

**UNAUDITED
ANNUAL
ACCOUNTS
FOR THE YEAR
ENDED
31 MARCH 2024**

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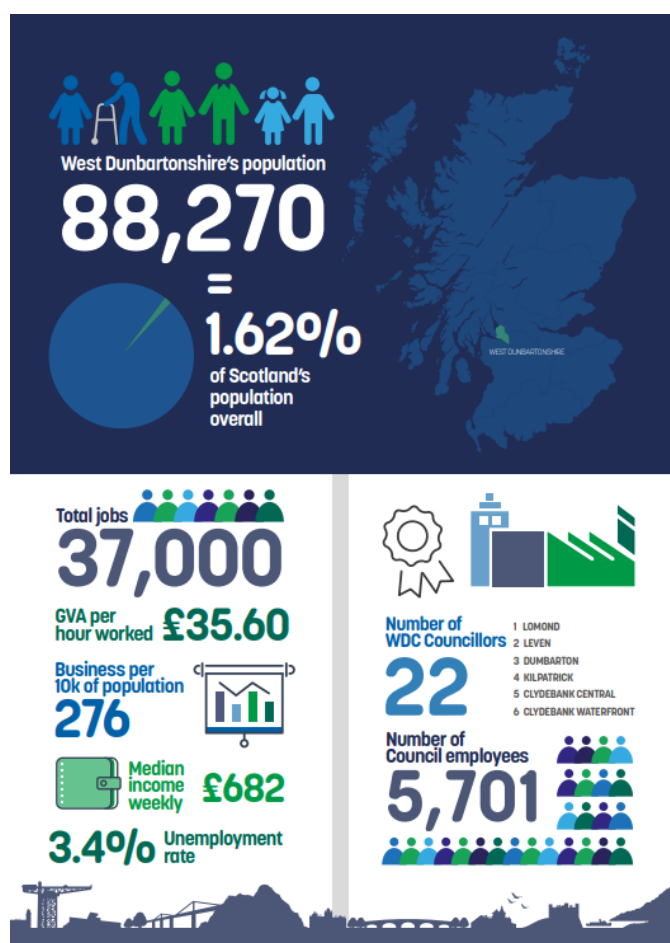
Management Commentary

Management Commentary

Introduction

Welcome to the Financial Statements for West Dunbartonshire Council (the Council) and its group for the year ended 31 March 2024. The Statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This Management Commentary will demonstrate the stewardship of public funds entrusted to the Council and outlines the key messages regarding the performance of the Council over the 2023/24 financial year as well as providing an indication of risks and issues which may impact upon the Council in the future.

Profile of West Dunbartonshire Council



The Council is an average sized Council at around 71 square miles and has many strengths; including significant sites of natural beauty and heritage, good transport links and close proximity to Glasgow and its airport. The area has a rich past, shaped by its world-famous shipyards along the Clyde, and boasts many attractions ranging from the iconic Dumbarton Rock and the Titan Crane to the beauty of Loch Lomond.

The Council is responsible for providing a wide range of local authority services (including education, housing, environmental health, environmental services, planning, economic development, employment, highways and transport) to residents within the West Dunbartonshire area.

The Council is led by 22 councillors, elected every five years to represent the residents within the area. Following the Local Government elections in March 2022 the Council has had a Labour administration with Councillor Martin Rooney as the Council Leader.

Management Commentary

In June 2023, in anticipation of the departure of the Chief Officer Supply, Distribution and Property, on 1 September 2023 the Chief Executive announced a reallocation of responsibilities to the remaining Chief Officers and confirmed that the post of Chief Officer Supply, Distribution and Property would be removed from the Council's establishment. For the remainder of 2023/24 the senior management structure consisted of the Chief Executive, seven Chief Officers, with the Integration Joint Board (referred to as Health and Social Care Partnership (HSCP)) managed at a senior level by a Chief Officer.



The Council also has:

- West Dunbartonshire Leisure Trust – an arm's length organisation which operates certain services on the Council's behalf
- a regeneration company called Clydebank Property Company
- West Dunbartonshire Energy Company which is an energy generation company 99.9% owned by the Council.

The Strategic Plan, Vision and Priorities

The [Strategic Plan 2022-27](#) sets out the Council's direction, with an emphasis on improving the lives of residents and reducing inequality. Its vision is to '*deliver services which build on the strengths and resilience of our neighbourhoods and support all residents to fulfil their individual potential, and that of their communities.*' This focuses on four key priorities:

- Our Communities - Resilient and Thriving
- Our Environment - A Greener Future
- Our Economy - Strong and Flourishing
- Our Council - Inclusive and Adaptable

These priorities reflect those set out in wider partnership plans such as Community Planning West Dunbartonshire's Local Outcomes and Improvement Plan and the West Dunbartonshire Health and Social Care Partnership Strategic Plan.

Specific objectives within each priority provide further detail, with progress measured through a suite of performance indicators (PIs) and targets.

Delivery Plans

Delivery plans set out how the Strategic Plan priorities and objectives will be met. Developed annually for each strategic area, they set out actions to deliver the Strategic Plan as well as actions to address the performance challenges and service priorities identified in the planning process. They also provide an overview of services and resources, set out the Performance Indicators (PIs) for monitoring progress, and consider the relevant risks.

Management Commentary

Performance Reporting

Strategic Plan and Delivery Plans

Performance against the PIs and actions set out in the Strategic Plan and associated Delivery Plans is reviewed and managed by Chief Officers throughout the year and reported to Council and Committees for scrutiny twice yearly, at mid-year and year-end.

The [Strategic Plan progress report](#) and [Delivery Plan progress reports](#) set out 2022/23 performance in detail while the infographic based [Annual Report](#) provides an overview across a wide range of areas including the Strategic Plan, feedback from service users and residents, as well as budget and workforce information.

This was the first year of reporting on the 2022-23 Strategic Plan. The table below shows the total number of indicators reported through the Strategic Plan and details latest available performance data for the 2022/23 year.

Indicator Status	Strategic Indicators 2022/23
Total Indicators	49
Green	33 (67%)
Amber	9 (19%)
Red	7 (14%)

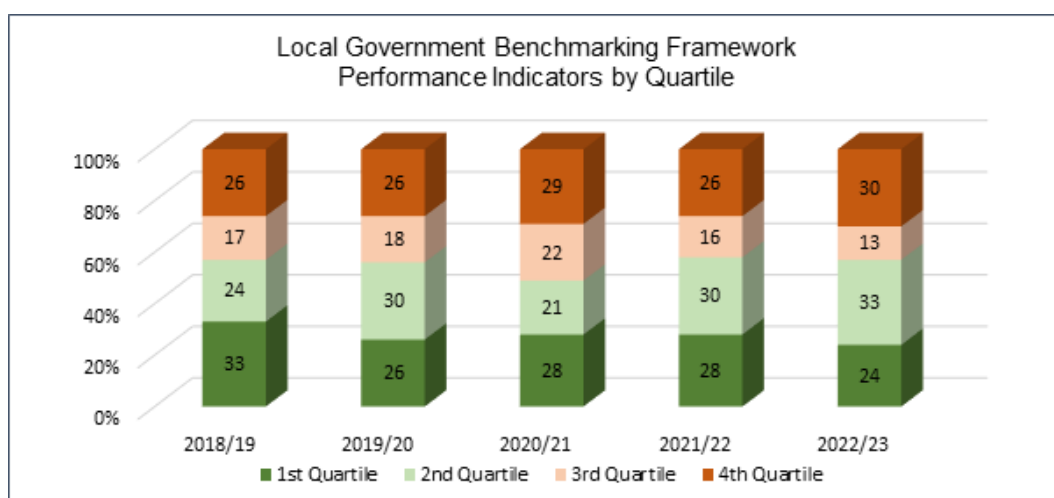
Local Government Benchmarking Framework

All 32 Scottish councils measure a common set of PIs called the Local Government Benchmarking Framework (LGBF). This allows us to compare performance, identify best practice, learn from each other, and improve what we do. The framework comprises 105 cost, satisfaction and service indicators covering a wide range of council services.

A summary of performance in 2022/23 is set out in the table below. This is the most recent year for which comparative data is available.

% (No.) of LGBF PIs	Improved on previous year	Better than Scottish average	Better than family group average (i.e. similar councils)
Cost	62% (13)	57% (12)	67% (14)
Satisfaction	45% (5)	100% (11)	100% (11)
Service performance	54% (41)	50% (38)	45% (34)

The graph summarises our comparative performance over the last five years, showing the percentage of indicators in each of the four quartiles, with Q1 representing the top eight performing councils and Q4 the bottom eight. –The [year-end progress report](#) provides details of all 105 indicators in the framework.



Management Commentary

Key Achievements 2023/24

Some of our key achievements in 2023/24 are highlighted below in relation to our four strategic priorities:

Priority 1 – Our Communities are Resilient and Thriving

The Council continued to progressed a range of initiatives to assist people and community groups hardest hit by the cost of living crisis. Including:

- A Household Energy Support Fund.
- An enhanced school's summer programme.
- Sport & leisure for children during holiday times including the SHINE programme
- A range of family fun day events.
- Funding for West Dunbartonshire Kinship Carers, to help support their activities and additional costs with their new centre
- Funding West Dunbartonshire Community Food Share
- Phase 2 of the Cost of Living Capital Fund which supported a further 14 community groups to deliver community focused cost of living initiatives



In relation to education the Council:

- Developed our 'Strategy for Excellence and Equity (2023-2026)' which builds on the improvement programme delivered between 2015- 2023; and includes an improvement plan for 2023-2026
- Expanded literacy strategy, with development of 'Come Read with me @ WDC' programme
- Provided support for parents/carers impacted by poverty, including families of young carers; families with experience of care; families on the edge of care; and families with children who have other additional support needs.
- Reached financial close and commenced construction of the new Faifley Campus, due to open in 2025.

Priority 2 – Our Environment Promotes a Greener Future

The Council has:

- Entered into a cooperation agreement with Glasgow City Council to develop an innovative Net Zero Cooperation Agreement to share skills, resources and infrastructure.
- Committed to a policy that all new Council build homes will be net zero and approved planning for new energy efficient homes in Bonhill.
- Continued to expand the Queens Quay District Heating Network with the connection to 46 Clydebank Housing Association flats
- Performed targeted community bulk uplifts, grass cutting and litter picking to clean up our estates.
- Created community woodlands in Clydebank and Bonhill.



*Artists Impression

Management Commentary

Priority 3 – Our Economy is Strong and Flourishing

The Council has:

- Continued to invest in social housing and launched a new affordable housing plan to deliver 800 new homes over a 5 year period
- Secured £20m of Levelling Up Funding over a ten year period to be invested in Clydebank as part of the UK Government's Long Term Plan for Towns initiative.
- In partnership with Clydebank Housing Association and the Wheatley Group been recognised for the Queens Quay development which has received multiple prestigious awards including Best Regeneration Project – Residential' at the Herald Property Awards.



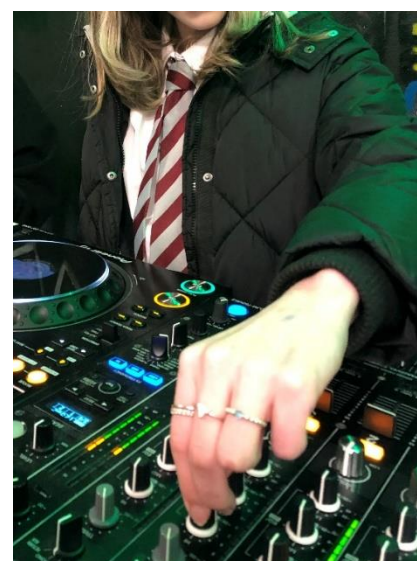
*Artists Impression of Faifly campus

- Continued to progress key transformational projects including Queens Quay, the District Heating Network, the former Esso site at Bowling and the regeneration of Dumbarton Town Centre which includes repurposing Glencairn House as the library and museum, redeveloping the Artizan Centre and providing public realm and connectivity improvements between Dumbarton Central Train station and the town centre.

Priority 4 – Our Council is Inclusive and Adaptable

The Council has:

- Refreshed our Customer Service Standards detailing how we interact and respond to the public.
- Delivered an extensive programme of awareness raising on Participatory Budgeting across the organisation and Community Planning Partnership
- Replaced 350 laptops in education and corporate sites, 2,000 Chromebooks in schools and host over 12,000 Chromebooks on our Education network.
- Shortlisted for a Project Excellence award for "New Pathways" project within libraries to encourage disengaged learners back into education.
- Completed a Modern Apprenticeship pay review.
- Committed to Zero tolerance to Gender Based Violence with a new policy launched under the Equally Safe at Work programme and achievement of the Development stage.
- Race at Work Charter signed with senior officer and political sponsors committed.



Management Commentary

Carbon Emissions and Energy Consumption

The Council has exceeded its annual target set out in the Carbon Management Plan, emitting a total of 23,150 tonnes of carbon dioxide from our operations in 2022/23. This equates to a 3.6% decrease against the previous financial year, or 29.7% total reduction overall against the 2012/13 baseline year. The Council approved a Climate Change Strategy in November 2020 which has set an overall target to reduce carbon emissions to 'net zero' by 2045 which will align with Scottish Government targets. This includes two interim targets of a 61% reduction by 2030/31 (versus 2012/13 baseline) and 87% reduction by 2040/41 (versus 2012/13 baseline). Annual progress of the Climate Change Action Plan is monitored through annual reporting to the Council's Infrastructure, Regeneration & Economic Development (IRED) Committee and additionally monitored as part of the Regulatory and Regeneration Services Delivery Plan twice per year to Corporate Services and IRED Committees. Furthermore progress on the Action Plan is monitored via the multi-departmental Climate Change Action Group and reported to the senior management team in the Recovering and Renewal Board on a quarterly basis.

Equality and Diversity

The Council is firmly committed to the principle of equality of opportunity. The Council recognises its responsibility as a community leader, service provider and employer to encourage the fair treatment of all individuals and to tackle social exclusion. The Council is also committed to eradicate all forms of discrimination, direct or indirect and aims to eliminate discriminatory practices and promote measures to combat its effects.

Information on the Council's Equality Outcomes and Mainstreaming Report 2021-2025 can be found on the Council website at:

<https://www.west-dunbarton.gov.uk/Council/strategies-plans-and-policies/Council-wide-plans-and-strategies/equality-diversity-and-fairness/mainstreaming-report-and-equality-outcomes/>

Council's 2023/24 Budgets

Revenue

The Council approved the 2023/24 revenue budget on 1 March 2023 based on band D Council tax at £1,398.98. The budget was set at £265.160m (as detailed in the table below) to be funded by Scottish Government Grant (£216.826m); Council tax (£40.254m), with a net contribution from reserves and the service concessionary benefit for the remaining (£8.656m).

	Budget (£m)	% of budget
Resources	1.725	1%
Regulatory and Regeneration	3.356	1%
People & Technology	10.384	4%
Citizens, Culture and Facilities	14.693	6%
Education, Learning and Attainment	116.548	44%
Roads and Neighbourhood	16.270	6%
Housing and Employability	2.119	1%
Health & Social Care Partnership	84.671	32%
Miscellaneous Services	1.982	1%
Loan Charges	11.092	4%
Requisitions	2.320	1%
Total	265.160	100%

The budget was updated during the year for a number of variables, resulting in a final planned net expenditure of £269.842m. The year-end revenue budgetary position is detailed on page 8 of this commentary.

Management Commentary

On 1 March 2023 the Council also approved the revised capital plan with a planned General Services spend in 2023/24 of £79.916m. In-year additional projects increasing the planned spend by £3.117m to £83.033m and accelerated and reprofiled budgets for 2023/24 of (£10.690m) resulted in an overall 2023/24 capital programme of £93.073m. This investment is funded from a range of sources including: government grants and ongoing council revenue. Major areas of investment are economic regeneration, school modernisation, roads and infrastructure and a range of other council assets.

Housing Revenue Account

On 1st March 2023 the Council agreed an increase in Council house rents of 5% and approved the Housing Revenue Account budget and planned capital investment for 2023/24 of £86.056m, and re-phased capital from the previous year of £31.671m making a total of £117.727m. Further in-year changes updated the planned spend for 2023/24 to £124.483m. The year-end revenue budgetary position is detailed on page 10 of this commentary, with the capital year end budgetary position.

Overview of Core Financial Statements

The Statement of Accounts contains the Financial Statements of the Council and its group for the year ended 31 March 2024. The Council operates two main Funds:

1. General Fund - expenditure and income associated with running council services (except the provision of council houses). Predominantly funded by Scottish Government grant and council tax.
2. Housing Revenue Account - expenditure and income associated with the provision of council housing. Predominantly funded primarily through rental income from tenants.

Two major categories of expenditure are included in the financial statements:

1. Revenue expenditure - day to day running costs incurred to provide services.
2. Capital expenditure - cost of buying, constructing and improving Council assets.

Expenditure is recorded in a number of the main statements in these accounts with the purposes of these main statements being as follows:

Page	Statement	Statement Details
31	Comprehensive Income and Expenditure Statement (CIES)	Income and expenditure for all Council services.
33	Movement in Reserves Statement	How the surplus/deficit on the Income and Expenditure Account for the year reconciles to the movement on the General Fund. Also highlights movement on all other reserves held on the Council's Balance Sheet. Further information on each of the reserves held and how they may be used is detailed within notes 5 and 6.
87	Housing Revenue Account	Income and expenditure for Council housing services for the year and includes the Statement of Movement on the Housing Revenue Account Balance
32	Balance Sheet	A summary of the Council's assets and liabilities. It is a statement of the resources of the Council and the means by which they have been financed. It is also a snapshot of the Council's financial affairs at the close of the year expressed in accounting terms.

Management Commentary

34	Cash Flow Statement	Inflows and outflows of cash arising from transactions with third parties on revenue transactions and capital activities. Cash is defined for the purpose of the statement as cash-in-hand and deposits repayable on demand less overdrafts repayable on demand.
35-46	Notes to the Core Financial Statements	Further information and analysis of each statement, including the main accounting policies.

2023/24 Financial Performance

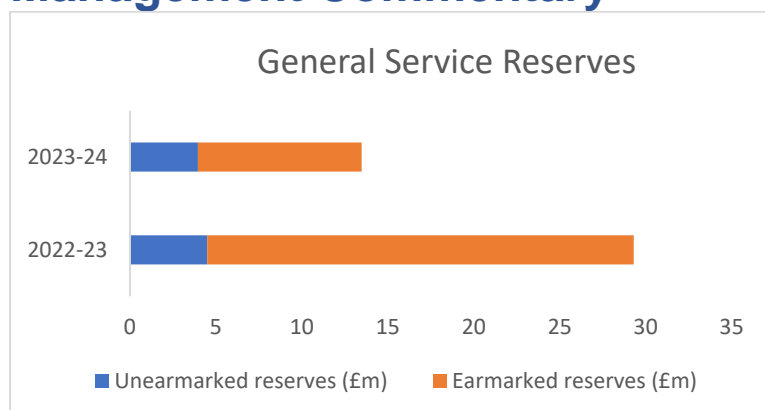
This account covers the day to day operational income and expenditure for each service of the Council and is reported in line with the Council's Chief Officers. Income from council tax, non-domestic rates, capital and revenue support grants was £288.605m with a net expenditure on services for the year of £279.583m (shown on page 31 – Net Cost of Services).

The Council's financial performance is presented in the CIES on page 31 which shows a deficit on the provision of service of £12.502m (represented by a £16.422m deficit on the General Fund and a £3.920m surplus in the HRA). This statement is prepared using International Financial Reporting Standards as interpreted by the Code. However, it does not reflect the true cost or the amount to be funded from taxation and government grant income. Note 6 details the accounting adjustments required to reflect performance against the use of reserves and statutory funds. The adjustments remove the impact of non-cash items such as depreciation, revaluation and replace these with the actual cost of debt repayment. Consequently, the general fund balance has decreased by £16.237m, against a planned use of reserves during 2023/24 budget setting of £8.656m. The table below shows a summary of the movements that contributed to the final position.

	Budget £'000	Actual £'000	Variance £'000	£'000
Total General Services Reserves Held at 1 April 2023				(29,303)
Resources	2,036	2,497	461	
Regulatory and Regeneration	3,792	3,086	(706)	
People & Technology	10,490	10,393	(97)	
Citizens, Culture and Facilities	14,816	14,844	28	
Education, Learning and Attainment	120,349	123,685	3,336	
Roads and Neighbourhood	17,434	19,915	2,481	
Housing and Employability	2,873	2,662	(211)	
Miscellaneous Services	7,553	8,257	704	
Health and Social Care Partnership	84,995	84,995	0	
Loan charges	13,976	14,247	271	
Capital Receipts to fund loan charges	(2,884)	(2,939)	(55)	
Vacancy Freeze	990		(990)	
Requisitions	2,320	2,367	47	
Non GAE Allocation	(8,898)	(8,857)	41	
Net Expenditure	269,842	275,152	5,310	
Council Tax	(40,254)	(41,041)	(787)	
Revenue Support Grant/NDR	(220,932)	(221,476)	(544)	
Revenue Budget Outturn Position			3,979	3,979
Budgeted use of Reserves				8,656
Use of Earmarked Balances (Note 5)				2,646
Timing differences in RSG to be received in 2024-25				956
Closing Useable Reserves Balance				(13,066)

As a result of the overall deficit, the General Fund reserves reduced from £29.203m to £13.066m. The graph below shows how the useable reserves of the Council are made up, including the £9.523m earmarked to support future budget strategy which are detailed in Note 5.

Management Commentary



The Council has a policy of holding a minimum of £5.449m uncommitted balance (3% of the Council's budgeted net annual running costs). As at 31 March 2024 the Council had £3.950m of free reserves (1.98% of actual running costs). The use of reserves is reviewed as part of the budget setting each year.

Provisions

The Council has provisions totalling £2.237m on the Balance Sheet as detailed in Note 20 to the Accounts.

Cash Flow Statement

The Council's cash flow statement shows an increase of cash and cash equivalents of £21.847m during 2023/24 (see Note 18) mainly as a result of borrowing for capital spend on non-current assets this balance will be used to repay temporary borrowing as they fall due in 2023/24

Housing Revenue Account (HRA)

By law the Council maintains a separate account for the running and management of its housing stock and had 10,444 housing units at 31 March 2024 (2023: 10,422). The movement in year is follows:

Opening House Number	10,422
Disposals	(11)
Buy Backs	33
New builds	
Closing House Number	10,444

The account reported a deficit for the year of £1.666m. In line with the prudential reserves policy (2% of expenditure), the target reserves level for the HRA for 2023/24 was £0.984m. Taking account of the £1.666m in-year deficit and the brought forward balance from the previous year of £2.634m, the reserves balance available to the HRA for future use is £0.968m. The reserves balance is therefore £0.016m below the prudential target. The Council aims to increase HRA reserves over the medium term so that reserves are maintained at or above target. The HRA's budget performance for the year is summarised in the following table. The table also highlights how the in-year deficit affects the overall reserves balance held for future use. Further information is noted on page 83.

Management Commentary

	Budget £'000	Spend against Budget £'000	Variance £'000	£'000
Total HRA Reserves Held at 1 April 2023			(2,634)	(2,634)
Total Expenditure	49,643	51,780	2,137	
Total Income	(49,643)	(51,780)	(2,137)	
Net Budgetary Control Position	0	0	0	
Net transfer for earmarked reserves				1,665
Total HRA Reserves Held at 31 March 2024				(969)

The net budgetary position on the HRA Statement noted compares to the surplus noted within the HRA Income and Expenditure Statement (page 83) as detailed below:

	2023-24 £'000	£'000
Surplus/Deficit for the year on HRA services		(3,922)
HRA Movement in Reserves		
Adjustment to the revenue resource	(2,346)	
Adjustment between Revenue and Capital resources	7,662	
transfer (to)/from other Statutory reserves	272	
Movement in HRA revenue		5,588
Adjust for earmarked funds:		
Use of earmarked sums		(1,666)
Net HRA budgetary control position 2023-24		0
HRA Reserves as at 1 April 2023		(2,635)
Use of earmarked sums		1,666
HRA reserve as at 31 March 2024		(969)

Balance Sheet

The Balance Sheet on page 32 summarises the Council's assets and liabilities as at 31 March 2024 and explanatory notes are provided. The net worth of the Council has decreased by £32.517m from £387.786m as at 31 March 2023 to £355.269m as at 31 March 2024. The major changes are set out in the table below.

