,953)	-	(10,826)	(1,192)	(354)	(2,147)	(111,472)	(979,844)	(1,091,316)
Movement in reserves during 2024/2025									
Total Comprehensive Expenditure and Income	41,367	24,312	-	-	-	-	65,679	19,383	85,062
Adjustments to Usable Reserves Permitted by Accounting Standards	(21,841)	(18,347)	-	-	-	-	(40,188)	40,188	-
Adjustments between Group Accounts and Council Accounts	(5,878)	-	-	-	-	-	(5,878)	(3,324)	(9,202)
Net (Increase)/Decrease before Transfers	13,648	5,965	-	-	-	-	19,613	56,247	75,860
Adjustments between Accounting Basis and Funding Basis Under Regulations	(6,271)	(1,841)	-	-	13	(480)	(8,579)	8,579	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	7,377	4,124	-	-	13	(480)	11,034	64,826	75,860
Transfers to/(from) Other Statutory Reserves	(148)	(4,124)	4,531	(168)	-	(91)	-	-	-
(Increase)/Decrease in 2024/2025	7,229	-	4,531	(168)	13	(571)	11,034	64,826	75,860
Balance at 31 March 2025	(89,724)	-	(6,295)	(1,360)	(341)	(2,718)	(100,438)	(915,018)	(1,015,456)

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

	Revenue Reserves				Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
	General Fund Balance £000	HRA Balance £000	Renewal and Repair Fund £000	Insurance Fund £000	Capital Grants & Receipts Unapplied Account £000	Capital Fund £000			
Balance at 31 March 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	97,881	20,115	-	-	-	-	117,996	(829)	117,167
Adjustments to Usable Reserves Permitted by Accounting Standards	(26,881)	(12,587)	-	-	-	-	(39,468)	39,468	-
Adjustments between Group Accounts and Council Accounts	(7,512)	-	-	-	-	-	(7,512)	(261)	(7,773)
Net (Increase)/Decrease before Transfers	63,488	7,528	-	-	-	-	71,016	38,378	109,394
Adjustments between Accounting Basis and Funding Basis Under Regulations	(67,868)	(6,196)	-	-	50	1,055	(72,959)	72,959	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(4,380)	1,332	-	-	50	1,055	(1,943)	111,337	109,394
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)	111,337	109,394
Balance at 31 March 2026	(93,778)	-	(5,277)	(1,281)	(291)	(1,754)	(102,381)	(803,681)	(906,062)

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		31 March 2026
£000		£000
1,921,042	Property, Plant & Equipment	1,814,612
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	1,870,334
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	11,492
82,401	Current Assets	112,758
(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	906,062
100,438	Usable reserves	102,381
915,018	Unusable Reserves	803,681
1,015,456	Total Reserves	906,062

The unaudited accounts were authorised for issue on 24 June 2026 and signed on their behalf by:-

Paul Thomson

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		2025/2026
£000		£000
62,640	Net (Surplus) or Deficit on the provision of services	115,069
(71,203)	Adjust net (Surplus) or Deficit on the provision of services for non cash movements	(171,746)
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	800,685	874,041
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	803,681	906,062

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	At 31 March 2026
	£000	£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	Group Share %	2024/2025	Net Assets /	Group Share %	2025/2026	Net Assets /	
		Expenditure / (Income) £000	(Liabilities) £000		Expenditure / (Income) £000	(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		115,987	874,041
Elimination of Intra-group balances within single-entity accounts			(11,736)	174		(11,247)	651
Dundee City Council (Group)			85,062	1,015,456		117,167	906,062

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. Tayside Valuation Joint Board ("the Joint Board") accounted for as an "associate" and has been consolidated on a "net equity" basis. For the purpose of consolidation and disclosure, unaudited accounts to the year ended 31 March 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
	<u>Income</u>	
(168)	Dividends on Bonds / Shares	(163)
(168)		(163)
	<u>Expenditure</u>	
142	Other Expenditure	154
142		154
(26)	(Surplus)/Deficit for Year	(9)
2025 £000	Balance Sheet as at 31 March	2026 £000
	<u>Current Assets</u>	
2,991	Short Term Investments	2,959
2,991		2,959
	<u>Current Liabilities</u>	
-	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	3,322
2,991		2,959

The unaudited accounts were authorised for issue on 24 June 2026 and signed on their behalf by:-

Paul Thomson

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

The Annual Accounts set out on pages 37 to 121 are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

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

Pauline Gillen CPFA
Audit Director
Audit Scotland
4th Floor South Suite, 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.