	31 March 2023 £'000	31 March 2024 £'000	Movement £'000	Main Reason
Long-term Assets	1,124,801	1,183,868	59,067	Movement as a result of the revaluation of non-current assets and capital expenditure offset by in year depreciation
Current Assets	71,415	102,334	30,919	Increase in cash and cash equivalents
Current Liabilities	(401,674)	(337,092)	64,582	Movement of short-term borrowing to long-term borrowing in line with treasury strategy.
Long-term Liabilities	(406,756)	(593,841)	(187,085)	Increase in long-term borrowing to support HRA and GS capital programme.
Total	387,786	355,269	(32,517)	

Management Commentary

Pension Assets and Liabilities

The net asset arising from the Council's involvement in the defined benefit scheme totals £302.324m as at 31 March 2024. However, this has been limited to nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to nil.

The Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward. The increase in the pension asset is mainly as a result of strong investment returns and an increase in discount rate resulting in lowering the value placed on the obligations as at 31 March 2024, partially offset by future pension, and salary decrease assumptions. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and future income to meet future pension liabilities.

Non-Current Assets

The Council owns a number of different types of assets, as listed in the Balance Sheet. These assets are used for ongoing and future service delivery provided by the Council to its residents. The remit for the Council's Strategic Asset Management Group is to ensure the most efficient use of these assets in pursuit of the Council's strategic priorities. The Group manages this through ongoing review of the overarching Strategic Asset Management Plan, which is then supported by a number of individual Asset Management Plans (including properties, infrastructure, vehicles and equipment, etc.).

The Council requires to assess the value of assets held based on current market conditions. During 2023/24 particular assets have increased in value by £12.260m however, at the same time, impairment and downward revaluations have reduced the value of other Council assets by £0.208m, resulting in a net increase in value of £12.052m. These movements adjust either the revaluation reserve in the Balance Sheet or are included within the Net Cost of Service within the Income and Expenditure Statement, depending on the history of the asset.

Borrowing

The Council's 2023/24 Treasury Strategy was agreed by the Council on 29 March 2023. The Council raised new long-term loans of £174.000m (2022/23 £7.375m) and short-term loans of £244.591m (2022/23 £311.000m) and repaid naturally maturing debt of £315.000m (2022/23 £279.186m).

The total outstanding long-term debt (excluding PPP debt) as at 31 March 2024 was £460.840m (2022/23 £300.851m) including £204.613m (2022/23 £117.047m) for the Council's housing stock. The total outstanding short-term debt was £267.597m (2022/23 £319.980m), including £118.813m (2022/23 £132.351m) for the housing stock.

The interest and expenses rate charged by the Council's loans fund was 4.05% (2.47% in 2022/23).

Capital Finance

The Council is able to regulate its own capital spending limits within the framework recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Scottish Government. The necessary treasury indicators and safeguards have been approved by Council. The Council's Treasury Management Strategy and Capital Strategy are approved at Council. Details of the capital expenditure and financing are shown in note 21 on page 68. Total gross capital expenditure amounted to £87.052m with the split between General Services and HRA is noted in the table below. The main capital projects progressed during 2023/24 were:

General Services	HRA
Dumbarton Town Centre - Levelling Up Fund	Void House Strategy Programme
Exxon City Deal	Window/door renewals
Faifley Campus	Kitchen/Bathroom/shower upgrades
	Heating Improvement works
	Void House Strategy Programme

Management Commentary

During 2023/24, the Council had budgeted capital expenditure of £218.549m with an actual in year spend of £87.052m. The unspent amount (£131,497m) includes overspends, underspends and reprofiling, as noted within the table below. The total reprofiling on planned spend was £69.464m – 31.78% (2022/23 59.64%) of the overall capital programme which is summarised in the following table:

Service	Budget £'000	Actual Spend £'000	Variance £'000	Overspend £'000	Underspend £'000	Reprofiling £'000
Corporate Services	48,388	13,547	(34,841)	1,626	(1,118)	(35,350)
Education	8,629	3,150	(5,479)	65	(28)	(5,516)
Infrastructure, Regeneration & Development	34,930	13,162	(21,768)	1,339	(709)	(22,398)
Miscellaneous Services	1,756	1,030	(726)		(17)	(709)
General Services Total	93,703	30,889	(62,814)	3,030	(1,872)	(63,973)
HRA	124,846	56,163	(68,683)	7,444	(70,636)	(5,491)
Total	218,549	87,052	(131,497)	10,474	(72,508)	(69,464)

The majority of the reprofiling has occurred within a number of larger capital projects and is mainly due to the timing of starting individual projects, for various reasons, not all within Council control, and the delayed spend on these projects moved into capital budgets for 2023/24 onwards. The most significant reprofiling was experienced against the following projects:

General Services	
District Heating Expansion	Network expansion to Golden Jubilee National Hospital will commence pending positive commercial discussions.
Schools Estate Improvement Plan	Works Progressing. Projects anticipated to complete in 2024/25.
Vehicle Replacement	Delay due to the vehicle build time associated with the specialist vehicles and the delivery lead time from the date of supply order placement.
Levelling Up Fund	Artizan masterplan approved in November 2023. Designs are progressing as planned but some delays due to enabling works and commencement of the design phase
HRA	
New House Build	Progress with new house build programme has been slower than anticipated. The projects are often complex, lengthy and require input from a range of stakeholders. A number of projects are due to complete over the next 2-3 years and these projects will increase the supply of quality affordable housing across West Dunbartonshire.
Roofing Works	There has been a slow down with the roofing programme because the roofing programme is increasingly renewing roofs within mixed tenure blocks. Mixed tenure works require consultation with owners and an agreement with owners on their share of costs before work commences. The challenging financial climate has made it more difficult to progress works with owners.

Public Private Partnership (PPP) and other Long-Term Liabilities

The Council entered into a PPP for the provision of three community learning centres and a primary school providing the Council with replacement buildings for three secondary schools which were handed over in 2009/10 with the primary school handed over during 2011/12. In accordance with statutory accounting guidance, full detail is provided within note 15 on pages 63 to 64.

On 31 March 2016, the Council entered into a 25 year 'Design, Build, Finance and Maintain' (DBFM) arrangement with the Scottish Government via the Scottish Futures Trust, for the provision of a further new secondary school. The school was handed over for use by the Council during 2017/18. The detail is also included within note 15.

Management Commentary

Group Accounts

Local authorities are required to prepare group accounts in addition to their own Financial Statements where they have material interest in other organisations. The group accounts on pages 91 to 98 consolidate the Council's Financial Statements, the Common Good and Trust Funds and four other entities (including two further subsidiaries – West Dunbartonshire Leisure Trust and Clydebank Property Company). The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £19.031m creating an overall net asset of £374.300m.. As there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

The Financial Outlook, Key Risks and the Future

In setting the 2024/25 budget on 6 March 2024, the Council faced a number of significant financial pressures resulting from real term reductions in government funding, inflationary pressures, in particular utilities, service demand increases and the ongoing impact of the national economic position.

The 6 March 2024 Council meeting also approved the updated General Fund capital plan, the 2024/25 HRA revenue budget and the updated 5 year HRA capital plan. The capital plans include funding for a number of projects over the next five years and the revenue impact of these investments will be built into future revenue plans.

Following the setting of the budget in March 2024, budget projections identified expected budget gaps in the mid-range scenario of £9.760m in 2025/26 rising cumulatively to £40.440m in 2028/29. At a Council meeting on 19 June 2024 a further Financial Update was presented which adjusted these gaps to reflect changes to budget assumptions and cost pressures and extend the outlook a further year. This resulted in amended estimated mid-range scenario budget gaps of £9.235m in 2025/26 rising cumulatively to £50.953m in 2029/30.

If the Council continues to receive real term funding cuts from the Scottish Government, there will continue to be a need to review the manner in which services are delivered and also the levels they are delivered at.

Management of Risk

The main financial risks identified by the Council over the medium and long term include:

- the unknown position from government on future funding levels particularly given the ongoing decline in Council population, and real term reductions in local government funding
- changing demands and needs for Council services (particularly in relation to older people)
- continued rises in inflation and interest rates which impact on the cost of service delivery and the delivery of capital programmes
- ongoing ring fencing of funds made available to local government which restrict the options to the council in relation to service delivery
- the impact of pay award negotiations and the extent to which responsibility for funding these is shared by the Scottish Government.

The Annual Governance Statement, shown on pages 18 to 22, details the arrangements the Council has put in place for the proper governance of the Council's affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvement actions to the governance framework identified from the Council's ongoing review of these arrangements.

Risks are identified with actions to minimise and/or mitigate those risks (where possible) through the Council's performance monitoring system (Pentana), which is reported to Members on a regular basis.

The Future

In recognition of the scale of the current financial challenge the Council will continue to identify service redesign and business transformation options and these will be reported to appropriate committees during 2024/25. Significant cost

Management Commentary

reductions have been generated through planned actions in prior years however more work is required to deliver a balanced budget in 2025/26 and future years.

A number of major projects continue to be progressed as follows:

Glasgow City Region City Deal – the Council, together with a number of other Scottish local authorities, is participating in the Glasgow Region City Deal which will see over £1.1 billion invested in the area. The City Deal consists of a number of significant capital projects across the area together with employability projects – in order to generate economic regeneration and additional jobs. The project within the City Deal specific to the Council is an infrastructure project at the Exxon site at Bowling to regenerate that site and to create a relief road along the A82 at Milton. The project is progressing with the full business case approved by Council in June 2023. Work will begin on site in 2024.

Development of Queens Quay – The Council's investment of £15.62m in Queens Quay over the past five years has helped fund the infrastructure needed to prepare the site for redevelopment. In collaboration with the development partners, good progress has been made on key developments, including the completion of the District Heating Energy Centre, new Care Home, social housing development, a partnership between Council, Wheatley Group and Clydebank Housing Association, and the new NHS Clydebank health centre. Housing development plots are being marketed to fulfil the ambition of delivering 1,000 new homes on Queens Quay and the Council is in dialogue with the landowner on how development can be expedited. The ongoing redevelopment of this site will be transformational for all our communities in Clydebank and create stronger links with the town centre and public transport. The District Heating Energy Centre Energy provides the heat source for existing and new developments at Queens Quay.

Levelling Up Fund – The Levelling Up Fund is a capital fund to address systemic weaknesses in the economies of the UK's towns and cities. The first round of the Levelling Up Fund was announced at the 2020 Spending Review with an aim to support communities in realising this vision. The Council were successful, as part of round 1, in securing £19.9m for three interlinked regeneration projects in Dumbarton town centre. These include the re-use of the listed Glencairn House (construction underway) as a town centre library and museum, the redevelopment of the largely vacant and run-down Artizan Centre (underway) and Connecting Dumbarton (complete) which will improve walking and cycling routes in the town centre. The funding programme runs to March 2025 but many of the positive regeneration outcomes will be longer term.

Long Term Plan for Towns Fund – Clydebank was selected by the UK Government as part of the Government's broader Levelling Up programme to receive £20m of Long-Term Plan for Towns Fund; one of seven towns in Scotland to receive this endowment-style funding. Funding will be provided over a 10-year period from 2024 and split into 75% capital funding and 25% revenue funding. In line with the UK Government's guidance, a Clydebank Town Board has been established with an independent Chair to direct the use of the Fund. The Council will be the accountable body for the funding. Funding will be used across the investment themes of Safety & Security, High Streets, Heritage and Regeneration and Transport and Connectivity and spent on locally identified priorities within those themes.

Shared Prosperity Fund – The UK Shared Prosperity Fund (SPF) is a part of the UK government's 'Levelling Up' agenda and was established, in part, to replace funds available through the European Structural Funds. West Dunbartonshire has been allocated up to £3.9 million and our priorities centre on community and place; supporting business; people and skills; and Multiply. The planned activities are progressing well, shopfront and small business improvement grants have been distributed and we have made some progress to the improvement of our existing CCTV network. Through Communities and Place priorities we continue to support the development of a food pantry network. We have also supported organisations through business growth including expert help for business and early-stage growth towards net zero grants. People and skills provision has been developed to support vulnerable young people and economically inactive individuals and has progressed well, while Multiply funds have been used to improve maths skills. The UK Shared Prosperity programme will run until March 2025 and we anticipate full expenditure across the thematic areas.

Other Information

Asset Management

The Council has a significant investment embedded in assets, comprising offices, schools, vehicles, houses, ICT infrastructure and equipment, etc. and it is important that these are managed in an efficient and effective manner. The Council has an overarching Corporate Asset Framework and Property Asset Plan 2023-2028 which was approved by

Management Commentary

Committee in February 2023. In addition, there are service specific Asset Plans covering Open Spaces, Roads Structures, Housing and Vehicle, Fleet and Plant which were all approved at the relevant service committees and will undergo refreshes in future years. We continue to identify any areas of over provision or inefficient value within the Council's assets in line with the Property and Land Disposal Strategy 2021-2026.

Equality and Diversity

The Council is firmly committed to the principle of equality of opportunity. The Council recognises its responsibility as a community leader, service provider and employer to encourage the fair treatment of all individuals and to tackle social

exclusion. The Council is also committed to eradicate all forms of discrimination, direct or indirect and aims to eliminate discriminatory practices and promote measures to combat its effects.

Information on the Council's Equality Outcomes and Mainstreaming Report 2021-2025 can be found on the Council website at:

<https://www.west-dunbarton.gov.uk/Council/strategies-plans-and-policies/Council-wide-plans-and-strategies/equality-diversity-and-fairness/mainstreaming-report-and-equality-outcomes/>

Consultation and Communication with Workforce

The Council has employee governance arrangements to ensure its employees are well informed, involved in decisions, appropriately trained, treated fairly and consistently and provided with a safe environment. The Council carries out regular employee engagement, and seeks the views of the workforce through regular consultations with staff and trade unions.

Remuneration Report

This report presents information on the remuneration of senior elected members and senior officers within the Council (pages 23 to 30).

Financial Performance Indicators

This commentary includes information on a set of financial performance indicators. These are aimed at providing the reader with a summary of key information and are summarised in the following table:

2022/23 Outturn	General Services Performance		2023/24 Target	2023/24 Outturn
£2.48	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£5.00	£0.70
15.03%	Council tax as a percentage of overall funding	Demonstrates the amount of budget raised through council tax	n/a	13.68%
94.83%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	93.50%	93.20%
£38.188m	Amount of income from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	n/a	39513m
148%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the GS has, in comparison to the agreed minimum	100%	72%
2.95%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2.00%	1.98%
£1.641m	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£(0.549)m
104.00%	Revenue budget compared to actual outturn at year end - including top up of provisions	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	102.89%

Management Commentary

2022-23 Outturn	Prudence And Affordability – Capital		2023/24 Target	2023/24 Outturn
3.97%	Ratio of financing costs to net revenue stream (excluding PPP) – General Services	Demonstrates how much of the General Fund revenue budget is used to support previous capital investment	8.53%	10.90%
29.40%	Ratio of financing costs to net revenue stream – HRA	Demonstrates how much of the HRA revenue budget is used to support previous capital investment	28.30%	41.90%
£742.283m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£809.033m	£794.537m
£715.913m	External Debt Levels (including PPP)	The amount of external debt held by the Council. Increases due to funding of the capital programme	£804.239m	£815.999m

2022/23 Outturn	Housing Performance		2023/24 Target	2023/24 Outturn
21.35%	Percentage of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	20.53%
2,043	number of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	1,989
9.57%	Current / former / total tenant arrears as a percentage of net rent due in year	Demonstrates the Council's effectiveness in collecting local housing rents	10.35%	9.92%
4,345	Amount of current/ former/ total tenant rent arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	4,641
100%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the HRA has, in comparison to the agreed minimum	100%	99%
2.61%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2.00%	1.97%
£(0.044m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£(0.044m)
100.00%	Revenue budget compared to actual outturn at year end	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	100%

Statement of Responsibilities

The Council's Responsibilities

The Authority 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 Chief Officer – Resources;
- 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 legislation in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003); and
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were authorised for issue on 19 June 2024.

Signed on behalf of West Dunbartonshire Council

Councillor Martin Rooney
Leader of the Council

The Chief Officer - Resources Responsibilities

The Chief Officer – Resources is responsible for the preparation of the Council's Annual Accounts, in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("The Accounting Code").

In preparing the Annual Accounts, the Chief Officer - Resources 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 Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Officer – Resources has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.
- Signed and dated the Balance Sheet.

I certify that the financial statements give a true and fair view of the financial position of the local authority and its group at the reporting date and the transactions of the local authority and its group for the year ended 31 March 2024.

Laurence Slavin
Chief Officer - Resources

Annual Governance Statement

Annual Governance Statement

The Annual Governance Statement explains the Council's governance arrangements as it meets the requirements of the "Code of Practice for Local Authority Accounting in the UK" (the Code) and reports on the effectiveness of its system of internal control, including the reliance placed on the governance frameworks of our partners. It is included within the Council's Financial Statements to assure stakeholders on how the Council directs and controls its functions and how it relates to communities in order to enhance transparency and scrutiny of the Council's activities.

Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Council's Elected Members and Corporate Management Team (CMT) are responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Council has established an arms-length external organisation: West Dunbartonshire Leisure Trust – to deliver leisure services more effectively on the Council's behalf, which reports regularly to Elected Members. From 1 July 2015 the West Dunbartonshire Health and Social Care Partnership was established to continue the development of the integration of social care and health services between the Council and NHS Greater Glasgow and Clyde.

The Council has approved and adopted a Local Code of Corporate Governance ("the Local Code"), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: "*Delivering Good Governance in Local Government*". The Local Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. A copy of this Code is available from the Council website at:

<http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf>

This statement explains how the Council expects to comply with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for the Annual Governance Statement.

The Purpose of the Governance Framework

The governance framework comprises: the systems and processes; and culture and values - by which the Council is directed and controlled and through which it accounts to and engages with communities. It enables the Council to monitor the achievement of the strategic objectives set out in the Strategic Plan. It enables the Council to consider whether those objectives have led to the delivery of appropriate and value for money services.

The Council has put in place a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of the approval of the Statement of Accounts.

The Governance Framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

- The overarching strategic vision and objectives of the Council are detailed in the Strategic Plan 2022/27, which sets out the key priorities of the Council and key outcomes the Council is committed to delivering with its partners, as set out in the Local Outcome Improvement Plan.
- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their Delivery Plans. Performance management and monitoring of service delivery is reported through service

Annual Governance Statement

committees regularly. The CMT monitors performance information regularly. The Council regularly publishes information about its performance.

- The West Dunbartonshire Community Alliance, which supports Community Planning West Dunbartonshire, represents the views of community organisations, communities of interest and geographical communities. In addition the Council has an Engaging Communities Framework in place which sets out our approach to engaging with citizens, community organisations and stakeholders. Consultation on the future vision and activities of the partnership is undertaken in a range of ways, including seeking the views of the Alliance and through specific service consultations and the Council actively engages with its partners through community planning arrangements.
- The Council has adopted a Code of Conduct and associated employment policies for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members in a localised format. In addition, the Council has in place a protocol on member/officer relations and an inter-party protocol.
- The Council operates within an established procedural framework which incorporates a Scheme of Delegation, Standing Orders and Financial Regulations. These describe the roles and responsibilities of Elected Members and officers and are subject to regular review. The Council facilitates policy and decision making through the agreed committee structure.
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Council's Chief Officer Resources as Section 95 Officer. The system of internal financial control is based on a framework of regular management information, the Financial Regulations, administrative procedures (including separation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council.
- The functions of the Audit Committee are undertaken as identified in CIPFA Guidance - Audit Committees: Practical Guidance for Local Authorities.
- The Council's approach to risk management is set out in the Risk Management Framework. A strategic risk register is in place and an update report on this is regularly submitted to the Corporate Services Committee and Audit Committee. The approach is embedded within the Council's strategic planning and performance management framework with regular reporting of risk management arrangements to service committees.
- Comprehensive arrangements are in place to ensure Elected Members and officers are supported by appropriate training and development.
- The Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption.
- The Council continues to assess and monitor ongoing compliance with the CIPFA Financial Management Code.

Review of Effectiveness

The Council has a responsibility to review, at least annually, the effectiveness of its governance framework including the system of internal financial control. The review of effectiveness of the framework is informed by the work of the CMT which has responsibility for the development, implementation and maintenance of the governance environment, the Chief Internal Auditor's annual report; and reports from the external auditors and other review agencies and inspectorates.

The Council's current Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. An assessment of the Council's compliance with the Code of Good Governance is supported by a process of self-assessment and assurance certification by Chief Officers and the outcome of this assessment was reported to the Audit Committee on 12 June 2024.

Each Chief Officer was presented with a self-assessment checklist to complete and return as evidence of review of seven key areas of the Council's governance framework which provided assurance for their service areas.

The Audit Committee performs a scrutiny role in relation to the application of the Code of Good Governance and regularly monitors the performance of the Council's Internal Audit service.

In relation to the effectiveness of governance arrangements and systems of internal control for the Council's group entities, the Council places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 and reports to the Audit Committee. An annual programme of work is determined and undertaken by Internal Audit, approved

Annual Governance Statement

by the Audit Committee, based upon an established risk based methodology. The Shared Service Manager – Audit & Fraud provides an independent opinion on the adequacy and effectiveness of the Council's System of Internal Financial Control.

The Audit Committee performs a scrutiny role in relation to the application of PSIAS and regularly monitors the performance of the Internal Audit service. The Council's Shared Service Manager – Audit & Fraud (the Council's Chief Internal Auditor) has responsibility for reviewing independently and reporting to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

It is our view that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify areas of weakness. This is corroborated by an annual assurance statement prepared by the Shared Service Manager – Audit & Fraud stating that the overall control environment opinion was "Generally Satisfactory with some improvements needed" such that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control systems. There was one audit which received an overall opinion of "Requires Improvement", namely Complaints Handling. An action plan is in place to address all issues identified in relation to the audit which will be monitored and reported to CMT and Audit Committee.

Due to vacancies arising in the team, some audits from 2022/23 were completed in early 2023/24 which has impacted on the completion of the fieldwork for the 2023/24 audit plan. However the overall audit plan is set within the context of a multi-year approach to audit planning such that key risk areas are reviewed over a 5 year cycle.

The system of governance (including the system of internal control) can provide only reasonable and not absolute assurance that the assets are safeguarded, the transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the Council's objectives have been mitigated.

Governance Issues and Planned Actions

The following main issues and areas for improvement during 2023/24 have been identified through the self-assessment exercise carried out by Chief Officers against key aspects of the Code of Good Governance. These will be monitored as part of the next annual review in 2024/25.

Improvement Area identified by 2023/24 Exercise	Responsible Officer
Embedding Be the Best Conversations within all service teams.	Chief Officer, Citizen, Culture and Facilities
Work is required in some services to review and update business continuity planning documentation.	Chief Officer, Housing and Employability
Business Classification Scheme will be rolled out to relevant service areas.	Chief Officer, People and Technology Chief Officer, Resources
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	Data Protection/Information Governance Officer
A review of Learning Disability Service to improve on ways of working to ensure the service is fit for future demands. Full review to be picked up as part of renewal and recovery work. Internal Audit support will be provided to the project.	Head of Mental Health, Addictions & Learning Disabilities
Refreshed engagement policy and procedure will be presented for approval in September 2024.	Chief Officer, HSCP
Process for reporting on the status of external audit actions regularly to Audit Committee will be developed and implemented.	Chief Officer, Resources
A review of Guidance for Administration of School Funds is underway following an Internal Audit review.	Chief Officer, Education, Learning and Attainment
Action plans arising from reviews and inspections from Statutory Bodies including HMIE and the Care Inspectorate will be published online.	Chief Officer, Education, Learning and Attainment

Annual Governance Statement

A review of workforce and succession plans is underway to ensure the plans take cognisance of future needs.	Chief Officer, Resources
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The 2022/23 Annual Governance Statement highlighted a range of areas for improvement during 2023/24. The following table provides an update on progress with these with a number having been completed or are areas which continue to have an ongoing focus:

Improvement Area identified by 2022/23 Exercise	Status
Embedding Be the Best Conversations within all service teams.	Ongoing.
Work is required in some services to review and update business continuity planning documentation.	Ongoing.
Business Classification Scheme will be rolled out to relevant service areas.	Ongoing.
Evaluation processes are built into some key projects but not all. The HSCP would benefit from a consistent planning approach in this respect and this has been highlighted via external inspection activity.	Complete.
In relation to self-evaluation, work is ongoing to review complaints and consider how all feedback can be captured and used to inform service improvement across HSCP.	Complete.
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	Ongoing.
A review of Learning Disability Service is underway to improve on ways of working to ensure the service is fit for future demands. Full review to be picked up as part of renewal and recovery work. Internal Audit support will be provided to the project.	Ongoing.
There is currently a resourcing issue in terms of community engagement and participation and although the HSCP Board have adopted a strategy this will be reviewed in 2023/24.	Ongoing.
Process for reporting on the status of external audit actions regularly to Audit Committee will be developed and implemented.	Ongoing.
Arrangements for Procurement and Commissioning remains an area of high risk for the HSCP. Additional resource is now in place to provide focus in this area and address actions arising from a recent Internal Audit review.	Complete.
The HSCP employ a small number of consultants through relevant procurement processes. A review of current appointments was undertaken in early 2023 utilising the manager's guidance and the HMRC website to ensure invoices were being treated appropriately. The HSCP Head of HR and the CFO will support Heads of Service in any new contract arrangements that must comply with off payroll working guidance.	Complete.

Best Value Assurance Report

A new approach to auditing Best Value has been introduced by the Accounts Commission. This work is now be integrated into annual audit reporting from 2023/24 to build local audit knowledge and reduce the scrutiny burden on councils.

External Audit also conduct thematic reviews as directed by the Accounts Commission. In 2022/23 this direction focused on the effectiveness of council leadership in developing new strategic priorities following the elections in May 2022. The

Annual Governance Statement

Council's appointed external auditors completed their work on this during 2023/24 with a report presented to full Council on 20 December 2023.

The overall conclusion was that 'Administration elected members and officers worked together to agree clear strategic priorities, objectives, and measures of success. The council needs to maintain effective leadership to continue to achieve its priorities and make the difficult decisions to respond to its challenging financial position.'

Health and Social Care Integration

The Council, as the funder of the Social Care services within the West Dunbartonshire Health and Social Care Partnership (HSCP) has an interest in the governance arrangements within the HSCP Board. Internal Audit arrangements for the HSCP is provided jointly by the Council's Internal Audit service and the Health Board's Internal Audit Service, with the Council's Internal Audit service providing audit arrangements for social care services and the general oversight of the HSCP Board's governance arrangements.

The HSCP Board has arrangements in place to review its own ongoing compliance with the revised Code of Governance. Due to the Council's role as social care service provider Internal Audit's process outcomes on such services are reported to the Council's Audit Committee as well as that of the HSCP Board. The Chief Social Worker provides the Council with an annual report on the performance of the HSCP.

The financial arrangements for the Council's funding to the HSCP Board are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP Board are aligned with Council policy and budgeting approaches. On an ongoing basis the Council continues to receive budgetary control information in relation to HSCP Board services funded by the Council.

Compliance with Best Practice

Statement on the role of the Chief Financial Officer in local government

The Council complies with the requirements of the CIPFA Statement on "*The Role of the Chief Financial Officer in Local Government 2010*". The Council's Chief Financial Officer (Section 95 Officer) has overall responsibility for the Council's financial arrangements and is professionally qualified and suitably experienced to lead the Council's finance function and to direct finance staff.

Statement on the role of the Head of Internal Audit in Public Service Organisations

The Council complies with the requirements of the CIPFA Statement on "*The Role of the Head of Internal Audit in Public Service Organisations 2019*". The Council's Chief Internal Auditor has responsibility for the Council's Internal Audit function and is professionally qualified and suitably experienced to lead and direct the Council's Internal Audit staff. The Internal Audit service generally operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2017".

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2023/24 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principle objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment with plans in place to address improvement areas.

Martin Rooney
Leader of the Council
Date:

Peter Hessett
Chief Executive
Date:

Laurence Slavin
Chief Officer – Resources
Date:

Remuneration Report

Remuneration Report

Introduction

The Council is required under statute to provide information on the remuneration of each senior elected member and senior officer and any other officer not otherwise included whose remuneration is over £0.150m per annum. All information disclosed in the tables 1-6 and section (b) of the Remuneration Report is subject to audit. The other sections are reviewed by external audit to ensure that they are consistent with the Financial Statements.

Remuneration - Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2023 (SSI No. 2023/21). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as the Leader of the Council, the Civic Head (Provost), Senior Councillors and Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure. The regulations stipulate that in addition to the Leader of the Council and the Provost, West Dunbartonshire can appoint a maximum of ten Senior Councillors. The level of remuneration paid to the Leader of the Council, Provost and Senior Councillors is detailed in Table 1.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2023/24 the salary for the Leader of West Dunbartonshire Council was £40,205. The Regulations also state that the maximum yearly amount that may be paid to the Provost (£30,154) is 75% of the total yearly amount payable to the Leader of the Council.

The Regulations also state the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor (£30,154) is 75% of the total yearly amount payable to the Leader of the Council. For 2023/24 the total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £251,280. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. Council policy is to pay Senior Councillors £25,128 (per the decision at Council on 18 May 2022 for 2022/2023 rate of 24,467 now increased in line with revised remuneration circular for 2023/24). The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme. The pension entitlements for the year to 31 March 2024 are shown in Table 5 on pages 27 and 28.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was agreed at a meeting of the full Council on 18 May 2022. The report to Council can be found at [Appointment of Senior Officers](#) and the Register of Members Allowances can be found at <https://www.west-dunbarton.gov.uk/media/wauoue1u/register-of-allowances-2023-2024.pdf>.

Table 1: Remuneration of Senior Councillors

The Council paid the following salaries, allowances and expenses to all Councillors (including the Senior Councillors above) during the year:

Remuneration Report

2022/23			Year ended 31 March 2024		
Total Remuneration £	Senior Members	Responsibility	Salary, Fees & £	Taxable Expenses £	Total Remuneration £
35,885	Martin Rooney	Leader of Council Convener of Recruitment & Individual Performance Management Committee Convener of Community Planning West Dunbartonshire Management Board	40,205		40,205
27,729	Douglas McAllister	Provost	30,154		30,154
24,145	Karen Conaghan	Leader of the Opposition Convener of Audit & Performance Review Committee	25,192		25,192
21,803	Gurpreet Singh Johal	Convener of Appeals Committee Convener of Housing & Communities Committee	25,192		25,292
23,677	Daniel Lennie	Convener of Corporate Services Committee	25,192		25,192
23,651	David McBride	Convener of Infrastructure Regeneration & Economic Dev Committee Convener of Joint Consultative Forum	25,128		25,128
21,803	Michelle McGinty	Depute Leader Convener of West Dunbartonshire Health & Social Care Partnership Board (JJB)	25,192		25,192
23,651	John Millar	Depute Provost Convener of Tendering Committee	25,128		25,128
23,651	Lawrence O'Neill	Convener of Planning Committee	25,128		25,128
21,803	Clare Steel	Convener of Educational Services Committee	25,192		25,192
21,803	June McKay	Convener of Licensing Committee	25,192		25,192

Note: The term *Senior Councillor* means a Leader of the Council, the Civic Head or a Senior Councillor, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).

Salaries, allowances and expenses in 2023/24 have only been included for Senior Councillors.

Senior Councillors' remuneration in the tables above does not include non-taxable expenses. The values in the table above relate to the actual payments made during 2023/24 which differ slightly from those stated on page 22 due to timing differences in regards to payroll. There is no compensation/loss of office payments within the period and there were no benefits or bonuses paid during the year.

Councillors' remuneration

Councillors' payments are made in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and The Local Government (Allowances and Expenses) (Scotland) Regulations 2007.

The total amount of councillors' remuneration paid by the Council during the year was:

Table 2: Councillors Total Remuneration

2022/23 Members Allowance	2023/24
£	£
500,319 Salaries	517,724
8,508 Expenses	8,125
508,827 Total Allowances	525,849

Remuneration Report

The annual return of councillors' salaries and expenses for 2023-24 is available for any member of the public to view at all Council libraries and public offices during normal working hours. It is also available on the Council's website at: <https://www.west-dunbarton.gov.uk/media/wauoue1u/register-of-allowances-2023-2024.pdf>

Remuneration - Senior Employees and senior Employees of Subsidiaries

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Industrial Relations Circular IR/23b sets the amount of salary for the Chief Officials of the Council for the period 1 April 2023 to 31 March 2024. The post of Chief Officer Health and Social Care Partnership is a joint post between the Council and NHS Greater Glasgow and Clyde. The post of Chief Officer Roads & Neighbourhood was a joint post between the Council and Inverclyde Council until 01 June 2023.

Details of the post of Chief Officer HSCP are included in the remuneration report of the Integration Joint Board. The Council funds 50% of this post and NHS Greater Glasgow fund the remaining 50%.

The only benefits received by employees are: salary; employer contributions to the pension fund; and where applicable, payment for election duties. There were no bonuses, compensation for loss of office or other benefits paid to senior employees during the year. The remuneration details for senior employees are noted in Table 3.

Table 3: Senior Officers Remuneration

Total Remuneration 2022/23 £	Name	Position at 31 March 2024	Fees & Allowances 2023/24 £	Taxable Expenses £	Total Remuneration 2023/24 £
Remuneration of Senior Employees					
127,311	Peter Hessett	Chief Executive	144,584		144,584
92,861	Lesley James	Head of Children's Healthcare & Criminal Justice - Chief Social Work Officer	99,581		99,581
101,506	Laura Mason	Chief Officer - Education, Learning & Attainment	107,647		107,647
98,804	Laurence Slavin	Chief Officer - Resources - S95 Officer	108,197		108,197
85,049 (FYE 97,458)	Alan Douglas	Chief Officer - Regulatory & Regeneration	105,887		105,887
101,210	Victoria Rogers	Chief Officer - People & Technology	108,216		108,216
49,461	Gail MacFarlane	Chief Officer - Roads & Neighbourhood (Shared post with Inverclyde until 1 June 2023, then 100% WDC)	95,932 (FYE 105,487)		0
115,158	Angela Wilson	Chief Officer - Supply, Distribution & Property (until 3rd September 2023)	49,302		49,302
101,210	Peter Barry	Chief Officer - Housing & Employability	108,216		108,216
98,826	Amanda Graham	Chief Officer - Citizen, Culture & Facilities	108,197		108,197
Remuneration of Senior Employees of Subsidiaries					
81,464	John Anderson	General Manager of West Dunbartonshire Leisure	86,716		86,716

Remuneration of Employees receiving more than £50,000

Council employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in Table 4 shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements in the tables above.

Remuneration Report

Table 4: Remuneration of Officers receiving more than £50,000

2022/23 Number of Officers	Range	2023/24 Number of Officers
91	£50,000 - £54,999	166
106	£55,000 - £59,999	121
34	£60,000 - £64,999	56
32	£65,000 - £69,999	42
42	£70,000 - £74,999	29
10	£75,000 - £79,999	35
1	£80,000 - £84,999	9
2	£85,000 - £89,999	2
6	£90,000 - £94,999	2
2	£95,000 - £99,999	6
5	£100,000 - £104,999	0
0	£105,000 - £109,999	7
0	£110,000 - £114,999	0
1	£115,000 - £119,999	0
2	£120,000 - £124,999	0
0	£130,000 - £134,999	1
0	£140,000 - £144,999	1
334	Total	477

Pension Benefits

Pension benefits for Councillors and most local government employees are provided through the Local Government Pension Scheme (LGPS). Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The pension entitlements for the year to 31 March 2024 are shown in Table 5 on pages 40 and 41. The table details the pension entitlement and contributions made by the Council in respect of all senior Councillors and senior officers of the Council who have opted to join the LGPS.

For local government employees, the LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 55 but are reduced prior to 60th birthday. Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

Pension benefits for teachers are provided through Scottish Teachers Superannuation Scheme (STSS). The STSS is a contributory scheme administered by the Scottish Public Pension Agency (SPPA). From 1 April 2015 the scheme is a career average pension scheme. Pension benefits are increased in line with inflation. Pension is accrued at 1/57 of pensionable earnings each year. Pension benefits can be accessed earlier than the normal state pension age but will be reduced if taken earlier than the normal pension age (state pension age).

From 1 April 2009, a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Table 5 provides information on these tiered contribution rates.

Remuneration Report

Table 5: Pension Contribution Rates

Contribution rate 2022/23	Contribution rate 2023/24
The tiers and members contribution rates for 2023/24 (2022/23) whole time pay:	
<u>Local Government employees</u>	
5.50% On earnings up to and including £25,300 (£23,000)	5.50%
7.25% On earnings above £25,301 (£23,001) and up to £31,000 (£28,100)	7.25%
8.50% On earnings above £31,001 (£28,101) and up to £42,500 (£38,600)	8.50%
9.50% On earnings above £42,501 (£38,601) and up to £56,600 (£51,400)	9.50%
12.00% On earnings above £56,601 (£51,401)	12.00%
The tiers and members contribution rates for 2023/14 (2022/23) actual pay:	
<u>Teachers</u>	
7.20% On earnings up to and including £29,186 (£28,309)	7.20%
8.70% On earnings above £29,186 (£28,309) and up to £39,289 (£38,108)	8.70%
9.70% On earnings above £39,289 (£38,108) and up to £46,586 (£45,186)	9.70%
10.40% On earnings above £46,586 (£45,186) and up to £61,740 (£59,884)	10.40%
11.50% On earnings above £61,740 (£59,884) and up to £84,190 (£81,659)	11.50%
11.90% On earnings above £84,190 (£81,659)	11.90%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. You can retire and receive your benefits in full from your normal pension age. The normal pension age is 65 for any benefits built up before 1 April 2015. For pension build up from 1 April 2015, the Normal Pension Age is not fixed at age 65 but, instead, is the same as the State Pension Age (but with a minimum of age 65).

The value of benefits in the table below has been provided by the Strathclyde Pension Fund Office and is calculated on the basis of the age at which the person will first become entitled to a full pension on retirement without reduction on account of its payment at that date: without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service, and not just their current appointment.

The pension entitlements for the year to 31 March 2024 together with the contribution made by the Council to each person's pension during the year is shown in Table 6 for Senior Councillors and and Table 7 for Senior Officers. The tables contain information for those persons who were Senior Officers or Senior Councillors in 2023/24.

Remuneration Report

Table 6: Pension Benefits for Senior Councillors

		In-year pension contributions		Accrued pension benefits	
Name	Position at 31/03/24	For year to 31 March 2024	For year to 31 March 2023	As at 31 March 2024	Difference from 31 March 2023
Senior Councillors		£	£	£	£
Martin Rooney	Leader of Council Convener of Recruitment & Individual Performance Management Committee Convener of Community Planning West Dunbartonshire Management Board	7,760	6,926	13,613	2,429
Douglas McAllister	Provost	5,820	5,352	3,427	1,031
Karen Conaghan	Leader of the Opposition Convener of Audit & Performance Review Committee	4,862	4,647	3,827	1,037
Gurpreet Singh Johal	Convener of Appeals Committee Convener of Housing & Communities Committee	4,862	4,233	965	514
Daniel Lennie	Convener of Corporate Services Committee	4,862	4,564	3,270	954
David McBride	Convener of Infrastructure Regeneration & Economic Dev Committee Convener of Joint Consultative Forum	4,850	4,565	10,301	1,624
Michelle McGinty	Depute Leader Convener of West Dunbartonshire Health & Social Care Partnership Board (IJB)	4,850	4,565	3,229	910
John Millar	Depute Provost Convener of Tendering Committee	4,850	4,565	3,229	910
Lawrence O'Neill	Convener of Licensing Committee Convener of Planning Committee	4,850	4,565	4,681	872
Clare Steel	Convener of Educational Services Committee	4,862	4,233	965	514
June McKay	Convener of Licensing Board	453	4,489	4,636	514

Table 7 Pension Benefits for Senior Officers

		In-year pension contributions		Accrued pension benefits	
Name	Position at 31/03/23	For year to 31 March 2024	For year to 31 March 2023	As at 31 March 2024	Difference from 31 March 2023
Senior Employees		£	£	£	£
Peter Hessett	Chief Executive	27,905	24,171	149,939	16,545
Lesley James	Head of Children's Healthcare & Criminal Justice - Chief Social Work Officer	19,219	17,782	85,520	49,117
Laura Mason	Chief Officer - Education, Learning & Attainment	20,776	19,591	163,257	13,828
Laurence Slavin	Chief Officer - Resources - S95 Officer	20,882	19,051	46,446	44,338
Alan Douglas	Chief Officer - Regulatory & Regeneration	20,436	16,434	122,439	10,588
Gail MacFarlane	Chief Officer - Roads & Neighbourhood	16,945			
Victoria Rogers	Chief Officer - People & Technology	20,886	19,542	87,523	9,284
Angela Wilson	Chief Officer-Supply,Distrubtion & Property (until 3rd September 2023)	9,494	22,157	185,289	20,689
Peter Barry	Chief Officer - Housing & Employability	20,886	19,542	73,569	8,415
Amanda Graham	Chief Officer - Citizen, Culture & Facilities	20,882	19,049	15,871	3,549
Senior Employees of Subsidiaries					
John Anderson	General Manager of West Dunbartonshire Leisure	16,736	15,694	70,294	6,226

Remuneration Report

Exit Packages

The number of exit packages with cost per band for compulsory and other redundancies are detailed in table 8 below. The Council only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives; and where the savings accruing from an individual ceasing employment with the Council exceed the costs of the exit package within an acceptable period.

For the purposes of this note Exit Packages include:

- Redundancy payment;
- Strain on the fund cost (the amount which the Council is required to pay to the pension fund because the employee has retired before the assumed retirement age);
- Added Years Lump Sum (the amount which the Council pays to the individual in a one-off lump sum, according to the compensatory added years awarded – maximum three years).

Table 8: Exit Packages

2022-23			2023-24	
Departures	Total Cost (£)	Banding	Departures	Total Cost (£)
3	37,170	£0 - £20,000	40	442,186
		£20,001-£40,000	8	205,908
1	43,000	£40,001-£60,000	5	236,548
		£60,001-£80,000	5	350,362
1	82,995	£80,001-£100,000	4	354,000
1	116,107	£100,001 - £150,000	3	311,994
6	279,272	Total	65	1,900,998

Termination Benefits of Employees

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before their normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accruals basis to the appropriate service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises the costs for a restructuring. The Council terminated the contracts of a number of employees in 2023-24. The above table includes £0.060 million liabilities relating to these releases (2022-23: nil).

Martin Rooney
Leader of the Council
Date: 19 June 2024

Peter Hissett
Chief Executive
Date: 19 June 2024

Remuneration Report

Trade Union Facility Time (Unaudited)

Facility time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

Details of the facility time within West Dunbartonshire Council during the year to 31 March 2023 is shown in Table 9 below. Further detail can be found at:

<https://www.west-dunbarton.gov.uk/council/performance-and-spending/trade-union-facility-time-reports/>

Table 9: Trade Union Facility Time

Education Function Employee		All Other Function Employee	
Number of Employees	FTE employee Number	Number of Employees	FTE employee Number
32	27	63	54
Percentage of Time Spent on		Percentage of Time Spent on Facility	
Percentage	Number of Employees	Percentage	Number of Employees
Less < 1%	26	Less < 1%	23
1-50%	5	1-50%	37
51%-99%	2	51%-99%	2
100%	0	100%	1
Total cost of facility time		Total cost of facility time	
£72,721		£100,645	
Total pay bill		Total pay bill	
£66,407,544		£91,234,484	
Percentage of Pay Bill Spent on		Percentage of Pay Bill Spent on facility	
11.000%		0.110%	
Paid TU Activities		Paid TU Activities	
4.21%		12.10%	

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in year, of providing services in accordance with relevant International Financial Reporting Standards, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis.

2022/23 Gross Expenditure £'000	2022/23 Gross Income £'000	2022/23 Net Expenditure £'000		2023/24 Gross Expenditure £'000	2023/24 Gross Income £'000	2023/24 Net Expenditure £'000
			Note			
Service						
45,147	(40,398)	4,749	Resources	43,286	(40,116)	3,170
10,586	(2,169)	8,417	Regulatory and Regeneration	9,848	(2,227)	7,621
12,999	(189)	12,810	People & Technology	12,328	(196)	12,132
19,317	(1,426)	17,891	Citizens, Culture and Facilities	15,176	(698)	14,478
140,073	(21,810)	118,263	Education, Learning and Attainment	149,724	(21,487)	128,237
39,262	(6,722)	32,540	Roads and Neighbourhood	31,058	(3,157)	27,901
39,155	(33,011)	6,144	Housing and Employability	12,646	(8,004)	4,642
10,641	(8,964)	1,677	Miscellaneous Services	(1,675)	(441)	(2,116)
214,678	(122,556)	92,122	Health and Social Care Partnership	211,515	(124,699)	86,816
2,215	0	2,215	Requisitions	2,401	0	2,401
43,183	(45,927)	(2,744)	Housing Revenue Account	43,703	(49,402)	(5,699)
577,256	(283,172)	294,084	Net Cost of Service	530,010	(250,427)	279,583
		(365)	Other Operating Expenditure and (income) - (Gain) / loss on Disposal of non-current assets			306
		25,445	Financing and Investment (Income) and Expenditure	8		30,683
		(267,663)	Taxation and Non-specific Grant Income	9		(298,070)
		51,501	(Surplus)/Deficit on Provision of Services			12,502
		(45,031)	(Surplus)/Deficit arising from revaluation of non-current assets	11		(12,936)
		0	(Surplus)/Deficit on revaluation of assets held at fair value through other comprehensive income			0
		(67,135)	Remeasurement of the net defined benefit pension liability	22		32,951
		(112,166)	Other Comprehensive (Income) and Expenditure			20,015
		(60,665)	Total Comprehensive (Income) and Expenditure			32,517

Balance Sheet

Balance Sheet

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:

1. Usable reserves - reserves 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 receipts reserve that may only be used to fund capital expenditure or repay debt).
2. Unusable reserves - reserves that the Council is not able to use to provide services. This category of reserves 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 MIRS line 'adjustments between accounting basis and funding basis under regulations.

31 March 2023		31 March 2024	
£'000	Note	£'000	
1,122,069	Property, Plant and Equipment	11	1,179,145
722	Intangible Assets	12	942
20	Long Term Debtors		1774
1,518	Heritage Assets	13	1524
472	Long Term Investments		483
1,124,801	Long Term Assets		1,183,868
5,417	Asset Held for Sale	14	2,743
1,337	Inventories		1,298
62,110	Short Term Debtors	17	73,896
2,551	Cash and Cash Equivalents (net)	18	24,397
71,415	Current Assets		102,334
(75,642)	Short Term Creditors	19	(64,367)
(3,428)	Provisions	20	(2,237)
(3,129)	PPP	15	(2,890)
(319,475)	Short Term Borrowing	21	(267,598)
(401,674)	Current Liabilities		(337,092)
(87,498)	PPP and Finance Lease Liabilities	15	(84,559)
(300,471)	Long Term Borrowing	21	(460,953)
(15,390)	Net Pensions Liability	22	(43,012)
(3,397)	Capital Grants Receipts in Advance		(5,317)
(406,756)	Long Term Liabilities		(593,841)
387,786	Net Assets		355,269
Represented by:			
(32,273)	Usable Reserves	MIR/6	(14,442)
(355,513)	Unusable Reserves	MIR/6	(340,827)
(387,786)	Total Reserves		(355,269)

Movement in Reserves Statement

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 or reduce local taxation) and other reserves. The surplus or (deficit) on the provision of services line in the Comprehensive Income and Expenditure Statement (page 31) shows the true economic cost of providing the Council's services. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwelling rent setting purposes. The net increase/decrease before transfer to other statutory reserves line shows the statutory general fund balance and housing revenue account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Usable Reserves								
	General Fund balance £000	HRA Balance £000	Capital Grants and Receipts Unapplied Account £000	Capital Reserve £000	Capital Fund £000	Other Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
2023/24									
Balance at 31 March 2023 Carried Forward	(29,303)	(2,635)	(72)	0	0	(262)	(32,272)	(355,513)	(387,785)
Movement in Reserve 2023/24									
Total Comprehensive Expenditure and Income	16,422	(3,920)					12,502	20,015	32,517
Adjustments between accounting basis and funding basis under regulations (Note 6)	2,824	5,586	(3,082)	0	0	0	5,328	(5,328)	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	(10,057)	1,666	(3,082)	0	0	0	17,830	14,687	32,517
Transfers to/from other statutory reserves	(3,009)		2,941			68	0		
Closing Balance at 31 March 2024	(13,066)	(969)	(213)	0	0	(194)	(14,442)	(340,827)	(355,269)
2022/23									
Balance at 31 March 2022 Carried Forward	(15,020)	(2,734)	(42)	(758)	0	(468)	(19,052)	(696,340)	(327,122)
Adjustment to the statutory repayment of debt for service concession arrangements - permitted flexibility*	(29,734)						(29,734)	29,734	0
Opening Balance at 1 April 2022	(44,754)	(2,734)	(72)	(758)	0	(468)	(48,786)	(278,336)	(327,122)
Movement in Reserve 2022/23									
Total Comprehensive Expenditure and Income	51,241	262					51,503	(112,166)	(154,265)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(33,855)	(432)			(702)		(34,989)	34,989	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	17,386	(170)	0	0	(702)	0	16,514	(355,513)	(154,265)
Transfers to/from other statutory reserves	(1,935)	269	0	758	702	206	0	0	0
Increase/Decrease in Year	15,451	99	0	758	0	206	16,514	(77,177)	(60,663)
Closing Balance at 31 March 2022	(29,303)	(2,635)	(72)	0	0	(262)	(32,272)	(355,513)	(387,785)

Notes to the Financial Statements

Cash Flow Statement

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

2022/23 £'000	2023/24 £'000	2023/24 £'000
Operating Activities		
51,501 Net deficit on the provision of services		12,501
(37,954) Depreciation, amortisation and impairment	(42,138)	
365 Net gain/loss on fixed assets	(306)	
(26,835) Movement in pension liabilities	5,329	
58 Movement in inventories	(39)	
(5,459) Movement in debtors	13,550	
3,930 Movement in creditors and provisions	12,467	
98 Other non-cash movements	0	
Adjustments to net deficit on the provision of services (65,797) for non-cash movements		(11,137)
(6,569) Financing movements	(11,170)	
17,263 Investing movements	35,796	
Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities		24,626
(3,602) Net cash (inflow)/outflow from Operating Activities		25,990
62,099 Purchase of property, plant and equipment and intangible assets		89,723
(702) Proceeds from sale of property, plant and equipment and intangible assets		3,388
411 Movement on long term investments		11
(18,568) Other receipts from investing activities		(34,958)
43,240 Net cash (inflow)/outflow from investing activities		58,164
(313,896) Cash receipts of short-term and long-term borrowing		(518,000)
2,339 Repayment of PPP liabilities		2,672
271,509 Repayment of short-term and long-term borrowing		409,328
(40,048) Financing Activities		(106,000)
(410) Net cash (inflow)/outflow from financing activities		(21,846)
Cash and cash equivalents at the beginning of the reporting period		2,551
Cash and cash equivalents at the end of the reporting period		24,397
(410) Movement – (Increase)/ Decrease in Cash		(21,846)

Reconciliation of Liabilities arising from Financing Activities

	31 March 2023 £'000	Financing Cash flows £'000	Non-cash adj to FIAA £'000	31 March 2024 £'000
Long term Borrowing	300,471	160,481		460,952
Short term Borrowing	319,980	(52,382)		267,598
PPP Liability	90,121	(2,673)		87,449
	710,572	105,426	0	815,999

Notes to the Financial Statements

Note 1 - Accounting Policies

1.1 General Principles

The Financial Statements summarises the Council's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The Council is required to prepare an Annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ("the code") supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Financial Statements is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The convention also adopts the assumption that the Council will continue as a going concern for the foreseeable future.

1.2 Accruals of Income and Expenditure

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

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

1.3 Changes in Accounting Policies, Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, events or conditions on the Council's financial position or performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative figures, as if the new policy has always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years only.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative figures.

1.4 Charges to Revenue for Property, Plant and Equipment

Council Services are debited/credited with the following amounts to record the cost of using or holding fixed assets during the year:

- depreciation, attributable to the assets used by the relevant service or trading account.
- revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve
- revaluation gains, where these reverse an impairment loss previously charged to the service or trading account.
- amortisation of intangible fixed assets.

The Council is not required to raise council tax to cover depreciation, revaluation gains or losses or impairment losses. However, it is required to make annual provision from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision in the General

Notes to the Financial Statements

Fund by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.5 Intangible assets

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Assets are measured originally at cost and only revalued where the fair value of the asset can be determined by reference to an active market.

Where an intangible asset has a finite useful life, the depreciable amount of the asset is charged over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

1.6 Property, Plant and Equipment

Assets that have physical substance and are held for the supply of goods and services, either directly or indirectly, and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

1.6.1 Recognition

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

1.6.2 Measurement

Assets are initially measured at cost, comprising of:

- purchase price (the Council has no de minimis level set)
- any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

The Council does not capitalise borrowing costs incurred during construction of an asset.

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Accounts. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Notes to the Financial Statements

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

- Infrastructure, community assets & assets under construction – depreciated historic cost.
- Surplus assets – current value as estimated at highest and best use from an open market perspective (fair value).
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. For non-property assets that have short useful lives or low values, depreciated historical cost basis is used as a proxy for current value.

1.6.3 Revaluation

Assets included in the Balance Sheet at current value are re-valued regularly to ensure their carrying amount is not materially different from the current value at the year end, as a minimum every five years. The programme of revaluation for 2023/24 and planned each of the following four years is as follows:

2023/24	Schools/school houses/ social work homes/adult training centres/ community education centres/early education centres
2024/25	Halls/ Public conveniences/ libraries/ outdoor centres/ golf course/ pavilions/ sports centres/ swimming pools/ travellers site/ car parks/HRA housing stock
2025/26	Any properties not previously re-valued / general re-appraisal
2026/27	Offices / depots/ cemeteries/ crematorium lodges.
2027/28	All Council non-operational properties

In addition to assets being revalued within the programme of revaluation assets will be revalued in any given year if any of following three criteria is met:

- When the historic cost of the building is less than £2m but the combined value of the building historic cost and any enhancement expenditure incurred since the last revaluation date exceeds £2m then the asset will be revalued and (if new valuations exceeds £2m) componentised if necessary.
- Where the historic cost of the building exceeds £2m (and is therefore already componentised) and where any enhancement expenditure incurred since the last revaluation date exceeds 25% of the historic cost of the building then the asset will be revalued.
- Where the combined value of building historic cost and any enhancement expenditure incurred since the last revaluation date spend is less than £2m but the value of the enhancement expenditure exceeds 50% of building historic cost and in value is more than £0.500m then the asset will be revalued.

Valuations in 2023/24 have been carried out by an external valuer. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of an impairment loss previously charged to a service.

Where decreases in value are identified, the revaluation loss is accounted by:

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- where no balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.6.4 Impairment

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

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- where no balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

1.6.5 Disposals

When it becomes apparent that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classed as an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and the fair value less sale costs. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. The balance of receipts is credited to either the Capital Receipts Reserve and can only be used for capital investment, set aside to reduce the Council's underlying borrowing requirement, to fund the principal element of loan charges or to fund premium charges. Receipts are appropriated to these reserves from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax. It is appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

1.6.6 Depreciation

Depreciation is provided on all property, plant and equipment over their useful economic lives, with an exception made for assets without a determinable finite useful life (i.e. non depreciating land and certain community assets) and assets that are not yet available for use (i.e. assets under construction). The useful lives of assets and depreciation method are as follows:

Council Dwellings	10 – 80 years	Straight line
Other buildings	15 – 80 years	Straight line
Open spaces	10 – 120 years	Straight line
Infrastructure	15 – 120 years	Straight line
Vehicles, plant, equipment	5 – 20 years	Straight line
Intangibles	5 – 10 years	Straight line
Other	10 – 120 years	Straight line

* Including components such as structure, mechanical and electrical, etc.

Notes to the Financial Statements

Where an item of property, plant and equipment assets has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current depreciation charged on assets and the depreciation that would be chargeable based upon historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

1.6.7 Infrastructure Assets

The CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom requires infrastructure assets to be measured using the historical cost measurement basis and carried at depreciated historical cost. Due to information deficits it is unclear as to whether when an assets component is replaced that the old component has been derecognised to avoid double counting. However, as parts of these assets are rarely replaced before the part has been fully consumed and should therefore be fully depreciated at the date of replacement, the carrying amount to be derecognised in respect of a replaced part of an infrastructure assets is a nil amount.

The Scottish Government in recognising the challenge facing Council's has agreed to permit temporary statutory overrides whilst a permanent solution is developed within the Code. As outlined in the Local Government Finance Circular 09/2022 the Council has adopted statutory overrides for the period 1 April 2021 to 31 March 2024 which permits the council not to report gross cost and accumulated depreciation for Infrastructure assets.

1.7 Assets Held for Sale

These assets are measured at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length, less costs to sell at the initial classification and at the end of each reporting date. Revaluation gains shall be recognised for any initial or subsequent increase in fair value less costs to sell but not in excess of the cumulative impairment loss or revaluation loss that have been recognised in the Surplus of Deficit on the Provision of Services. Impairment losses (or revaluation losses) will be recognised for any subsequent decrease to fair value less costs to sell following reclassification in the Surplus or Deficit on the Provision of Service even where there is a balance on the assets Revaluation Reserve.

1.8 Heritage Assets

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

Type of Asset	Valuation Method for Balance Sheet Purposes
Ship models/ Silver and Commemorative wear	The last formal valuations were by Bonhams, Sotheby's and Phillips. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in value and where the value of the asset is estimated to be in excess of £10,000.
Works of art	The last formal valuations were by Bonhams, Sotheby's and Phillips. Where a lower and upper valuation has been provided the mid valuation has been used. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in the value of the assets held.
Civic Regalia	The robes are not recognised on the balance sheet as they are considered to have no significant value. However the chains are reported in the balance sheet at insurance value.
Sewing Machine Collection	These collections are not recognised on the balance sheet as cost information is not readily available. Nearly all the items are believed to have an immaterial value.
Listed Buildings and Scheduled Ancient Monuments	These assets are not recognised on the balance sheet as it is considered that there is a lack of available, comparable market values to establish a 'fair value'. It is unlikely that the Council

Notes to the Financial Statements

Type of Asset	Valuation Method for Balance Sheet Purposes
	would procure such assets but is more likely to refurbish or enhance existing structures. In this respect, the cost of those works will be capitalised at cost.

Purchased assets are initially recognised at cost and donations are recognised at valuation where that value is estimated to be greater than the threshold of £10,000 as specified above. The carrying amounts are reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

No depreciation shall be chargeable on any heritage asset, in view of the indeterminate life and residual value.

The proceeds from any disposal of heritage assets are accounted for in accordance with the council's general provisions relating to the disposal of property, plant and equipment.

1.9 Employee Benefits

1.9.1 Benefits payable during employment

Short term employee benefits (i.e. fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non-monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Council. An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year. Any accrual made is required under statute to be reversed out of the General Fund balance by a credit to the Statutory Mitigation Account in the Movement in Reserves Statement.

1.9.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision made by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide the Council with future economic benefits and consequently they are recognised on an accrual basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Account when the Council is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pensions enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

1.9.3 Post Employment Benefits

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

- the Teachers' Pension Scheme, administered by the Scottish Pensions Agency
- the Local Government Pensions Scheme, administered by Glasgow City Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

Notes to the Financial Statements

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

The Local Government Pension Scheme

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

- The liabilities of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.75% (based on the indicative rate of return on high quality corporate bonds).
- The assets of Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price
 - unquoted securities - professional estimate
 - unitised securities - current bid price
 - property - market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- **Current service cost** - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- **Past service cost** - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributable Costs.
- **Gains/losses on settlements** - the decrease in liabilities as a result of the Council entering into a transaction that eliminates all further legal or constructive obligation relating to the event, notwithstanding the financial guarantee (see Note 5) - credited to the Surplus on the Provision of Services in the Comprehensive Income & Expenditure Statement as part of Non Distributable Costs.
- **Net interest on the net defined benefit liability**, i.e. net interest expenses for the council. The change during the period is the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- The return on plan assets - excluding amounts included in net interest on the net defined benefit liability – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and

Notes to the Financial Statements

from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. A negative balance that may arise on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.9.4 Pension Net-Asset Recognition

Where the Council's share of the Local Government Pension Scheme is an overall asset position, reflecting that its share of the Funds' assets exceeds the present value of its liabilities to members, this is accounted for in line with the requirements of IAS 19 and IFRIC 14. Specifically, the asset recognised by the Council is limited to the extent to which the Council can recover the benefit of the asset through refunds or reduced contributions. This is referred to as an "asset ceiling". More information is provided in note 22 to the accounts

1.9.5 Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) arising from the use of these discretionary powers are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the local government pension scheme.

1.10 Events after the Reporting Period

Events after the reporting period are those events (both favourable and unfavourable) that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types have been identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect this.
- those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect this. However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

1.11 Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately, either within the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Council's financial performance.

1.12 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based upon the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowing that the Council has this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

1.13 Financial Assets

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

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

Notes to the Financial Statements

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are all therefore classified as amortised cost. In previous years these assets, although still recorded as amortised costs, were classed as loans and receivables.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and (Investment) Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For all financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Expected Credit Loss Model

The Council recognises expected credit losses on its financial assets held at amortised cost with the exception of deposits with Central Government and other Local Authorities. Only lifetime losses are recognised for trade receivables (debtors) held by the council.

Financial Assets measured at Fair Value through profit or Loss

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. The fair value measurements of the financial assets are based on the following techniques:

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

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

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

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

1.14 Government Grants and Contributions

Government grants and other contributions are recognised as due by the Council when there is reasonable assurance that:

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified for future economic benefit or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non Specific Grant Income (non ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has not yet been used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

1.15 Inventories

Inventories are held by a number of Council services, such as asset maintenance services, roads, services, school technician services, hospitality services, etc., and include consumable stock and work in progress, where appropriate.

Consumable stock is included in the Balance Sheet on a cost price basis, with inventory quantities based on physical stock at the end of the year.

1.16 Leases

Leases are classified as finance leases where the terms transfer substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other leases are classified as operational. Where the lease covers both land and buildings, the elements are considered separately for classification.

1.16.1 Council as Lessee

Finance Leases

Assets held under finance lease are recognised in the Balance Sheet at the start of the lease at its fair value at the lease's inception, or, if lower the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay. Initial direct costs are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged to revenue in the years they incur. Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability
- a finance charge (debited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

Assets recognised under the finance lease are accounted for using the policies applied generally to council owned assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight line basis over the life of the lease, even if it does not match the pattern of payment.

1.16.2 Council as Lessor

Finance Leases

When the Council grants a finance lease over an asset, the asset is written out of the Balance Sheet as a disposal. At the start of the lease the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal. A gain, representing the Council's net investment in the lease is credited to the same line in the Comprehensive Income and Expenditure Statement, matched by a lease asset in the Balance Sheet. Lease rentals receivable are apportioned between:

- a receipt for the acquisition of the interest in the asset – applied to write down the lease asset (together with any premiums received)
- finance income (credited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and will be required to be treated as a capital receipt. Where a premium has been

Notes to the Financial Statements

received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amounts due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element of the charge for the acquisition of the interest in the asset is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of the disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Operating Leases

Where the council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if it doesn't match the pattern of payment.

1.17 Overhead and Support Services

The costs of overheads and support services are charged to non General Fund services that benefit from the supply in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2023/24. The total absorption costing principle is used – the full cost of overheads and support services are shared between those users in proportion to the benefits received. General Fund Services have not been charged for these support service costs, in line with the Council's budgetary reporting structure.

1.18 Public Private Partnership (PPP) and Similar Contracts

PPP and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the private contractor. As the Council is deemed to control the services that are provided under the PPP scheme and as ownership of the property, plant and equipment will pass to the council at the end of the contract for no additional charge, the Council carries the asset on its Balance Sheet.

1.19 Financial Instruments

Annuity method for revised repayment of debt liability

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

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

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

Useful Economic Life

The most appropriate asset life for the calculation is considered to be 60 years which replicates the useful asset life of other similar type assets held on the Council's balance sheet i.e. schools. The Council's Loans Fund methodology use a Useful Economic Life (UEL) of 60 years when calculating the repayment of debt liability for borrowing to support capital expenditure for similar types of assets. The proposed application a UEL of 60 years for the two SCAs arrangements is therefore considered consistent with current council methodology.

Notes to the Financial Statements

Capital Financing Requirement

The reprofiling of the debt liability repayments over the life of the asset rather than the life of the contract increases the Capital Financing Requirement (CFR) as at 1 April 2022. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period.

Accounting Treatment

The statutory adjustment can be made as at 1 April in the year the revised repayments are applied. This option was exercised in 2022/23 and has been applied retrospectively. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment results in a debit to the Capital Adjustment account with a corresponding credit in the Movement in Reserves Statement within the General Fund. Until the end of the contract period for each of the five SCAs. Thereafter the revised charges will result in higher cost being charged to the General fund that the current repayment profile until the end of the UEL.

1.20 Provisions

Provisions are made where an event has taken place that gives the Council a legal obligation or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of that obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Council becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of relevant risks and uncertainties.

When payments are made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits is required; the provision is reversed and credited back to the relevant service.

1.21 Interest in Companies and Other Entities

The council has material interests in companies and other entities that have the nature of associates/ subsidiaries and require it to prepare group accounts. In the Council's own single entity accounts, the interests of two companies are recorded as an investment in the Balance Sheet, as the council has shares and full ownership of the Clydebank Property Company (purchased during 2014/15) and has an investment with Hub West Scotland (invested 2015/16). No other interests are recorded in the council's single entity accounts of any of other organisation.

1.22 VAT

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

1.23 Loans Advances Repayment

In accordance with The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, the Council has recalculated the repayments of the loans fund advances to reflect the life of the specific assets associated with the debt, using an annuity of 9%.

Note 2 – Critical Judgement in Applying Accounting Policies

The preparation of the consolidated financial statements requires management to make some judgements and assumptions when applying the accounting policies that have the most significant effect on carrying amounts in the financial statements. These judgements are usually about complex transaction or involve uncertainty about future events. Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect are detailed below:

Public Private Partnership (PPP) and Design-Build-Finance-Maintain (DBFM) - The Council has entered into a PPP contract for the provision of three secondary schools and one primary school. The Council has also entered into a DBFM contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract. After consideration of International Financial Reporting Interpretations Committee IFRIC12 (Service Concession Arrangements), it has been concluded that these are service

Notes to the Financial Statements

concession arrangements and the Council controls the services provided under the scheme and ownership of the schools will pass to the Council at the end of the contracts for no additional charge. The assets used to provide services at the schools are recognised on the Council's Balance Sheet as operational assets and as a finance lease liability. The value of these assets (£98.765m) is included within the Property, Plant and Equipment (note 14) and the liability within note 23 - Private Finance Initiatives and similar Contracts (£90.122m).

Council Acting as Principal or Agent - When the Council receives funding it requires to consider the degree of control it has over how this funding is to be utilised. If the Council has no discretion over the utilisation of the funds it deems that it is acting as an agent and this funding is reported in the Agency Services note and not reflected in the Council's income and expenditure, but with any amounts owed to/ from the Council held within its Balance Sheet.

Provision or Contingent Liability - Where the Council faces a future liability and this can be quantified with a reasonable degree of certainty, a provision for that liability is made. If the liability cannot be quantified, it will be disclosed as a Contingent Liability (Note 30). Most of these involve ongoing or prospective legal action meaning the outcome and potential amounts involved cannot be determined with any level of accuracy.

Note 3 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's balance sheet as at 31 March 2024, for which there is a significant risk of material adjustment in the forthcoming financial year are noted below:

Notes to the Financial Statements

Item	Uncertainties	Effect if Actual results Differ from Assumptions
Property Plant and Equipment – valuation	The Council's assets are valued on a rolling programme over a maximum of 5 years. The valuation assumptions are ascertained by the professional valuers used by the Council.	<p>If the actual results differ from the assumptions, the value of the assets could be affected.</p> <p>The value of the assets subject to revaluation over the rolling programme is £898.688m.</p> <p>During 2023/24 the assets that were revalued are now held in the Balance Sheet to a total value of £600.080m.</p> <p>The impact for each 1% change in these valuations would be £0.256m within the Balance Sheet, resulting in an increase or a decrease to the Revaluation Reserve, or an impairment charge, but with no effect on the General Fund or the HRA reserves.</p> <p>Any change would also impact on annual depreciation charges in future years.</p>
Property Plant and Equipment – depreciation / useful lives	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will incur in relation to those assets. The current economic climate makes it uncertain that the Council will be able to sustain its current level of spending on maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. For example, it is estimated that for a building valued at £20 million with a useful economic life of 60 years, the annual depreciation charge would increase by £5.650 if the useful economic life had to be reduced by one year.</p>
Pension Liability/Asset	Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rates used, the rate at which salaries are projected to increase by, changes to retirement ages, mortality rates and expected returns on pension assets held. This is further detailed within Note 14 to the Financial Statements. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions applied.	<p>The effect on the net asset/liability can be measured. For example, a decrease in the discount rate of 0.1% would decrease the pension asset held on the Balance sheet by 2% or £14.033m; and increase in the pension rate by 0.1% would decrease the pension asset held on the Balance sheet by 1% or £12.290m. The interaction of assumptions is extremely complex. See note 22 for further assumptions.</p>

Notes to the Financial Statements

Note 4 Accounting Standards that have been issued but have not yet been adopted

For 2023/24, the Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards:

- IFRS 16 Leases issued in January 2016
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts in future years.

IFRS16 Leases will require local authorities that are lessees to recognise these leases on their Balance sheet as right-of-use assets along with the corresponding liabilities, except for low value and short term leases. CIPFA/LASACC have deferred implementation of this until 1 April 2024.

In 2023/24, the Authority will apply IFRS 16 Leases as adopted by the Code of Accounting Practice. IFRS 16 will mean that the majority of leases where the Council act as lessee will come onto the balance sheet and lessor accounting is effectively unchanged.

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

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2023/24 and not by adjusting prior year figures.

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

The Authority 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 Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. It is anticipated that the application of the Code's adaptation of IFRS16 will result in the following additions to the balance sheet:

- £2.200m Property, plant and equipment – land and buildings (right-of-use assets)
- £1.620m Non-current creditors (lease liabilities)
- £0.400m Current creditors (lease liabilities).

Notes to the Financial Statements

Note 5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government Grants, Council Tax and Non-Domestic Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how 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 & Expenditure Statement.

Expenditure and Funding Analysis 2023-24

	Expenditure chargeable to the General Fund and HRA Balance £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Resources	2,070	1,100	3,170
Regulatory and Regeneration	3,189	4,432	7,621
People & Technology	10,517	1,615	12,132
Citizens, Culture and Facilities	14,053	425	14,478
Education, Learning and Attainment	115,177	13,060	128,237
Roads and Neighbourhood	20,706	7,195	27,901
Housing and Employability	4,478	164	4,642
Miscellaneous Services	(727)	(1,389)	(2,116)
Health and Social Care Partnership	85,126	1,690	86,816
Requisitions	2,401	0	2,401
Housing Revenue Account	(19,584)	13,885	(5,699)
Net Cost of Service	237,406	42,177	279,583
(Gain)/Loss on disposal of non-current assets	0	306	306
Financing and Investment (Income) and Expenditure (Note 8)	(262,274)	(35,796)	(298,070)
Taxation and Non-specific Grant Income (Note 9)	45,780	(15,097)	30,683
(Surplus) or Deficit on the Provision of Services	20,912	(8,410)	12,502
Opening General Fund and HRA Balance at 1 April 2023	(31,938)		
Surplus/(Deficit) on HRA in the year	1,666		
Surplus/(Deficit) on General Fund in the year	19,246		
transfer (to)/from other Statutory Reserves	(3,009)		
Closing General Fund and HRA balance at 31 March 2024	(14,035)		

Adjustments between General Fund and Comprehensive Income and Expenditure Statement

2023-24

	Adjustment for Capital Purposes £'000	Net change to Pension Adjustment £'000	Other differences £'000	Total Adjustments £'000
Resources	1,036	64	0	1,100
Regulatory and Regeneration	4,390	42	0	4,432
People & Technology	1,577	38	0	1,615
Citizens, Culture and Facilities	325	100	0	425
Education, Learning and Attainment	12,666	220	172	13,058
Roads and Neighbourhood	7,070	125	0	7,195
Housing and Employability	0	164	0	164
Miscellaneous Services	0	(1,368)	(20)	(1,388)
Health and Social Care Partnership	1,240	360	12	1,612
Requisitions	0	0	0	0
Housing Revenue Account	13,833	52	0	13,885
Net Cost of Services	42,137	(203)	164	42,098
Other operating expenditure	306	0	0	306
Financing and Investment (Income) and Expenditure	(9,931)	0	0	(9,931)
Taxation and Non-specific Grant Income	(35,796)	(5,126)	39	(40,883)
Difference between General Fund and HRA (Surplus)/Deficit and Comprehensive Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	(3,284)	(5,329)	203	(8,410)

Notes to the Financial Statements

2022/23	Expenditure chargeable to the General Fund and HRA Balance £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Resources	4,129	3,828	7,957
Regulatory and Regeneration	3,261	5,156	8,417
People & Technology	7,025	2,577	9,602
Citizens, Culture and Facilities	14,895	2,996	17,891
Education, Learning and Attainment	107,086	13,312	120,398
Roads and Neighbourhood	22,470	10,070	32,540
Housing and Employability	2,262	3,882	6,144
Miscellaneous Services	4,013	(2,336)	1,677
Health and Social Care Partnership	82,657	9,465	92,122
Requisitions	2,215	0	2,215
Housing Revenue Account	(17,018)	14,274	(2,744)
Net Cost of Service	232,995	63,224	296,219
(Gain)/Loss on disposal of non-current assets	0	(365)	(365)
Financing and Investment (Income) and Expenditure (Note x)	(252,535)	(17,263)	(269,798)
Taxation and Non-specific Grant Income (Note x)	36,756	(11,311)	25,445
(Surplus) or Deficit on the Provision of Services	17,216	34,285	51,501
Opening General Fund and HRA Balance at 1 April 2022	(47,488)		
transfer (to)/from other Statutory Reserves	(1,666)		
Surplus/(Deficit) on General Fund and HRA in the year	17,216		
Closing General Fund balance at 31 March 2023	(31,938)		

Adjustments between General Fund and Comprehensive Income and Expenditure Statement

2022-23

	Adjustment for Capital Purposes £'000	Net change to Pension Adjustment £'000	Other differences £'000	Total Adjustments £'000
Resources	2,122	1,706	0	3,828
Regulatory and Regeneration	3,997	1,159	0	5,156
People & Technology	1,706	871	0	2,577
Citizens, Culture and Facilities	582	2,414	0	2,996
Education, Learning and Attainment	7,892	5,132	288	13,312
Roads and Neighbourhood	7,227	2,843	0	10,070
Housing and Employability	13	3,869	0	3,882
Miscellaneous Services	0	(2,321)	(15)	(2,336)
Health and Social Care Partnership	1,245	8,220	0	9,465
Requisitions	0	0	0	0
Housing Revenue Account	13,170	1,104	0	14,274
Net Cost of Services	37,954	24,997	273	63,224
Other operating expenditure	(365)	0	0	(365)
Financing and Investment (Income) and Expenditure	(17,263)	0	0	(17,263)
Taxation and Non-specific Grant Income	(12,274)	1,839	(876)	(11,311)
Difference between general Fund (Surplus)/Deficit and Comprehensive Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	8,052	26,836	(603)	34,285

Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains and losses in the services line, and for:

Notes to the Financial Statements

- Other operating expenditure – adjusts 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 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 created with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services, this represents the removal of the employers 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 Comprehensive Income and Expenditure Statement.

Other Differences

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

- For services an adjustment is made for the accrual of holiday pay and other similar entitlements, this is required under generally accepted accounting principles but the impact on the General Fund and the HRA is mitigated by statute which allows the impact to be reversed out through the Movement in Reserves.
- For Financing and investment income and expenditure, the 'other differences' column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

Expenditure and Income Analysed by Nature

Where items are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES). The code requires a disclosure of the nature and amount of material items. An analysis of material items of income and expenditure by nature is shown below:

2022-23 £'000		2023-24 £'000
	Expenditure	
245,142	Employee Benefits Expenses	239,621
293,308	Other Service Expenses	247,326
37,954	Depreciation, Amortisation, Impairment	42,215
	Payment to the IJB	
24,426	Interest payments	30,315
2,215	Precepts and levies	2,401
(365)	(Gain) or Loss on Disposal of Assets	306
602,680	Total Expenditure	562,184
	Income	
(281,037)	fees, charges and Other Service Income	(250,427)
	Payment from IJB	
(147,053)	Income from Council Tax	(40,798)
	income from Non-domestic rates	(93,396)
(344)	Interest and Investment Income	(1,185)
(122,745)	Government grants and Contributions	(163,876)
(551,179)	Total Income	(549,682)
51,501	(Surplus)/Deficit on the Provision of Service	12,502

Notes to the Financial Statements

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

This note provides further breakdown of the adjustments summarised in the Movement in Reserves Statement on page 35. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable and unusable is given in notes 30 and 31 on pages 97 to 100.

2023-24	General Fund Balance £'000	HRA Balance £'000	Capital Grants and Receipts Unapplied Account £'000	Other Reserves £'000	Total Usable Reserves £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Pension Reserve £'000	Employee Statutory Adjustment Account £'000	FIAA £'000	Total Unusable Reserves £'000
Charges for depreciation and impairment of non-current assets	(28,199)	(13,827)			(42,026)	42,026					42,026
Amortisation of intangible assets	(106)	(6)			(112)	112					112
Capital Grants and Contributions applied	24,252	11,544			35,796	(35,796)					(35,796)
Capital expenditure charged in year to revenue balances	(77)	0			(77)	77					77
Disposal of Fixed Assets	(306)		(3,082)		(3,388)	3,388					3,388
Capital expenditure charged to revenue (CFCR)											0
Statutory Repayment of Debt - Loans Fund Advances	4,363	7,933			12,296	(11,684)				(612)	(12,296)
Statutory Repayment of Debt - PPP Finance - service concession adjustment	(2,672)				(2,672)	2,672					2,672
Adjustment to the statutory repayment of debt for service concession arrangements - permitted flexibility	307				307	(307)					(307)
										(39)	(39)
Amounts by which finance costs charged to the CIEs are different from finance costs chargeable in the year in accordance with statutory requirements	33	6			39						
Reversal of items relating to retirement benefits debited or credited to the CIES (Note 22)	(18,980)	(52)			(18,980)			19,032			19,032
	24,361				24,361			(24,361)			(24,361)
Employers' pension contributions payable in the year									164		164
Amount by which employees' remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(152)	(12)			(164)						
Total Statutory Adjustments	2,824	5,586	(3,082)		5,328	488	0	(5,329)	164	(651)	(5,328)

Notes to the Financial Statements

Comparative Information 2022-23

2022-23	General Fund Balance £'000	HRA Balance £'000	Capital Grants and Receipts Unapplied Account £'000	Capital Fund £'000	Total Usable Reserves £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Pension Reserve £'000	Employee Statutory Adjustme nt Account £'000	FIAA £'000	Total Unusable Reserves £'000
Charges for depreciation and impairment of non-current assets	(24,691)	(13,179)			(37,870)	37,870					37,870
Amortisation of intangible assets	(84)				(84)	84					84
Capital Grants and Contributions applied	12,761	4,502			17,263	(17,263)					(17,263)
Capital expenditure charged in year to revenue balances	(226)	2,911			2,685	(2,685)					(2,685)
net gain or (loss) on non-current asset disposal	365		0	(702)	(337)	337					337
Statutory Repayment of Debt - Loans Fund Advances	2,988	6,510			9,498	(9,498)					(9,498)
Statutory Repayment of Debt - PPP Finance	90				90	(90)					(90)
Amounts by which finance costs charged to the CIEs are different from finance costs chargeable in the year in accordance with statutory requirements	948	(72)			876					(876)	(876)
Amount by which pension costs calculated in accordance with the Code are different from the contributions due under pension scheme regulations	(25,731)	(1,104)			(26,835)			26,835			26,835
Amount by which employees' remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(273)				(273)				273		273
Total Statutory Adjustments	(33,853)	(432)	0	(702)	(34,987)	8,755	0	26,835	273	(876)	34,987

Notes to the Financial Statements

Note 7 Earmarked Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service within the CIES. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement (MiRS) so that there is no net charge against Council Tax for the expenditure. The Council has several usable reserve funds. The Capital Fund is used to meet the costs of capital investment in assets and for the repayment of the principal element of borrowings.

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement (MiRS). The major part of the General Fund balance shown in the MiRS has been earmarked and effectively committed to fund specific projects in future years. The amounts set aside for earmarked reserves are shown in the following table:

	Balance at 1 April 2022 £'000	Transfers Out 2022/23 £'000	Transfers In 2022/23 £'000	Balance at 31 March 2023 £'000	Transfers Out 2023/24 £'000	Transfers In 2023/24 £'000	Balance at 31 March 2024 £'000
Earmarked reserves: General Fund							
General Covid	3,445	(3,445)	0	0	0	0	0
Education - Covid reserves	2,662	(2,452)	0	210	(180)	0	30
Housing & Communities - Covid reserves	421	(307)	0	114	(101)	0	13
Resources - Covid reserves	263	(263)	0	0	0	0	0
Change Fund	257	(137)	18	138	(137)	0	1
HR/Legal Commitments	210	0	0	210	0	0	210
Miscellaneous Employability Reserves	337	(337)	250	250	(250)	126	126
Miscellaneous Housing & Communities Reserves	165	(165)	41	41	0	499	540
Miscellaneous HSCP	35	(35)	0	0	0	0	0
Miscellaneous CCF Reserves	106	(82)	6	31	(6)	0	25
Miscellaneous Resources Reserves	339	(232)	144	252	(215)	0	37
Miscellaneous Economic Development & Regulatory Reserves	53	0	18	71	(31)	0	40
Miscellaneous Education Reserves	132	(32)	979	1,079	(225)	0	854
DABVJB - Scottish Parliamentary Elections	39	(13)	0	26	(26)	0	0
2022/23 budget commitment	1,034	(1,034)	0	0	0	0	0
Young person guarantee	1,018	(1,018)	0	0	0	0	0
Early Retiral/Voluntary Severance Reserve	1,000	(7,038)	15,000	8,962	(1,662)	(3,950)	3,350
Cost of Living	0	(161)	2,000	1,839	(341)	0	1,498
Smoothing Fund for 2 year Service Transformation Project	0	0	3,000	3,000	(609)	0	2,391
Future Pay Awards	0	(2,195)	4,390	2,195	(2,195)	0	0
Prudential Target Future Years	0	0	1,799	1,799	(1,799)	0	0
Budget Funding reserve	0	(6,607)	11,205	4,598	(4,598)	0	0
Total: Earmarked Reserves - General Fund	11,517	(25,553)	38,850	24,815	(12,375)	(3,325)	9,115
Earmarked Reserves: Housing Revenue Account							
Service Improvements				650	(650)		
Welfare Reform resilience Reserve				1,000	(1,000)		
non-earmarked balance - HRA				985	(16)		969
Total: Earmarked Reserves - Housing Revenue Account				2,635	(1,666)		969
Capital Grants and receipts unapplied				72	(30)	171	213
Other Reserves				262	(67)		195
Non-earmarked balance				4,489	(4,489)	3,950	3,950
TOTAL RESERVES				32,273	(18,627)	(3,154)	14,442

Notes to the Financial Statements

Note 8 Financing and Investment (Income) and Expenditure

2022-23	2023-24
£'000	£'000
Interest payable and similar charges:	
8,037 Schools' Public Private Partnership finance l	8,197
14,550 Other Interest Payable and Similar Charges	27,245
(344) Interest and Investment Income	(1,185)
1,363 Impairment Loss- Debtors	1,553
1,839 Net Pension Interest Expense	(5,127)
25,445 Total	30,683

Note 9 Taxation and Non-Specific Grant Income

2022-23	2023-24
£'000	£'000
(39,313) Council Tax	(40,798)
(107,740) Non-Domestic Rates	(93,396)
(103,347) Revenue Support Grant	(128,080)
(17,263) Recognised Capital grants and contributions	(35,796)
(267,663) Total	(298,070)

Note 10 Grant Income

Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Where conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants) or Taxation and Non-specific Grant Income (non-ring-fenced revenue grants and all capital grants). Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the Movement in Reserves Statement.

The Council credited the following grants and other contributions to Taxation and Non-specific Grant Income within the Comprehensive Income and Expenditure Statement in 2023/24:

2022-23 Grant Income	2023-24
£'000	£'000
Credited to Taxation and Non Specific Grant Income	
213,222 Revenue Support Grant	221,496
8,550 General Capital Grant	14,786
1,319 Levelling Up Fund	4,733
337 Cycling, walking and safer Streets	492
821 Exxon City Deal	2,834
838 Strathclyde Partnership for Transport	154
676 Place Based Investments	738
439 Green Infrastructure Fund	10
717 Clydebank Can on the Canal	0
154 Sustrans	35
123 Other Grants	385
227,196 Total	245,663

Notes to the Financial Statements

The Council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2023/24:

2022/23 Grant Income £'000	2023/24 £'000
Credited to Services	
30,789 Housing Benefit Subsidy	30,587
10,256 NHS Resource Transfer	10,791
10,007 Early Learning	10,012
3,766 Pupil Equity Fund	4,587
2,027 Criminal Justice	2,328
1,910 Scottish Attainment	1,448
2,135 Unitary Charge for DBFM	2,144
0 UK Shared Prosperity	1,006
542 Asylum Seekers	988
0 Child Poverty	760
586 Business Gateway	577
335 Young Person's Guarantee	0
446 Private Sector Housing	329
345 Care Experienced Children and young People	405
0 School Milk and Healthy Snacks	273
231 Mental Wellbeing	160
288 Education Maintenance Allowance	248
0 Community Food Bank Garden	100
196 Parental Employability Support Fund	0
1,897 Holiday Hunger	0
580 Teacher's Pay Award	0
275 No-one Left Behind	505
559 Grants under £0.100m	357
67,170 Total	67,605

Capital Grant Receipts in Advance

The council has received a number of grants 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 balances at the yearend are as follows:

31 March 2023	31 March 2024
1,105 Levelling Up Funding	1,711
- Clyde Mission	1,672
707 Clydebanks Canal Investment	757
676 Place Based Investment	409
- Inspiring School Age Childcare Spaces Fund	205
119 Pappert New Builds	-
136 Willox Park	-
102 Bank Street	8
140 Queen Mary Avenue	107
401 Grants under £0.100m	449
3,386	5,317

Notes to the Financial Statements

Note 11 Property, Plant and Equipment

11.1 Movement in Property, Plant & Equipment 2023-24

	Council dwellings £'000	Other Land & buildings £'000	Industrial Units £'000	Vehicles & Plant £'000	Community £'000	Surplus Assets £'000	Assets Under Construction £'000	Total 2023-24 £'000	Infrastructure* £'000
Cost/Valuation at 1 April 2023	573,357	449,955	41,570	35,272	10,295	5,591	39,462	1,155,502	
Additions	37,926	7,590		2,987	725	386	28,128	77,742	9,204
Disposals		(41)	(449)			(225)		(715)	
Revaluation adjustments to Revaluation Reserve									
Revaluation adjustments to CIES		(87)						(87)	
Assets reclassified to/from Assets under Construction		12,827					(12,827)		
Other reclassification of assets									
As at 31 March 2024	611,283	470,244	41,121	38,259	11,020	5,752	54,763	1,232,442	180,280
Depreciation/Impairment at 1 April 2023	(94,015)	(31,838)	(288)	(16,165)	(3,426)	0	0	(145,732)	
Depreciation charge	(13,392)	(9,668)	(421)	(3,605)	(1,029)			(28,115)	(8,512)
Depreciation on Disposals		5,893							
Depreciation written out to the Revaluation Reserve		1,659						1,659	
Revaluation written out to the CIES									
Impairment losses/(reversal) to the Revaluation Reserve									
Impairment losses/(reversal) to the CIES									
Other movements in depreciation and impairment									
As At 31 March 2024	(107,407)	(33,954)	(709)	(19,770)	(4,455)	0	0	(172,188)	(67,288)
Net Book Value at 31 March 2023	479,342	388,250	41,283	19,107	6,869	5,837	39,462	980,150	112,519
Net Book Value at 31 March 2024	503,876	436,290	40,412	18,489	6,565	5,752	54,762	1,066,146	112,992

Notes to the Financial Statements

11.2 Movement in Property, Plant & Equipment 2022-23

	Council dwellings £'000	Other Land & buildings £'000	Industrial Units £'000	Vehicles & Plant £'000	Community £'000	Surplus Assets £'000	Assets Under Construction £'000	Total 2022-23 £'000	Infrastructure* £'000
Cost/Valuation at 1 April 2022	542,780	420,810	45,360	31,511	10,168	6,011	28,179	1,084,819	
Additions	30,577	7,247		3,761	127		11,316	53,028	8,849
Disposals		(16)	(460)			(79)	(33)	(588)	
Revaluation adjustments to Revaluation Reserve		21,991	(621)			264		21,634	
Revaluation adjustments to CIES			(2,344)			(682)		(3,026)	
Assets reclassified to/from Held for Sale								0	
Adjustments - assets at nil NBV			(365)						
Other reclassification of assets		(77)				77		0	
As at 31 March 2023	573,357	449,955	41,570	35,272	10,295	5,591	39,462	1,155,867	171,076
Depreciation/Impairment at 1 April 2022	(81,351)	(46,215)	(2,052)	(12,525)	(2,582)	3	0	(144,722)	
Depreciation charge	(12,664)	(10,539)	(410)	(3,640)	(844)	(3)		(28,100)	(8,054)
Depreciation on Disposals								0	
Depreciation written out to the Revaluation Reserve		24,083	1,504					25,587	
Revaluation written out to the CIES		833	305					1,138	
Impairment losses/(reversal) to the Revaluation Reserve								0	
Impairment losses/(reversal) to the CIES			365					365	
Other movements in depreciation and impairment								0	
As At 31 March 2023	(94,015)	(31,838)	(288)	(16,165)	(3,426)	0	0	(145,732)	(58,776)
Net Book Value at 31 March 2022	461,429	374,595	43,308	18,986	7,586	6,014	28,179	940,097	111,508
Net Book Value at 31 March 2023	479,342	418,117	41,282	19,107	6,869	5,591	39,462	1,009,770	112,300

*As permitted by Finance Circular 09-2022 the council has adopted both Statutory Override 1 & 2 relating to infrastructure assets which allow for the following;

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2024 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.

Statutory Override 2: For accounting periods commencing 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Notes to the Financial Statements

11.3 Commitments under Capital Contracts

At 31 March 2024, the Council had commitments on capital contracts for the construction or enhancement of property, plant and equipment for non-housing projects of £3.531m and housing projects of £0.435m. This expenditure will be funded from a combination of Government Grants, borrowing and income from selling assets and contributions from Revenue Accounts. Similar commitments at 31 March 2023 were £5.816m and £27.514m respectively. The major commitments are:

General Services	£'000
Strathleven Place	1,540
Posties Park	120
Our Lady's & St Patrick's Changing Facility	341
Alexandria Cemetery	174
Dillichip Allotments	173
Salt Barn	400
Linnvale & Whitecrook Primary School Pitches	203
Artizan Centre Demolition	297
HRA	£'000
87 O Hare Retro Fit	194
Bonhill Gap Sites - Ground Investigation	70
M&E	58

11.4 Summary of Capital Expenditure and Financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future rates and Council taxpayers. It is financed from borrowing, capital receipts and capital grants. The cost of the asset is effectively borne over a period of years. In 2023-24 total spending on capital projects was £87.383m.

2022-23	2023-24
£'000	£'000
680,113 Opening Capital Financing Requirement	742,283
Capital Investment	
61,887 Property, Plant and Equipment	87,018
189 Intangibles	332
0 Asset held for sale	0
32 Heritage Assets	33
91,842 Total Capital Investment	87,383
Sources of Finance	
702 Receipts from Sale of Assets	3,083
29,734 Service Concession - statutory adjustment	2,366
(17,263) Government Grants and other Contributions	(26,331)
(702) Transfer to Capital Fund/ Capital Receipts Fund	(2,184)
(2,911) Revenue Contributions	(77)
(9,498) Loan Fund Principal Repayments	(12,292)
62 Total Capital Financing	(35,435)
742,283 Closing Capital Financing Requirement	794,231
Movements in the year	
34,809 Increase in Underlying Need to Borrow	48,347
27,361 Increase/(Reduction) in PPP finance lease creditor	2,672
62,170 Movement in Capital Financing Requirement	51,019

Notes to the Financial Statements

Note 12 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. computer software and/or software licences) is capitalised when it is expected that future economic or service benefits will flow from the asset to the Council.

The Council accounts for its 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 intangible assets include purchased licences.

Where appropriate, the carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £0.106m charged to revenue in 2023/24 was charged to Information Services. The charge to Information Services is then absorbed as an overhead across all the service headings in the Net Cost of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement in intangible assets during the year was:

2022/23 £'000	2023/24 £'000
Balance at 1 April	
1,053 Gross carrying amount	1,242
(436) Accumulated amortisation	(520)
617 Net carrying amount at start of year	722
189 Acquisitions in year	332
(84) Amortisation for period	(112)
722 Net carrying amount at 31 March	942
Comprising:	
1,242 Gross Carrying amounts	1,574
(520) Accumulated amortisation	
722	1,574

Note 13 Heritage Assets

Heritage assets are both tangible and intangible assets with historic, artistic, scientific, technological, geographical or environmental qualities, which are held and maintained primarily for their contribution to knowledge and culture. The authority holds heritage assets of six main types:

- Models of Ships;
- Works of Art;
- Silver and Commemorative Ware;
- Civic Regalia (Robes and Chains);
- Sewing Machine Collections; and
- Listed Buildings and Scheduled Ancient Monuments.

The valuation of these assets held on the balance sheet as detailed below:

2022/23 £'000	2023/24 £'000
1,485 Balance at 1 April	1,517
32 Additions/ Disposals / Newly Classified	6
1,517 Balance at 31 March	1,523

Notes to the Financial Statements

The models of ships, works of art, silver and commemorative ware, civic regalia and sewing machine collections are the responsibility of the Libraries and Museums Service and accounts for approximately 90% of the overall collection with the remaining 10% being recorded and accessioned into the collection on a regular basis in line with museum accreditation. These works are held at the following locations:

- Collections Store, Poplar Road
- Collections Store, Stanford Street
- Clydebank Town Hall.

Models of Ships - include MV Rangitane, MV Essex and HMS Vanguard.

Works of Art - there are 474 paintings within the works of art collection.

Civic Regalia - predominately relates to the collection of provost robes and chains of office. It would be relatively rare for the authority to purchase, or dispose of, items of civic regalia.

Sewing Machine Collection - there are 813 sewing machines (of various models) included within the sewing machine collection.

Listed Buildings and Scheduled Ancient Monuments - the Council holds and maintains listed buildings and ancient monuments of historic significance, many of which are tributes to the war dead. As well as memorial structures and buildings, the Council maintains statues and fountains.

Note 14 Assets Held for Sale

Assets held for sale are those where the carrying amount will be recovered principally through a sale transaction rather than through continued use. Before an asset can be classified as held for sale, the following conditions must be met:

- the asset must be available for immediate sale in its present condition;
- the sale must be highly probable and an active programme to locate a buyer and complete the plan must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

When these criteria are met, assets within the category of Property, Plant & Equipment will be reclassified to "Assets Held for Sale".

2022/23 £'000	2023/24 £'000
5,417 Balance at 1 April	5,417
Acquisitions	
Assets previously omitted	
Assets newly classified as held for sale:-	
Property, Plant and Equipment	
Impairment	
Revaluation Gains	
Disposals	(2,674)
Assets declassified as held for sale*	
Property, Plant and Equipment	
Depreciation	
5,417 As at 31 March	2,743

Notes to the Financial Statements

Note 15 Private Finance Initiatives and Similar Contracts

Schools PPP Scheme and Long Term Liability (Design, Build, Finance and Maintain (DBFM) Scheme)

2023/24 was the fifteenth year of a thirty-year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria. 2023/24 was the seventh year of a twenty-five year DBFM partnership for the provision of one secondary school in Dumbarton.

The Council has rights to use the schools for core educational purposes between agreed hours. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards.

The partnership agreement was for the design, build, finance and operation of the schools which means that the contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the schools. When the agreement ends, after thirty years, unrestricted use and operation of the buildings will be handed back to the Council at nil cost.

The Termination rights are in line with the market norms reflected in the Scottish Standard Schools Contract, as approved by the Scottish Government, prior to financial close.

15.1 Assets held under Schools PPP and DBFM Contracts

The construction costs of the five school buildings, adjusted for revaluations on 31 March 2024 and depreciation to date are included as part of Operational Land and Buildings.

2022/23 £'000	2023/24 £'000
Cost or Valuation	
114,219 At 1 April	124,419
<u>Revaluations</u>	
11,993 To Revaluation Reserve	10,963
0 Additions	0
126,212 At 31 March	135,382
Accumulated Depreciation and Impairment	
(10,104) At 1 April	(1,793)
(5,350) Depreciation Charge	(5,350)
<u>Depreciation written out</u>	
13,661 To revaluation reserve	2,643
0 To Net Cost of Service	690
(1,793) At 31 March	(3,810)
116,108 Opening Net Book value	124,419
124,419 Closing Net Book value	131,572

15.2 Payments

The amounts payable to the PPP and DBFM operators each year is analysed into five elements:

- fair value of the services received during the year;
- finance cost – an interest charge on the outstanding Balance Sheet liability;
- contingent rent – increases in the amount to be paid for the property arising during contract;
- payment towards the liability – applied to write down the Balance Sheet liability towards the PPP contractor; and
- lifecycle replacement costs – proportion of the amounts payable posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant work is carried out.

Notes to the Financial Statements

Payments remaining to be made under the PPP and DBFM contracts at 31 March 2024 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Repayment of Liability	Interest Charges	Operating Costs	Lifecycle Replacement	Total Unitary Payment
	£'000	£'000	£'000	£'000	£'000
less than 1 year	2,890	8,977	2,502	1,611	15,980
2-5 years	14,778	32,748	13,793	6,562	67,881
6-10 years	22,614	32,795	22,315	13,687	91,411
11-15 years	38,600	17,869	27,120	13,850	97,439
16-20 years	8,567	817	7,229	1,505	18,118
PPP Contractual Liability as	87,449	93,206	72,959	37,215	290,829

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

2022/23 £'000	2023/24 £'000
92,485 Opening Balance as at 1 April	90,121
(2,364) Repayments	(2,672)
School finance Lease Liability	
90,121 as at 31 March	87,449
Split:	
3,129 Obligation payable within 1 year	2,890
87,498 Obligation payable after 1 year	83,589
School finance Lease Liability	
90,627 as at 31 March	86,479

Note 16 Operating Leases

16.1 Operating Leases – Council as Lessee

The Council occupies a number of properties by way of an operating lease. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2023 £'000	31 March 2024 £'000
717 Not later than one year	560
1,747 Later than one year and not later than five years	1,316
1,446 Later than five years	1,391
3,910	3,267

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.774m (2022/23 £0.741m).

The Council has acquired vehicles and equipment by entering into operating leases. The future minimum lease payment due under non-cancellable leases in future years are:

Notes to the Financial Statements

31 March 2023	31 March 2024
£'000	£'000
286 Not later than one year	198
232 Later than one year and not later than five years	113
518	311

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.172m (2022/23: £0.172m).

16.2 Operating Leases – Council as Lessor

The Council leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres; and
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2023	31 March 2024
£'000	£'000
4,228 Not later than one year	3,815
11,145 Later than one year and not later than five years	10,810
131,838 Later than five years	129,652
147,211	144,277

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24, £2.819m contingent rents were receivable by the Council (2022/23 £2.610m).

16.3 Finance Leases

The Council does not have any assets or liabilities under a finance lease, either as Lessee or Lessor.

Note 17 Debtors

31 March 2023	31 March 2024
£'000	£'000
14,505 Central Government Bodies	16,529
639 Scottish Government (including NHS bodies)	1,394
788 Other Local Authorities	3,251
8 Other entities and individuals	8
43,466 Council Tax receivable	53,740
(25,205) Impairment allowance for doubtful debt	(27,862)
18,261 Council Tax (net of impairment)	25,878
Trade debtors	
Impairment allowance for doubtful debt	
27,909 Trade Debtors (net of impairment)	26,766
62,110 Total Debtors	73,826

Note 18 Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value. The investments comprise solely of short

Notes to the Financial Statements

term lending of surplus funds to a limited number of pre-approved UK banks and other local authorities. All deposits are held in sterling. The carrying amount is the outstanding principal receivable. Bank balances are included in the Balance Sheet at the closing balance in the Council's ledger and include cheques payable not yet cashed.

	31 March 2023	Movement	31 March 2024
	£'000	£'000	£'000
Net Bank Current Account*	(3,946)	(833)	(4,779)
Short term deposits with UK banks	6,496	22,680	29,176
Net Cash and Cash equivalents	2,550	21,847	24,397

Note 19 Creditors

31 March 2023	31 March 2024
£'000	£'000
13,153 Central government bodies	8,701
14,872 Other local authorities	17,036
2,646 Scottish Government including NHS Bodies	4,958
Trade Creditors	
44,971 Other Entities and individuals	33,602
75,642	64,297

Note 20 Provisions

	VS/ER	Legal	Other	Total
	£'000	Litigations £'000	£'000	£'000
Opening Provision as at 1 April 2022	0	0	0	0
Contributions in year	3,412	0	16	3,428
Amounts utilised in year	0	0	0	0
Unutilised amounts reversed in year	0	0	0	0
Closing Provision as at 31 March 2023	3,412	0	16	3,428
Contributions in year	525	250	0	775
Amounts utilised in year	(1,966)	0	0	(1,966)
Unutilised amounts reversed in year	0	0	0	0
Closing Provision as at 31 March 2024	1,971	250	16	2,237

Compensation Payments – Voluntary Severance/Early Retirement (VS/ER) cost £1.971m This provision is for future severance costs that were identified as part of the 2023/24 budget setting process.

Legal Litigation costs £0.250m This provision is for future legal costs as the Council is involved in an ongoing case that will incur costs in future years. The provision is based on anticipated future costs.

Other Provisions £0.016m Intromission liability for historic abuse claims following reorganisation of Strathclyde regional Council amounts agreed due from West Dunbartonshire Council to Glasgow City Council.

Notes to the Financial Statements

Note 21 Financial Instruments

Categories of financial Instrument

31 March 2023		31 March 2024	
Long Term £'000	Current £'000	Long Term £'000	Current £'000
Debtors			
20	44,473	1,774	49,395
Borrowing			
301,605	324,531	460,841	273,907
Other long term liabilities			
86,993	2,623	84,560	2,890
Creditors			
	75,642		64,298

Accounting regulations require the “financial instruments” (investment, lending and borrowing of the Council) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of “financial instruments”:

Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) and are carried in the Balance Sheet at amortised cost. Fair values have been calculated with reference to the following:

Financial Liabilities

- PWLB Loans (Level 2) - For loans from the PWLB, premature repayment rates from the PWLB in force on 31 March 2024 have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value).
- Non-PWLB loans (Level 2) - For non-PWLB loans payable, the fair value of market loans are calculated using estimated interest rates of 4.10% which is the average discount rate applied to market loans for calculation of premature repayment. The fair value of local council loans are calculated using estimated interest rates of 0.70% which is the average discount rate applied to local council loans for calculation of premature repayment. Discount rates have been applied to provide the fair value under PWLB debt redemption procedures.
- PFI/Finance leases (Level 3) – These are not the liability of the Council as the debt is held by the PFI/lease provider. Fair value have been calculated at level 3 on a simple proxy basis. The same NPV methodology has been applied as for PWLB and non-PWLB debt.

Financial Assets

- Fixed or variable short term deposits of less than a year (including MMF's) – Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

Policy Type Assets

- Long term debtors – Level 2.

Creditors

- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Notes to the Financial Statements

Transfers between Levels of the Fair Value Hierarchy

- There were no transfers between input levels 1 and 2 or transfers in or out of level 3 during the year.

Changes in the Valuation Technique

- There has been no change in the valuation technique used during the year for the financial instruments:

31 March 2023		31 March 2024	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£'000	£'000	£'000	£'000
Debtors			
44,493	44,493	51,169	51,169
Creditors			
75,642	75,642	64,298	64,298
Borrowing			
626,136	574,824	734,748	650,392
Other Long Term Liabilities			
90,121	136,477	84,560	109,315

¹ The fair value is equal to the carrying amount because all Financial assets at amortised cost are either short term or at a fixed interest rate or a variable rate linked to base rate without significant transaction costs. The Council does not hold any equity investments in an unquoted market and, therefore, this type of investment is excluded from the above table.

² The fair value is higher 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. The commitment to pay interest above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans.

A further breakdown of types of borrowing held by the Council as at 31 March 2024 is noted below:

31 March 2023			31 March 2024		
Principal outstanding	Accrued interest / EIR adjustment	Carrying amount	Principal outstanding	Accrued interest / EIR adjustment	Carrying amount
£'000	£'000	£'000	£'000	£'000	£'000
2,410	1,736	4,146	17,321		17,321
0	682	682		692	692
310,578	2,896	313,474	248,410		248,410
1,257	0	1,257	1,257		7,484
314,245	5,314	319,559	266,988	692	273,907
Short Term Loans					
234,066	0	234,066	394,144		394,144
65,799	1,256	67,055	66,647	0	66,647
0	0	0	0	0	0
153	0	153	50	0	50
300,018	1,256	301,274	460,841	0	460,841
Long Term Loans					

Notes to the Financial Statements

Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

31 March 2022			31 March 2023		
Financial Assets: Loans & receivables	Financial Liabilities: amortised cost	Total	Financial Assets: Loans & receivables	Financial Liabilities: amortised cost	Total
£'000	£'000	£'000	£'000	£'000	£'000
344		344	1,185		1,185
		Interest (investment)			
		Interest payable and similar charges			0
	(22,967)	(22,967)		(26,467)	(26,467)
	151	151		151	151
		(Gain)/Loss on de-recognition			
0	(22,816)	(22,816)	1,185	(26,316)	(25,131)
		Net (Gain)/loss in year			

* Interest/Expense has been calculated on an EIR basis where appropriate for market instruments.

There has been no gain/loss on either of the following classes of financial instruments, as the Council does not own them:

- available for sale financial assets
- financial assets or liabilities at a fair value through profit and loss.

Nature and Extent of Risks arising from Financial Instruments

The Council 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 the Council might not have funds available to meet its commitments to make payments;
- Market 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 management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and the associated regulations. During 2021/22 these required the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services

Code of Practice and the Local Government Investments (Scotland) Regulations 2010. Overall these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders
- by approving annually in advance prudential and treasury indicators for the following three years in limiting the Council's:

Notes to the Financial Statements

- overall borrowing.
 - maximum and minimum exposures to fixed and variable rates.
 - maximum and minimum exposures regarding the maturity structure of debt
 - maximum annual exposure to investments maturing beyond a year.
- (iv) by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment.

These are required to be reported and approved prior to the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported to Members to assess the effectiveness of controls established.

The 2024/25 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 27 March 2024 and is available on the Council website. The key issues within the strategy were:

- the authorised limit for 2023/24 was set by Council at that meeting at £1,031.839m. This is the maximum limit of external borrowing
- the operational boundary was expected to be £945.852m. This is the expected level of debt during the year
- the maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the Council's gross debt
- the maximum exposures to the maturity structure of debt is detailed with refinancing and maturity risk.

The Council has fully adopted all required CIPFA Codes and statutory regulation currently in force, and maintains written principles for overall risk management, as well as written policies and procedures covering specific areas such as credit risk, liquidity risk, refinancing/maturity risk and market risk.

Management of Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with a limited number of pre-approved UK banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each institution.

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £28.176m cannot be assessed on a general basis as the risk of any institution failing to make interest payments or repay principle sums is specific to each individual institution, however, recent experience has shown that the institutions invested in at the year-end are unlikely to default on their commitments. A risk of irrecoverability applies to all of the Council's deposits but there was no evidence at 31 March 2024 that this was likely to happen.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on past experience and current market conditions.

	Amount at 31 March 2024	Historical experience of non-payment adjusted for market conditions at 31 March 2024	Estimated maximum exposure to default and uncollectibility
	£'000	%	£'000
Customers and other income	51,246	8.82	1,524

The Council does not hold any of the following in relation to financial assets:

- collateral as security in case of default of investment; or
- financial assets that would otherwise be past due or impaired but have been renegotiated.

The council does not generally allow credit for customers, however currently £15.431m is past its due date for payment (2022/23: £15.057m). The past due amount can be analysed by age as follows:

Notes to the Financial Statements

	Total £'000
Less than three months	3,862
Three to six months	1,079
Six months to one year	1,830
More than one year	8,660
Total	15,431

Notes to the Financial Statements

In general, provisions are made in accordance with Code Guidance, whereby a judgement is made regarding the probability of collection for each category of debt. This judgement is based upon the past experience of collecting each category of debt to calculate the appropriate percentage of each debt that may not be eventually recovered. Due consideration has been taken to current position caused by COVID, however this continues to be monitored. It should be noted that due to the limitations on the available age analysis of rent arrears, the bad debt provision of this debt is based on the total value of the debt by tenant, and not by age past due.

No financial assets have been individually determined to be impaired and no collateral is held on past due or impaired financial assets, therefore the Council has not obtained financial or non-financial assets during the financial year by taking possession of any collateral or calling on other credit enhancements.

Management of Liquidity risk

The Council manages its liquidity position through the risk management procedures noted above (i.e. the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow forecast management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowing from the Money Markets to cover any day to day cash flow need if required. The Council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures that sufficient funds are raised to cover annual expenditure. On review, at this time there has been little effect on the availability of borrowings due to COVID. There is, therefore, no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt portfolio and whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to the maturing of longer term financial liabilities.

The approved treasury indicator limits for the maturity structure of debt are the key parameters used to address this risk and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile as appropriate through either new borrowing or the rescheduling of the existing debt
- monitoring the maturity profile of investments to ensure that sufficient liquidity is available for the Council's day to day cash flow needs.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. No more than 50% of borrowings are due to mature within any financial year or within any rolling five-year period.

The maturity analysis of financial liabilities is as follows:

	Creditors	PPP	Borrowing	Total
	£'000	£'000	£'000	£'000
Less than one year	64,298	2,890	273,907	341,095
Between one and two years		7,478	67,269	74,747
Between two and five years		14,217	128,500	142,717
More than five years		62,864	265,071	327,935
	64,298	87,449	734,747	886,494

Management of Market risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charges on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer.

Notes to the Financial Statements

Changes in market rates also affect the notional “fair value” of lending and borrowing. For example, a rise in interest rates would reduce the fair value of both lending and borrowing at fixed rates. Changes in the fair value of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council:

- it is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 50% of what it borrows
- during periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt
- the Council takes advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructurings of existing borrowings
- any potential for a financial impact on the Council is also significantly limited by the Scottish Government's grant distribution mechanism that automatically adjusts for changes in interest rates in the government grant support the Council receives for “loan charges”.

The interest rate profile of the Council's borrowing is as follows:

	£'000	%
Fixed Interest Debt	728,521	99.2
Variable Interest Debt	6,227	0.8
	734,748	

To illustrate the impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher at 31 March 2023, with all other variables held constant:

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

Impact on tax payers and rent payers	£'000
Increase on interest payable on variable debt borrowings	1
Increase in interest receivable on variable rate investments	(1,185)
Increase in government grant receivable for 'loan charges'	(41)
Impact on Income and Expenditure Account	(1,225)
Share of overall impact due credited to the HRA	(526)
Other accounting presentational changes	
Decrease in fair value of fixed rate investments:	
Decrease in fair value of fixed rate debt borrowings (disclosure confined to notes to the core financial statements)	36,692

Management of Foreign Exchange Risk

The Council does not lend or borrow in foreign currencies and has no exposure to gains or losses arising from movements in exchange rates.

Notes to the Financial Statements

Note 22 Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the following pension schemes:

The Local Government Pension Scheme, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The employer's contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2023/24 was 19.3%, and 2024/25 is set at 6.5%. In 2023/24, the Council paid an employer's contribution of £24.361m (2022/23 £21.084m).

The Teachers' Pension Scheme (Scottish Teachers' Superannuation Scheme (STSS)) which is a defined benefit scheme administered by the Scottish Public Pension Agency. The scheme is technically a multi-employer defined benefit scheme but is unfunded and the Scottish Government used a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Due to the type of scheme, the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of accounts, it is accounted for on the same basis as a defined contribution scheme.

The employer pays a set contribution rate of 23% which is effective from 1 September 2019 and 2024/25 is set for 26%. This is charged directly to the revenue account for the Education service. The amount paid over in respect of employer's contribution was £11.708m (2022/23 £11.100m) and in respect of expenditure for teachers added years, £0.056m payments were made (2022/23 £0.041m).

The scheme is unfunded and all contributions (payable by members or employers) are paid to the Scottish Government, and the Scottish Government then meets the costs of all the benefits. A specific amount is held by the Scottish Government for this purpose. As a proportion of the total contributions into the Scottish Teachers Superannuation Scheme 2023/24, the Council's own contribution equates to 1.66%.

The Council is not liable to the scheme for any other entities obligations under the plan.

Local Government Pension Scheme Councils are also required to disclose the capital cost of discretionary increases in pension payments agreed by the Council. In 2023/24 the capitalised costs that would have arisen from the early retiral of the Council employees and from predecessor authorities were as follows:

	£'000
2023/24	(408)
In earlier years	43,420
Total	43,012

The Council fully complies with the International Accounting Standard (IAS 19) concerning the disclosure of information on the pension. IAS 19 states that although the pension benefits will not be paid until the employee retires, the Council has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their full entitlement.

The Council therefore recognises the cost of the pension commitment within the Comprehensive Income and Expenditure Account when the employees earn their pension entitlement rather than when the benefits are paid as pensions. However, the cost to the taxpayer is calculated on the basis of pension contributions paid in the year, the cost of retirement benefits under IAS19 is reversed out, to ensure there is no impact on the overall cost to be funded by council tax and government grants.

Notes to the Financial Statements

The following transactions have been made in the Comprehensive Income and Expenditure Account and Movement in Reserves Statement during the year:

2022/23		2023/24
£'000		£'000
	Net cost of services	
48,832	Current service cost	25,541
190	Past service cost	1,795
49,022		27,336
	Financing and investment Income and Expenditure	
1,839	Net interest expense	(5,127)
50,861	Total post employment benefit charged to the Surplus or Deficit on the provision of Services	22,209
44,999	Expected return on assets	(52,939)
(27,468)	Actuarial gains and losses arising from changes in demographic assumptions	0
(400,621)	Actuarial gains and losses arising from changes in financial assumptions	(28,752)
68,024	Actuarial gains and losses arising from experience assumptions	23,161
247,931	Change in the effect of the asset ceiling 2022-23	(253,855)
	Change in the effect of the asset ceiling 2023-24	344,336
(16,274)	Total post employment benefit charged to the comprehensive income and expenditure statement	54,160
	Movement in Reserves Statement	
(16,274)	Reversal of gross charges made to surplus or deficit for post employment benefits	(22,209)
24,253	Actual amount charged against the General Fund balance in the year - employer contributions payable to Scheme	27,538
7,979	Reversal of gross charges made to surplus or deficit for post employment benefits	5,329

The underlying assets and liabilities for retirement benefits attributable to the council as at 31 March are as follows:

2022/23		2023/24
£'000		£'000
1,033,063	Fair value of plan assets	1,135,350
(800,522)	Present value of defined benefit obligations	(833,026)
(204,511)	Asset ceiling adjustment	(302,324)
28,030	Net assets in the Strathclyde Pension Fund	0
	Present Value of Unfunded Liabilities	
(20,792)	LGPS Unfunded	(20,793)
(18,258)	Teachers' pensions	(18,167)
(4,370)	Pre Local Government Reorganisation	(4,052)
(15,390)	Net pension asset/(liability)	(43,012)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits.

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is shown in the tables below. The net asset arising from the Council's involvement in the defined benefit scheme totals £302.324m at 31 March 2024. However the funded obligation has been limited to nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the

Notes to the Financial Statements

benefits through either refunds or reduced contributions. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the funded pension asset to nil. The Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

The Council's Local Government Pension Scheme has a material surplus as at 31 March 2024. The Council accounts for its pension fund using International Accounting Standards IAS 19. The surplus asset is to be determined as outlined in IFRIC 14 based on the expected future reduction in accounting contributions. The fund remains open to new employees therefore the potential future benefits have been measured in perpetuity.

The fair value of plan assets have increased by £102.287m. This is mainly due to strong investment returns.

The estimated liabilities have increased by £32.504m, due to a 6.7% increase to accrued LGPS benefits which has increased the obligations.

Pension Assets and Liabilities

Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, contracted by Glasgow City Council to provide all IAS19 calculations on behalf of the councils within the Strathclyde Pension Fund. The funded obligation is noted below:

	£'000	%
Active Members	372,203	47.1%
Deferred Members	74,324	9.4%
Pensioner Members	311,212	39.4%
Pre-Local Government Re-organisation Members	32,273	4.1%
	790,012	100%

The movement during the year on the defined obligation is noted as:

2022/23 £'000	2023/24 £'000
1,107,892 Opening balance	800,522
48,832 Current service cost	25,541
30,292 Interest cost	38,026
6,446 Contributions by Members	7,002
(27,468) Actuarial gains/losses – change in demographic assumptions	0
(400,621) Actuarial gains/losses – change in financial assumptions	(28,752)
62,154 Actuarial gains/losses – other experience	23,161
190 Past service costs/(gains)	1,795
(2,942) Estimated unfunded benefits paid	(3,177)
(24,253) Estimated benefits paid	(31,092)
800,522 Closing Balance as at 31 March	833,026

Notes to the Financial Statements

The movement during the year on the fair value of the employer's assets is:

2022/23 £'000	2023/24 £'000
1,052,202 Opening balance	1,033,063
(44,999) Expected return on assets	52,939
(5,870) Actuarial gains/ losses - other experience	0
28,453 Interest Income	49,077
6,446 Contributions by Members	7,002
21,084 Contributions by employer	24,361
2,942 Contributions in respect of unfunded benefits	3,177
(2,942) Estimated unfunded benefits paid	(3,177)
(24,253) Estimated benefit paid	(31,092)
1,033,063 Closing Balance as at 31 March	1,135,350

The Council's share of the pension fund asset at 31 March 2024 comprised:

2022/23			2023/24			
Quoted prices in Active Markets £'000	Prices not quoted in Active Market £'000	Total £'000	Asset Category	Quoted prices in Active Markets £'000	Prices not quoted in Active Market £'000	Total £'000
201,732	1,853	203,585	Equity Securities	229,305	249	229,554
	253,914	253,914	Private Equity	0	271,055	271,055
	85,175	85,175	Real Estate	0	89,272	89,272
4,450	466,368	470,818	Investment funds and unit trusts	4,663	519,760	524,423
14,288	5,283	19,571	Cash and Cash Equivalent	1,768	19,278	21,046
220,470	812,593	1,033,063	Total	235,736	899,614	1,135,350

Assets are now held at bid value.

Asset and Liability Matching strategy

The main fund of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

The Fund has now taken account of the national change to the Local Government Pension Scheme in Scotland such as the new career average revalued earning scheme (CARE) for future accruals.

The actuarial valuation states that assets held on the valuation date were sufficient to cover 136% (2022/23 129%) of accrued liabilities at that date.

Notes to the Financial Statements

The principal actuarial assumptions used at the Balance Sheet date are as follows:

31 March 2023		31 March 2024
	Long term expected return on assets	
2.95%	Pension increase rate	2.95%
3.65%	Salary Increase rate	3.65%
4.75%	Discount rate	4.75%
	<u>Mortality</u>	
	Based on these assumptions, the average future life expectancies at the age of 65 are:	
19.4	Current pensioners – Men	19.4
22.0	Current pensioners - Women	22.0
20.0	Future pensioners – Men	20.0
23.8	Future pensioners - Women	23.8

The above excludes any net pension liability that the Council may have to contribute to in respect of the Joint Boards of Partnership for Transport and Valuation. These costs are shown within each Joint Board's Balance Sheet and the Council may be required to make an increased constituent contribution in the years when the liability fails to be met.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Sensitivity Analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries have calculated and compared the value of the scheme liabilities as at 31 March 2024 on varying bases. The approach taken is consistent with that adopted to derive at the IAS19 figures provided. To quantify the uncertainty around life expectancy, the actuaries have calculated the difference in cost to the employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of around 3% to 5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

The figures have been derived based on the membership profile of the Employer as at the date of the most recent actuarial valuation.

The estimation of defined benefit obligation is sensitive to the actuarial assumptions. The sensitivity regarding the principal assumptions used to measure the schemes liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary Amount (£'000)
Real Discount Rate (0.5% decrease)	2%	14,033
1 year increase in the member life expectancy	4%	33,321
Salary Increase Rate (0.5% increase)	0%	1,970
Pension Increase Rate (0.5% increase)	1%	12,290

The total contribution expected to be made to the Local Government pension scheme for 2024/25 is £7.758m.

Notes to the Financial Statements

Note 23 Termination Benefits

A number of savings options have been agreed at Council budget meetings to balance the Council budget. A number of these savings options were reliant on a reduction in the Councils staffing levels. The Council had forewarning of the level of savings required to balance the budget and had previously asked all Council employees to express an interest in voluntary redundancy. As a result of the budget savings options approved by the Council a number of employees have had their redundancy application accepted.

Redundancy costs have been incurred in prior years in relation to the budget savings agreed. In each year, provision was made within the financial year for the costs of all employees who had accepted redundancy or where redundancy was probable as at 31 March ending that year, including accounting for costs for employees who confirmed redundancy by 31 March but left or were leaving after this date.

Termination costs for all Council employees who have accepted redundancy by 31 March 2024 are recognised in the Exit Packages note in 2023-24, or in previous financial years. The total cost recognised in the Exit Packages note in 2023-24 is £0.060m for 1 employee and in 2022-23 was nil. These costs are detailed further in Table 5 of the Remuneration Report on page 26.

The reduction in the staffing establishment includes posts from all services across the Council and reductions were in line with the savings agreed by the Council. There will be further redundancy costs incurred as the Council is required to make further savings to balance the budget in future years and the council have earmarked monies from the loans fund one-off reprofiling gain.

Note 24 Unusable Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service within the CIES. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure. Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the authority. These reserves are explained on the following pages.

Summary of Year-end Balances

The total for Unusable Reserves in the Balance Sheet is made up of the following reserves:

31 March 2023	31 March 2024
£'000	£'000
219,210 Capital Adjustment Account	218,721
166,630 Revaluation Reserve	179,567
(15,390) Pension Reserve	(43,012)
(4,373) Employee Statutory Adjustment Account	(4,536)
(10,564) Financial Instruments Adjustment Account	(9,914)
355,513 Total Unusable Reserves	340,826

Movement on balances - Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. Note 3 provides a summary of transactions posted to the Account during the year, apart from those involving the Revaluation Reserve.

Notes to the Financial Statements

31 March 2023	31 March 2024
£'000	£'000
224,788 Opening Balance	219,457
(36,246) Depreciation	(36,741)
(1,707) Impairment	(5,397)
3,423 Increase in Depreciation Caused by Revaluation	
0 Service concession adjustment	(2,365)
(337) Disposal of Fixed Assets	(3,388)
17,263 Government Grants Applied	31,920
2,685 Capital Financed by Current Revenue	(77)
9,784 Long Term Debt Payment	11,684
(196) To/from other statutory reserves	
219,457 Closing Balance	215,093

Movement on Balances – Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). 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.

31 March 2023	31 March 2024
£'000	£'000
124,788 Opening Balance	166,631
47,632 Unrealised Gains on Revaluation of Assets	7,611
(1,959) Impairments and Losses on Revaluation of Assets	
(3,830) Depreciation due to Revaluation of Assets	5,325
166,631 Closing Balance	179,567

Movement on Balances – Pensions Reserve

The pension reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The triennial review by the Pension Fund in 2023 set employer's contribution rates for the Council at 6.5% for the period 1 April 2024 to 31 March 2026 and 17.5% thereafter.

31 March 2023	31 March 2024
£'000	£'000
(55,690) Opening Balance	(15,390)
67,135 Actuarial (Loss)/Gain	(19,032)
24,026 Employer Contributions	24,361
(50,861) Reversal of IAS19 Entries	(32,951)
(15,390) Closing Balance	(43,012)

Movement on Balances - 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 e.g. annual leave entitlement carried forward at 31 March.

Notes to the Financial Statements

31 March 2023	31 March 2024
£'000	£'000
(4,100) Opening Balance	(4,373)
(273) Staff Accrual Movement	(164)
(4,373) Closing Balance	(4,537)

Movement on Balances - Financial instrument Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the comprehensive income and expenditure statement when they are incurred, but reversed out of the general fund balance to the account in the movement in reserves statement. Over time, the expense is posted back to the general fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account as at 31 March 2024 will be charged to the General Fund over the next thirty-seven years.

31 March 2023	31 March 2024
£'000	£'000
(11,440) Opening Balance	(10,564)
662 Annual Write off of Premiums and Discounts	612
0 New Premiums and Discounts	0
214 Annual EIR Adjustment to Stepped Interest Instruments	39
(10,564) Closing Balance	(9,913)

Note 25 Related Parties

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

The Scottish Government

The Scottish Government has significant influence over the general operations of the Council, being responsible for providing the statutory framework within which the Council operates. The Scottish Government also provides the majority of the Council's funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (such as Council Tax bills and Housing Benefits). Grants received from the Scottish Government are disclosed in Note 6 Taxation and Non-specific Grant Income on pages 53-56.

Elected Members Elected

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2023-24 is shown on page 28 within the Remuneration Report. There are no other significant related party transactions with members of the Council. Elected Members are required to declare an interest if he or she believes that there may be a perception that their decision making may be influenced in any way by a personal interest. Should this arise, the relevant Member does not take part in any discussion or decision relating to that interest. The Register of Interests of each Member is available on the Councils' website: <https://www.west-dunbarton.gov.uk/council/councillors-and-committees/councillors-allowances/>.

Senior Officers

Senior Officers, as listed within the Remuneration Report on page 25, are required to declare an interest if he or she believes that there may be a perception that their decision making may be influenced in any way by a personal interest.

Notes to the Financial Statements

Entities Controlled or Significantly Influenced by the Council

The Council has entered into a number of transactions under subsidiaries, associates and other trading arrangements deemed to be a related party mainly through the Council's ability to exert influence over the entity through its representation on the respective Boards. The relevant transactions with the bodies are detailed below.

	2022-2023				2023-2024			
	Income from Related Parties	Expenditure to Related Parties	Amounts due to Related Parties	Amounts owed by Related Parties	Income from Related Parties	Expenditure to Related Parties	Amounts due to Related Parties	Amounts owed by Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Subsidiaries								
West Dunbartonshire Leisure Trust	(132)	6,085						
Clydebank Property Company	(50)	287						
West Dunbartonshire Energy LLP		537		903				1,754
Associates and Joint Ventures								
Dumbartonshire and Argyll and Bute Valuation Joint Board		779				779		
West Dunbartonshire Health & Social Care Partnership	(83,178)	83,178				(84,996)	84,996	
Non-Material Interest in Other Entities								
Strathclyde Partnership for Transport		2,243				2,259		
Strathclyde Concessionary travel Scheme Joint Board		163				166		
Strathclyde Pension fund		2,218				779		
Clydebank Municipal Bank		24				7	5	2

*Further details of these entities are disclosed in the group Accounts Note 30 Combining Entities.

Note 26 Agency Services

Where the Council acts as an agent for another entity, transactions are not reflected in the Council's financial statements, with the exception of cash collected or expenditure incurred by the Council on behalf of the other entity, in which case there is a debtor or creditor position in the balance sheet for amounts due or owed.

The Council bills and collects Non-Domestic Rates on behalf of the Scottish Government. During 2023-24 the Council collected £83.970 million and received £87.129 million to the Non-Domestic Rates pool (2022-23: £86.119 million and £83.772 million). The Council also bills and collects domestic water and sewerage charges on behalf of Scottish Water with the Council Tax. During 2023-24 the Council collected and paid over £15.614 million (2022-23: £15.419 million) and is due to receive £0.294 million (2022-23: £0.200 million) for providing this service.

Note 27 Financial Guarantees

In terms of West Dunbartonshire Leisure Trust's admission to the Strathclyde Pension Scheme, the Council has guaranteed to accept liability for any unfunded pension costs should they cease to exist, withdraw from the Scheme or become unable to meet any unfunded liability. The Council has not quantified the possible liability.

Note 28 Contingent Assets and Liabilities

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

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

Notes to the Financial Statements

Contingent liabilities are not recognised in the Balance Sheet but are disclosed as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Council has a residual contingent liability relating to those workers who have yet to settle their pay protection claims.

The Council has outstanding Employment Tribunals, if the Employees' action is successful will result in a liability to the Council.

The removal of the limitation period for childhood abuse claims could result in a liability to the Council. The extent of any claims and resultant liability is unknown at this stage.

The Council has a potential contingent liability relating to paid holiday entitlement, with approximately 350 live cases. Following an EU ruling UK employers are bound by employment law in relation to the definition of paid holiday entitlement. Case law has clarified that all pay elements intrinsically linked to the performance of a contract of employment should be included in the calculation of holiday pay, including payments made for additional working. The Council adjusted the method of calculation in August 2014 (backdated in line with the leave year to April) and has included on-going costs within the long term financial strategy. The legal position remains subject to challenge however, given the action taken, any potential claim by employees for any retrospective payments is likely to be minimal. As a result, whilst recognising there may be such a requirement, it is not possible to quantify such.

The Council agreed the sale of land in 2023/24. £1.500m of the sale proceeds have been recognised in 2023/24 however depending on the outcome of planning decisions the Council could receive up to an additional £0.504m.

The Council is not aware of any other contingent assets or liabilities which may be outstanding.

Note 29 Fees Payable to External Auditors

In 2023-24 the following fees relating to external audit and inspection were incurred alongside comparative figures for 2022-23:

2022-23		2023-24
£'000	Auditor's Remuneration	£'000
323	Fees payable to External Auditors with regard to external audit services carried out by the appointed Auditor	331
323 Total Remuneration		331

The figure above includes fees for the audit of the Council's charitable trusts.

Forvis Mazars have been appointed as external auditors for 2023-24. Forvis Mazars did not undertake any non-audit work in 2023-24.

Note 30 Events After the Balance Sheet Date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. An adjustment is made to the financial statements where there is evidence that the event relates to the reporting period; otherwise the financial statements are not adjusted, and where the amount is material, a disclosure is made in the notes. The Chief Officer - Resources issued the unaudited Statement of Accounts on 28 June 2024. There have been no material events after the balance sheet date which necessitate revision of figures in the financial statements or notes thereto including contingent assets or liabilities.

Housing Revenue Account

Housing Revenue Account

Movement on the Housing Revenue Account Statement

This statement shows the movement in the year on the Housing Revenue Account reserve. The surplus or (deficit) on the housing revenue account income and expenditure statement is reconciled to the surplus or deficit for the year on the housing revenue account balance, calculated in accordance with the Housing (Scotland) Act 1987.

2022/23	2023/24
£'000	£'000
(2,734) Balance on the Housing Revenue Account as at 1 April	(2,635)
262 Total Comprehensive Income and Expenditure	(3,921)
(1,104) Pension Scheme Adjustments	(52)
(72) Financial Instruments Adjustment	6
0 Holiday Pay Adjustment	(12)
Reversal of entries included in the Surplus/Deficit on the Provision of Services in relation to	
(8,677) capital expenditure	(2,288)
(9,853) Adjustments to the revenue resource	(2,346)
0 Net gain or loss on sale of non-current assets	0
6,510 Statutory Repayment of Debt (Loans Fund Advances)	7,933
2,911 CFCR	0
9,421 Adjustments between Revenue and Capital Resources	7,933
(432) Total Statutory Adjustments	5,587
269 Transfers (to)/from Other Statutory Reserves	
99 (Increase)/Decrease in Year	1,666
(2,635) Balance on the Housing Revenue Account as at 31 March	(969)

Housing Revenue Account Income and 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. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2022/23	2023/24
£'000	£'000
Income	
(43,656) Dwelling Rents (net of voids)	(46,789)
(244) Other Rents	(154)
(2,027) Other Income	(2,447)
(45,927)	(49,390)
Expenditure	
15,255 Repairs and Maintenance	15,788
14,315 Supervision and Management	14,747
13,178 Depreciation and Impairment	13,833
443 Other Expenditure	358
43,191	44,726
Net Cost of Service as Included in the Council Comprehensive	
(2,736) Income and Expenditure Statement	(4,664)
HRA Share of the Operating Income and Expenditure Included in the	
Comprehensive Income and Expenditure Statement	
(4,502) Recognised Capital Income (Grants, Contributions and Donations)	(11,545)
0 Gain or Loss on the Sale of HRA Non Current Assets	0
6,914 Interest Payable and Similar Charges	11,483
0 Amortisation of Premiums and Discounts	1,004
821 Impairment Loss - Debtors	(199)
(235) HRA Interest and Investment Income	
2,998	743
262 (Surplus)/Deficit for the year on HRA Services	(3,921)

Housing Revenue Account

Notes to the Housing Revenue Account Income and Expenditure Statement

Note 1 The number and types of dwellings in the council's stock

The Council was responsible for managing 10,423 dwellings during 2023/24 (10,423 in 2022/23). The following shows an analysis of these dwellings by type.

2022/23			2023/24		
Number at 31 March 2023	Average weekly rent £	Type of Dwelling	Number at 31 March 2024	Average weekly rent £	
2,745	81.07	Two-apartment	2,745	84.92	
4,701	83.37	Three-apartment	4,700	87.45	
2,618	88.63	Four-apartment	2,633	92.54	
338	96.13	Five-apartment	346	98.61	
14	111.41	Six-apartment	14	116.98	
3	238.15	Seven-apartment	3	250.06	
2	97.40	Eight-apartment	2	102.27	
2	97.40	Nine-apartment	1	102.27	
10,423		Total	10,444		

Note 2 Dwelling Rents

The £46.789m noted in the Income and Expenditure Statement is the total rental income less voids chargeable for the year of £1.165m (2022/23 £1.740m). It excludes irrecoverables and bad debts. Average rents were £88.53 per week in 2023/24 (£84.59 per week in 22/23).

Note 3 Other Rents

This is the total income received from travelling person site rentals, lock-ups and shops less voids chargeable for the year, but excludes irrecoverables and bad debts. Lost rents from lock-ups in 2023/24 were £0.084m (£0.078m in 2022/23).

Note 4 Rent arrears

As at 31 March 2024, total rent arrears amounted to £4.641m (£4.345m as at 31 March 2023). This is 9.92% of the total value of rents due at 31 March 2024. It should be noted that the total arrears do not all relate to 2023/24 and the year on year movement in value of arrears is an increase of £0.296m.

Note 5 Provision for Bad Debts

In the financial year 2023/24, the rental bad debt provision has been increased by £0.080m (£0.116m increase in 2022/23). The provision to cover loss of rental income stands at £2.561m as at 31 March 2024 – equivalent of 63% (60% in 2022/23) of the total value of rents due at that date.

Council Tax Income Account

Council Tax Income Account

The Council Tax Income Account 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 Council.

2022/23	2023/24
£'000	£'000
56,288 Gross council tax	59,405
Less:	
(8,573) Council Tax Reduction Scheme Discount*	(9,084)
(7,092) Other discounts and reductions	(7,750)
(463) Provision for bad and doubtful debts	(771)
(847) Adjustments for prior years	(1,006)
39,313 Transfer to General Fund	40,794

Dwellings are valued by the Assessor and placed within a valuation band ranging from the lowest "A" to the highest "H". The Council Tax charge is calculated using the Council Tax Base, Band D equivalent as below. This value is then decreased or increased dependent upon the band of the dwelling. The charge for each band for 2023-24 was as follows:

2022/23	2023/24
£ per year	£ per year
740.20 Band A*	777.21
888.24 Band A	932.65
1,036.28 Band B	1,088.10
1,184.32 Band C	1,243.54
1,332.36 Band D	1,398.98
1,750.57 Band E	1,838.10
2,165.09 Band F	2,273.34
2,609.21 Band G	2,739.67
3,264.28 Band H	3,427.50

Calculation of the Council Tax base

Band	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	CTRS Discount	Total Dwellings	Ratio to Band D	Band D Equivalent
A(Disabled)	0	0	21	10	0	10	25	200/360	17
Band A	7,544	407	45	4,328	141	3,681	8,396	240/360	5,597
Band B	16,963	625	(15)	8,254	140	5,944	18,074	280/360	14,057
Band C	7,835	211	3	3,150	37	1,840	8,101	320/360	7,201
Band D	6,261	132	11	2,099	27	714	6,090	360/360	6,090
Band E	4,860	76	(41)	1,143	18	240	4,593	473/360	6,035
Band F	1,768	18	(12)	287	7	47	1,691	585/360	2,747
Band G	840	6	(10)	119	3	21	806	705/360	1,579
Band H	67	0	(2)	6	6	2	62	882/360	153
									43,476
									Provision for bad debt (551)
									Council Tax Base 42,925

Non-Domestic Rates Income Account

Non-Domestic Rates Income Account

The Non-Domestic Rate Income Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under the Local Government (Scotland) Act 1975 as amended by the Local Government Finance Act 1992 on non-domestic property. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2022/23	2023/24
£'000	£'000
96,645 Gross rates levied	95,539
<u>Less:</u>	
(8,997) Reliefs and other deductions	(9,621)
(966) Provision for bad and doubtful debts	(954)
86,682 Net non-domestic rate income	84,964
(1,029) Adjustments for prior years	(942)
466 Adjustments for prior years - bad debt	(53)
86,119 Total Non Domestic Rate Income (before retention)	83,969
0 Non Domestic Rate Income Retained by the Council (BRIS)	0
86,119 Contribution to National Non Domestic Rate Pool	83,969
107,740 Distribution from National Non Domestic Rate Pool	93,396
(21,621) Net contribution to/(from) National Non Domestic Rate Pool	(9,427)
Net Non Domestic Rate Income to Comprehensive Income & Expenditure Statement	93,396

The non-domestic rates pool operates on a cash accounting basis and as such the non-domestic rate income account within the Council is calculated on a similar basis.

Analysis of Rateable Values

Analysis of rateable Values:	£
Rateable value at 1/4/23	185,670,660
Running roll (full year RV)	(2,555,590)
Rateable value at 31/3/24	183,115,070
Less: partially exempt	(735,000)
Less: wholly exempt	(1,524,185)
Net rateable value at 31 March 2024	180,855,855

Non-Domestic Rate Charge

The amount paid for non-domestic rates is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £ announced each year by the government.

The national non-domestic rate poundage set by the First Minister for Scotland for 2023/24 was:

2022-23	2023-24
Pence	Pence
49.8p Basic Property Rate per £	49.8p
1.3p Supplementary Rate per £ for Properties between £51,000 and £100,000	1.3p
2.6p Supplementary Rate per £ for Properties over £100,000	2.6p

Common Good Fund

Common Good Fund

The Council administers the Dumbarton Common Good Fund Account. The Fund is applied for the benefit of the people of Dumbarton. The figures below summarise the income and expenditure for the year as well as the assets and liabilities as at 31 March 2024. The fund does not represent assets of the Council and has not been included within the Balance Sheet on page 32.

Common Good Income and Expenditure Account for the year ended 31 March 2024

2022/23				2023/24		
Usable Reserves	Unusable Reserves			Usable Reserves	Unusable Reserves	2023-2024
Revenue	Revaluation Reserve	Total		Revenue	Revaluation Reserve	Total
£'000	£'000	£'000		£'000	£'000	£'000
287		287	Gross Expenditure	408		408
(320)		(320)	Gross Income	(320)		(320)
(33)		(33)	Cost of Service	88		88
			Interest Payable and Similar Charges	-		-
(11)		(11)	Interest and Investment Income	(24)		(24)
(11)		(11)	Financing and Investment Income and Expenditure	(24)		(24)
(44)		(44)	(Surplus) or Deficit on Provision of Services	64		64
			Other Income and Expenditure			
-		-	Unrealised gains on revaluation of land and buildings	-	(367)	(367)
(44)		(44)	(Surplus)/Deficit for the Year	64	(367)	(303)
(581)	(3,487)	(4,068)	Balance on Reserves brought forward	(625)	(3,487)	(4,112)
(625)	(3,487)	(4,112)	Balance on reserves carried forward	(561)	(3,854)	(4,415)

Common Good Balance Sheet as at 31 March 2024

31 March 2023	31 March 2024
£'000	£'000
Non-current Assets	
3,486 Investment properties	3,854
Current Assets	
625 Investments – West Dunbartonshire Council	568
8 Debtors	(5)
Current Liabilities	
(8) Creditors falling due within one year	(2)
4,111 Total assets	4,415
Funds	
3,486 Capital Adjustment Account	561
625 General Fund	3,854
4,111 Total Funds	4,415

Common Good Fund

Note to the Common Good

Note 1 Property, Plant and Equipment

	Other Land and Buildings	
	2022-23	2023-24
	£'000	£'000
Cost or Valuation		
At 1 April	3,487	3,487
Disposals in year		
Revaluation Adjustments	367	
Other reclassifications		
At 31 March	3,854	3,487
Depreciation and Impairment		
At 1 April		
Depreciation charge for the year		
Depreciation on revaluation		
Other reclassifications		
At 31 March	3,854	

Trust Funds

Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds, which may be used for various purposes depending on the terms of the Trust. In all cases, the funds do not represent assets of the Council and they have not been included within the Balance Sheet on page 48. Under the provisions of the "2005 Act" and the "Accounts Regulations" above, all registered charities in Scotland are required to prepare financial statements which must be externally scrutinised. The trust funds below are registered, under one registration, with the Office of the Scottish Charity Regulator. Management has reviewed the current arrangements for the trust funds to ensure the current arrangements reflect the needs of the Council and ensure that all obligations are met. Responsibility for the compliance with the new regulations was delegated to the Chief Officer - Resources.

Receipt and Payment Account

2022/23			2023/24		
Receipts	Payments	(Surplus)/ Deficit	Receipts	Payments	(Surplus)/ Deficit
£'000	£'000	£'000	£'000	£'000	£'000
(2)	0	(2)	(4)	0	(4)
0	0	0	(1)	0	(1)
(4)	6	2	(10)	0	(10)
0	5	5	0	0	0
0	0	0	(1)	0	(1)
(6)	11	5	(16)	0	(16)

Statement of Balances as at 31 March 2024

	01 April 2023	(Surplus)/deficit for year	31 March 2024
Bank and Cash	£'000	£'000	£'000
Dunbartonshire Educational Trust Scheme 1962	(93)	(4)	(97)
McAuley Prize for Mathematics	(22)	(1)	(23)
Alexander Cameron Bequest	(118)	(4)	(122)
Dr A K Glen Fund	0	0	0
UIE Award	(25)	(1)	(26)
Total	(258)	(10)	(268)

Group Comprehensive Income and Expenditure Statement

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in year, of providing services in accordance with relevant International Financial Reporting Standards, rather than the amount to be funded from taxation. The council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2022/23 Gross Expenditure £'000	2022/23 Gross Income £'000	2022/23 Net Expenditure £'000	Note	2023/24 Gross Expenditure £'000	2023/24 Gross Income £'000	2023/24 Net Expenditure £'000
Service						
45,147	(40,366)	4,781	Resources	43,286	(44,946)	3,170
10,586	(2,169)	8,417	Regulatory and Regeneration	9,848	(2,227)	7,621
12,999	(221)	12,778	People & Technology	12,328	(196)	12,132
19,317	(1,426)	17,891	Citizens, Culture and Facilities	15,176	(698)	14,478
140,073	(21,810)	118,263	Education, Learning and Attainment	149,724	(21,887)	128,237
39,262	(6,722)	32,540	Roads and Neighbourhood	31,058	(3,157)	27,901
39,155	(33,011)	6,144	Housing and Employability	12,646	(8,004)	4,642
10,641	(8,964)	1,677	Miscellaneous Services	(1,651)	(441)	(2,116)
214,678	(122,556)	92,122	Health and Social Care Partnership	211,515	(124,778)	86,816
2,215	0	2,215	Requisitions	2,401	0	2,401
43,183	(45,927)	(2,744)	Housing Revenue Account	43,703	(49,416)	(5,699)
9196	(3,782)	5,414	Subsidiaries	10,671	(4,538)	6,133
586,452	(286,954)	299,498	Net Cost of Service	540,705	(260,288)	285,716
			Other Operating Expenditure and (income) - (Gain)			306
			(365) / loss on Disposal of non-current assets			
			25,510 Financing and Investment (Income) and Expenditure (Note 5)			30,125
			(267,663) Taxation and Non-specific Grant Income (Note 6)			(298,070)
			56,980 (Surplus)/Deficit on Provision of Services			18,077
			Share of other Comprehensive Income and			
			4,193 Expenditure of Associates and joint Ventures			(9,113)
			(45,031) (Surplus)/Deficit arising from revaluation of non-current assets			(12,936)
			0 (Surplus)/Deficit on revaluation of assets held at			0
			fair value through other comprehensive income			
			(67,135) Remeasurement of the net defined benefit pension liability			32,951
			(107,973) Other Comprehensive (Income) and Expenditure			10,902
			(50,993) Total Comprehensive (Income) and Expenditure			314,695

Group Balance Sheet

Group Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the group. The net assets (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories (pages 32 and 33 provides a further explanation).

31 March 2023			31 March 2024	
£000	Note		£000	
1,122,069	Property, Plant and Equipment	16	1,179,740	
6,967	Investment Properties		7,199	
722	Intangible Assets	17	952	
20	Long Term Debtors		2,047	
1,518	Heritage Assets	19	1,524	
(506)	Long Term Investments		210	
13,637	Investment in Associates & Joint Ventures		9,651	
1,144,427	Long Term Assets		1,201,323	
5,417	Asset Held for Sale	18	2,743	
1,337	Inventories		1,330	
62,110	Short Term Debtors	23	74,528	
5,782	Cash and Cash Equivalents (net)	26	27,320	
74,646	Current Assets		105,921	
(75,642)	Short Term Creditors	28	(64,910)	
(3,428)	Provisions		(2,237)	
(3,129)	PPP	22	(2,890)	
(319,475)	Short Term Borrowing	27	(266,347)	
(401,674)	Current Liabilities		(336,384)	
(87,498)	PPP and Finance Lease Liabilities	22	(84,560)	
(300,471)	Long Term Borrowing	27	(460,952)	
(15,390)	Net Pensions Liability	13	(43,012)	
(3,397)	Capital Grants Receipts in Advance	10	(5,317)	
	Liabilities in associates		(2,719)	
(406,756)	Long Term Liabilities		(596,560)	
410,643	Net Assets		374,300	
	Represented by:			
(49,207)	Usable Reserves	MIR/30	(30,900)	
(361,436)	Unusable Reserves	MIR/31	(343,400)	
(410,643)	Total Reserves		(374,300)	

Group Movement in Reserves Statement

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwelling rent setting purposes. The net increase/decrease before transfer to earmarked reserves line shows the statutory general fund balance and housing revenue account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Council Usable Reserves						Unusable Reserves £'000	Share of Subsidiaries, Associates & Joint Ventures Usable Reserves £'000	Share of Subsidiaries, Associates & Joint Ventures Unusable Reserves £'000	Total Reserves £'000
	General Fund balance £'000	HRA Balance £'000	Capital Fund £'000	Capital Grants and Receipts Unapplied Account £'000	Other Reserves £'000	Total Usable Reserves £'000				
2023/24										
Balance at 31 March 2023 Carried Forward	(29,304)	(2,635)	0	(71)	(262)	(32,272)	(355,514)	(16,934)	(5,923)	(387,786)
Movement in Reserve 2023/34										0
Total Comprehensive Expenditure and Income	16,422	(3,920)				12,502	20,015	4,058		36,575
Adjustments between accounting basis and funding basis under regulations (Note 6)	2,824	5,586		(3,082)		5,328	(5,328)		(279)	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	(10,058)	1,666	0	(3,082)	0	17,830	14,687	4,058	(279)	36,296
Transfers to/from other statutory reserves	(3,009)			2,941	68			47	1	48
Closing Balance at 31 March 2023	(13,067)	1,666	0	(141)	(194)	(14,442)	(340,827)	(12,829)	(6,202)	(374,300)
2022/23										
Balance at 31 March 2022 Carried Forward	(15,020)	(2,734)		(830)	(468)	(19,052)	(308,070)	(22,022)	(6,885)	(356,029)
Adjustment to the statutory repayment of debt for service concession arrangements - permitted flexibility*	(29,734)					(29,734)	29,734			0
Opening Balance at 1 April 2022	(44,754)	(2,734)	(758)	(71)	(468)	(48,786)	(278,336)	(22,022)	(2,312)	(351,456)
Movement in Reserve 2022/23										0
Total Comprehensive Expenditure and Income	51,241	262				51,503	(112,166)	5,187	(3,953)	(59,429)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(33,856)	(432)	(702)			(34,990)	34,988	(99)	101	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	17,385	(170)	(1,460)	(71)	0	16,513	(77,178)	5,088	(3,852)	(59,429)
Transfers to/from other statutory reserves	(1,935)	269	1,460		206	0			241	0
Closing Balance at 31 March 2022	(29,304)	(2,635)	0	(71)	(262)	(32,273)	(355,514)	(16,934)	(5,923)	(410,644)

Group Cash Flow Statement

Group Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the group during the reporting period. The statement shows how the group 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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. 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 group.

2022/23 £'000	2023/24 £'000	2023/24 £'000
Operating Activities		
52,341 Net deficit on the provision of services		18,077
(37,954) Depreciation, amortisation and impairment	-42138	
365 Net gain/loss on fixed assets	-306	
(26,835) Movement in pension liabilities	5329	
67 Movement in inventories	-39	
(6,017) Movement in debtors	9320	
3,553 Movement in creditors and provisions	12378	
98 Other non-cash movements	0	
Adjustments to net deficit on the provision of services for		
(66,723) non-cash movements		(15,456)
(6,569) Financing movements	(11,170)	
17,263 Investing movements	35,796	
Adjustments for items included in the net surplus/deficit on		
the provision of services that are investing and financing		
10,694 activities		24,626
(3,688) Net cash inflow from Operating Activities		27,247
62,099 Purchase of property, plant and equipment and intangible assets		89,723
(702) Proceeds from sale of property, plant and equipment and intangible assets		3,084
461 Movement on long term investments		11
(18,568) Other receipts from investing activities		(35,796)
982 Group Investment Transactions		192
44,272 Net cash outflows from investing activities		57,214
(313,846) Cash receipts of short-term and long-term borrowing		(518,000)
2,339 Repayment of PPP liabilities		2,672
271,129 Repayment of short-term and long-term borrowing		409,328
(40,378) Financing Activities		(106,000)
206		(21,539)
5,987 Cash and cash equivalents at the beginning of the reporting period		5,781
5,781 Cash and cash equivalents at the end of the reporting period		27,320
206 Movement – (Increase)/ Decrease in Cash		(21,539)

Notes to the Group's Principal Financial Statements

Note 30 - Details of Combining Entities

The notes required for the Financial Statements of the Council are disclosed separately in the preceding pages.

Associates and Joint Ventures

Dunbartonshire and Argyll and Bute Valuation Joint Board was formed in 1996 at local government re-organisation by an Act of Parliament. The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of West Dunbartonshire, East Dunbartonshire and Argyll and Bute. The Board's running costs are met by the three authorities, with surpluses and deficits on the Board's operations also shared between the councils. In 2023/34, the Council contributed £0.796m (2022/23 £0.779m) or 28.03% of the Board's estimated running costs and its share of the year end net asset of £0.373m (2022/23 £0.058m net liability) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Valuation Joint Board, 16 Church Street, Dumbarton G82 1QL.

The West Dunbartonshire Health & Social Care Partnership - the Public Bodies (Joint Working) Act (Scotland) 2014 sets out the arrangements for the integration of health and social care across the country. The Scottish Government approved the Integration Scheme for West Dunbartonshire which details the 'body corporate' arrangement by which NHS Greater Glasgow & Clyde Health Board and the Council agreed to formally delegate health and social care services for adults and children (including criminal justice, social work services) to a third body, which is described in the Act as an Integration Joint Board. The Integration Joint Board for West Dunbartonshire is known as the West Dunbartonshire Health & Social Care Partnership Board (HSCP Board) and started operations on 1 July 2015. The Board's running costs are met by the two bodies mentioned above, with surpluses and deficits on the Boards operations also shared between them. In 2023/24, the Council contributed £84.995m (2022/23 £83.178m) towards estimated running costs and its share of the year end net asset of £9.327m (2022/23 £13.088m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Chief Financial Officer to the Integration Joint Board, 16 Church Street, Dumbarton G82 1QL.

The Council's share of its associates and joint ventures are as follows:

	Dunbartonshires and Argyll and Bute Valuation Joint Board	West Dunbartonshire Health & Social Care	Total
	£'000	£'000	£'000
2023/24			
Surplus/ (Deficit) on Operating Activities	59	(3,764)	(4,311)
Non Current Assets	189	0	128
Current Assets	188	9,547	13,484
Non Current Liabilities	(49)	0	0
Current Liabilities	(4)	(220)	(172)
2022/23			
Surplus/ (Deficit) on Operating Activities	127	(4,193)	6,314
Non Current Assets	187	0	296
Current Assets	273	13,236	17,622
Non Current Liabilities	(48)	0	0
Current Liabilities	(28)	(145)	(101)

Subsidiaries

West Dunbartonshire Leisure Trust was formed in December 2011 and started trading on 5 April 2012. The Trust is a charitable company registered in Scotland and provides leisure facilities within the West Dunbartonshire area to the general public and operates sports centres, leisure centres, swimming pools, halls and community education centres owned by the Council. The Trust is paid a management fee by the Council for the provision of these services. The Trust's net asset at 31 March 2024 was £2.628m (2022/23 £15.258m net asset) and its surplus for the year was £0.573m (2022/23 £0.094m). The accounts of the Trust are published separately and can be obtained from the Manager, Leisure Trust Headquarters, Alexandria CE Centre, Alexandria, G83 0NU which is also the company's principal place of business.

Notes to the Group's Principal Financial Statements

Clydebank Property Company was part of a group organisation previously known as Clydebank Rebuilt which was a pathfinder urban regeneration organisation, limited by guarantee and included a commercial letting company (industrial units) and a registered charity (the Titan Trust). On 11 August 2014, following the transfer of the Titan Crane to the Property Company, the Council bought the commercial letting company with a view to continuing its regeneration objective. The Company's net asset at 31 March 2024 was £3.128m (2021/22 £3.215m) and its surplus for the year before payment of a dividend was £0.000m (2021/22 £0.050m). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, Titan Enterprise, 1 Aurora Avenue, Queen's Quay, Clydebank G81 1BF which is also the Company's principal place of business.

West Dunbartonshire Energy Limited Liability Partnership is a company established in April 2021 and was Scotland's first large-scale water source heat pump district heating scheme. The ESCo is a Limited Liability Partnership (LLP) structure and is 99.9% controlled by WDC, with 0.1% being owned by Clydebank Property Company. Following its first year of inception, the Company has a net liability at 31 March 2024 of £1.059m (2022/23: £0.764m) funded as working capital advance from the Council. Its deficit for the year was £0.378m (2022/23: £0.400m). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, 16 Church Street, Dumbarton G82 1QE.

Dumbarton Common Good is held in Trust by the Council. Although the council does not contribute to this fund financially, it has been included within the Council's Group through materiality by nature. Net usable spend in 2023/24 was £0.064m (2022/23 £0.044m net usable spend).

Trust Funds are held in Trust by the Council. Although the Council does not contribute to these funds financially, they have been included within the Council's Group through materiality by nature. The net increase in funds of £0.010m (2022/23 net decrease of £0.005m) for the Trust Funds. For the purposes of the Group Accounts, two Trust Funds managed by the Council (Dunbartonshire Educational Trust and McAulay Prize for Mathematics Trust) have been included pro rata to the Council's share. Copies of the accounts may be obtained from West Dunbartonshire Council, 16 Church Street, Dumbarton G82 1QL.

The Council's subsidiaries year end results are as follows:

	West Dunbartonshire Leisure Trust	Clydebank Property Company	WD Energy LLP	Common Good	Trust Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2023/24						
Surplus/ (Deficit) on Operating Activities	(573)	155	(378)	(64)	10	(850)
Non Current Assets	105	3,845	0	3,854	0	7,804
Current Assets	4,294	625	1,049	563	268	6,799
Non Current Liabilities	0	(809)	(1,910)	0	0	(2,719)
Current Liabilities	(1,771)	(533)	(198)	(2)	0	(2,504)
2022/23						
Surplus/ (Deficit) on Operating Activities	104	(206)	(273)	60	(17)	(332)
Non Current Assets	360	4,376	0	3,485	0	8,221
Current Assets	4,963	355	196	589	184	6,287
Non Current Liabilities	0	(975)	(397)	0	0	(1,372)
Current Liabilities	(1,855)	(121)	(72)	(8)	0	(2,056)

Note 31 – Non-Material Interest in Other Entities

The Council has an interest in a number of other organisations. The Council's share of their net assets or liabilities is not material to the fair understanding of the financial position and transactions of the Council. Accordingly, the Group Accounts do not include these organisations. Under Accounting Regulations, the Council is required to disclose the business nature of each organisation.

Notes to the Group's Principal Financial Statements

Strathclyde Partnership for Transport is the statutory body responsible for formulating the public transport policy on behalf of the 12 local authorities in the West of Scotland. In 2023/24, the Council contributed £m (2022/23 £2.243m) costs in 2023/24.

Strathclyde Concessionary Travel Scheme Joint Board oversees the operation of the concessionary fares scheme for public transport on behalf of the 12 local authorities in the West of Scotland. The costs of the scheme are funded through requisitions from the 12 councils and by the Scottish Executive via a 'section 70' grant. In 2023/24, the Council contributed £0.166m (2022/23 £0.164m).

Scotland Excel is a joint committee established through Section 57 of the Local Government (Scotland) Act 1973. The main purpose of the committee includes co-ordination of collaborative buying initiatives, representation of interests in public sector contracts, and the development and operation of a centre of procurement expertise for Local Government in Scotland.

Hub West of Scotland is a public private Joint Venture development organisation established in 2012. They work with the public sector partners to plan, design, build, and fund and maintain buildings in the most efficient and effective manner delivering better value for money and ultimately improving public services. Hub West of Scotland comprises: Hub West Territory Participants, Scottish Futures Trust and The Wellspring Partnership.

Business Loans Scotland Ltd was formed in March 2017 with 27 Scottish local authorities full members, including the Council, and the remaining five Scottish local authorities becoming associate members. In this respect, each member local council provides a level of loan finance for companies in their area under Phase 1, augmented in Phase 2 by Scottish Growth Scheme and European Regional Development Funding (ERDF).

Note 32 – Financial Impact of Consolidation

The effect of inclusion of the entities on the Group Balance Sheet is to increase reserves and net assets by £19.031m (2022/23 £22.857m) respectively representing the Council's share of the realisable surpluses/deficits in these organisations. The group account has an overall net asset of £374.300m (2022/23 £407.186m).

Note 33 – Analysis of Material Items of Group Income and Expenditure

The following table provides an analysis of the council's share of the material amounts as a result of the inclusion of the associates and subsidiaries.

Contribution to Group Income and Expenditure Reserve:

2022/23 £'000	2023/24 £'000
2,481 Valuation Joint Board	324
13,088 West Dunbartonshire Health & Social Care	9,327
15,255 West Dunbartonshire Leisure Trust	2,628
3,212 Clydebank Property Company	3,128
(400) WD Energy LLP	(1,059)
4,112 Common Good	4,415
180 Trust Funds	268
37,928 Total	19,031

Note 34 - Group Accounting Policies: Disclosure of differences with main Statement of Accounting Policies

The financial statements in the Group Accounts are prepared in accordance with the accounting policies set out in Note 1 on pages 39 to 51 with additions and exceptions noted below:

Group Income and Expenditure Account

Proceeds from disposal of fixed assets – profits and losses from the disposal of fixed assets are credited or debited to the Group Income and Expenditure Account within the net cost of services. The proceeds are then appropriated out after net operating expenditure. For those proceeds associated with the disposal of the Council's assets, appropriation is to the Group Reserves. For those proceeds associated with the disposal of associates' assets, appropriation is to the Group Income and Expenditure Reserve.

Group Balance Sheet

Inventories – valuation methods vary slightly across the Group. The Council uses cost price basis. The difference in valuation methods does not have a material impact on the results of the group given the levels of stock held within the organisations; and

Pensions – West Dunbartonshire Leisure Trust complies with the Financial Reporting Standard FRS102 concerning the disclosure of information on pensions. There is no difference in the Profit and Loss Account by using this method in comparison with IAS19 (which is used by other group entities) therefore there is no impact on the results of the group.

Independent Auditor's Report

Independent Auditor's report to the Members of west Dunbartonshire council and the Audit Commission

Audit Arrangements

Under arrangements by the Accounts Commission for Local Authorities, the auditor with the responsibility for the audit of the accounts of West Dunbartonshire Council is:

Tom Reid
Director
Forvis Mazars
100 Queen Street
Glasgow
G1 3DN

Statement

The audit of the Council's Accounts for 2023-24 is yet to be undertaken i.e. the figures are "subject to audit". The certified Accounts will be presented to the Council for approval after audit.

Independent Auditor's Report

Glossary of Terms

Accounting Period: The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accruals: The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses (Pensions): For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Asset: An item having value to the Council in monetary terms. Assets are 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 provides benefit to the Council and to the Services it provides for a period of more than one year.

Associates: These are entities (other than a subsidiary or a joint venture) in which the Council has a participating interest or over whose operating and financial policies the Council is able to exercise significant influence.

Audit of Accounts: An independent examination of the Council's financial affairs.

Balance Sheet: A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

Capital Adjustment Account: This account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

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 Financed from Current Revenue: This is expenditure incurred in creating, acquiring or improving assets where that expenditure is charged directly to the revenue account.

Capital Financing: Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, capital receipts and grants, and revenue funding.

Capital Grants 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 Receipt: The proceeds from the disposal of land or other non-current assets.

CIES: The Comprehensive Income & Expenditure Statement (CIES) shows the accounting cost of providing services and managing the Council during the year. It includes, on an accruals basis, all of the Council's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that Councils need to take into account when setting the annual Council Tax. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

CIPFA: The Chartered Institute of Public Finance and Accountancy (CIPFA) is one of the major accountancy bodies in the United Kingdom. It develops and sets accounting standards for the public sector.

Glossary of Terms

The Code: The Code of Practice on Local Authority Accounting in the United Kingdom (The Code) is the basis on which local authority accounts are prepared. The Code is based on European Union adopted International Financial Accounting Standards (that are primarily drafted for the commercial sector) and where required it interprets and adapts these standards to address all the accounting issues relevant to local government in the UK.

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. Examples of community assets are municipal parks.

Consistency: The concept that the accounting treatment of like items within an accounting period and from one period to the next, are the same.

Contingent Liability: A contingent liability is either

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain event, not wholly within the Council's control; or A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

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 absorbs the difference that would otherwise arise on the General Fund from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March.

Entity: A corporate body, 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.

Equity: The Council's value of total assets less liabilities.

Events after the Balance Sheet Date: Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Exceptional Items: Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Glossary of Terms

Fair Value: The fair value of an asset is the price at which it could be exchanged for in an arm's length transaction, less where applicable, any grants receivable towards the purchase or use of the asset.

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

Financial Instruments Adjustment Account: The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the income and expenses relating to certain financial instruments, and for bearing losses or benefitting from gains, per statutory provisions.

General fund Balance: This contains the net surplus on the provision of Council services combined with balances from previous years and any contributions from other funds made during the year.

General Revenue Grant: A grant paid by the Scottish Government to Councils, contributing towards the general cost of their services.

Going Concern: The concept that the Annual Accounts are prepared on the assumption that the Council (and its Associate bodies) will continue in operational existence for the foreseeable future.

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 spend of the Council in general.

Gross Expenditure: This includes all expenditure attributable to the service and activity including employee costs, premises and transport costs, supplies and services, third party payments, support services and depreciation

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

Heritage Asset: A tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

IFRS: International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is becoming the global standard for the preparation of public company financial statements and has been extended into the public sector in the UK. 43. Impairment A reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.

Infrastructure Assets: Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

Intangible Assets: An intangible (non-physical) asset may be defined as such when access to the future economic benefits it represents are controlled by the Council. This Council's intangible assets are comprised solely of computer software licenses.

Interest Cost (Pensions): For a defined benefit scheme, the expected increase during the period of the scheme's liabilities because the benefits are one period closer to settlement.

Inventories: Items the Council has procured and holds in expectation of future use. Examples are consumable stores and raw materials.

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 non-current liability is an amount which by arrangement is payable beyond the next

Glossary of Terms

year, at some point in the future, or is to be paid off by an annual sum over a period of time.

MIRS: The Movement in Reserves Statement (MiRS) shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those reserves that can be applied to fund expenditure or to reduce taxation) 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 Carrying 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: non-current Assets are not expected to be realised within 12 months and are held to provide future economic benefit to the Council.

Operating Leases: A lease where the ownership of the 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's 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 recognises the Council's share of the actuarial gains and losses in the Strathclyde Pension Fund and the change in the Council's share of the net liability chargeable to the CIES.

Pension Scheme Liabilities: The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. The scheme's liabilities, measured using the "project 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 for future liabilities or losses which are certain or very likely to occur but the amounts or dates of 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 based on those at which the Government can borrow itself.

Rateable Value: The annual assumed rental of land or property, which is for national Non-Domestic Rates purposes.

Related Parties: Bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. For the Council's purposes related parties are deemed to include the Elected Members, the Chief Executive and its Corporate Directors.

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

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.

Glossary of Terms

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

Revaluation Reserve: Records unrealised gains arising since 1 April 2007 on the revaluation of fixed assets not yet realised through sales.

Revenue Expenditure: The day-to-day expenses of providing services.

Short-term Borrowing: Money borrowed where repayment is due in the following financial year.

Significant Interest: The reporting authority is deemed to have Significant Interest if it is actively involved and is influential in the direction of an entity through its participation in policy decisions.

Unusable Reserves: Reserves which hold unrealised gains and losses where amounts would only become available to provide services if the assets are sold and reserves that hold a timing differences.

Usable reserves: Those reserves which the Council may use to provide services, subject to the need to maintain a prudential level of reserves and any statutory limitations on their use.

Trust Funds: Funds administered by the Council for such purposes as awards and specific projects. Some of the Council's Trust Funds are Charities.

Useful Economic Life: The period over which the local authority will derive benefits from the use of a non-current asset.

