



East Dunbartonshire Council

Annual Accounts
2022-23



sustainable thriving achieving

East Dunbartonshire Council

www.eastdunbarton.gov.uk

CONTENTS

Main Contents

Management Commentary	3
Annual Governance Statement.....	27
What we are responsible for.....	27
COVID-19 recovery and governance arrangements	27
The governance framework.....	28
Statement of Responsibilities for the Accounts	36
Remuneration Report	37
Principal Financial Statements of Single Entity	44
Comprehensive Income & Expenditure Statement	45
Movement in Reserves Statement	46
Balance Sheet	47
Cash Flow Statement	48
Notes to the Principal Financial Statements.....	49
Housing Revenue Account (HRA)	91
Notes to the Housing Revenue Account.....	92
Council Tax Income Account.....	93
Non-Domestic Rate Income Account	94
Common Good and Trust Funds	95
Summary of Trust Funds	95
Summary of Common Good Funds.....	96
Group Financial Statements	97
Group Comprehensive Income and Expenditure Statement.....	98
Group Movement in Reserves Statement	99
Group Balance Sheet	100
Group Cash Flow Statement	101
Notes to the Group Financial Statements	102
Independent Auditor's Report to the Members of East Dunbartonshire Council and the Accounts Commission....	107

Notes to the Principal Financial Statements

1. Expenditure and Funding Analysis.....	49
2. Note to the Expenditure and Funding Analysis	50
3. Expenditure and Income Analysed by Nature	52
4. Contingent Liabilities	52
5. Events After the Balance Sheet Date.....	53
6. External Audit Costs	53
7. Adjustments between Accounting Basis and Funding Basis under Regulations	53
8. Transfers to or from Other Statutory Reserves	56
9. Property, Plant and Equipment	56
10. Heritage Assets	59
11. Intangible Assets	59

12.	Assets Held for Sale (Current)	60
13.	Capital Expenditure and Capital Financing	60
14.	Impairment Losses	61
15.	Schools Public Private Partnership	61
16.	Financial Instruments	63
17.	Nature and Extent of Risks Arising from Financial Instruments	64
18.	Debtors and Prepayments	68
19.	Creditors	68
20.	Provisions	68
21.	Usable Reserves	69
22.	Unusable Reserves	70
23.	Grant Income	72
24.	Related Parties	72
25.	Leases	74
26.	Pension Schemes Accounted for as Defined Contribution Schemes	75
27.	Defined Benefit Pension Schemes	75
28.	Financial Guarantees	80
29.	Accounting Policies	80
30.	Critical Judgements in Applying Accounting Policies	87
31.	Future Assumptions and Estimation Uncertainties	88
32.	Accounting Standards Issued, Not Adopted	89
33.	Cash Flow Statement – Reconciliation of Financing Activities	89

Notes to the Group Financial Statements

1.	Statement of Group Accounting Policies	102
2.	Going Concern	102
3.	Stock	102
4.	Combining Entities	102
5.	Non-Consolidated Interests in Other Entities	104
6.	Financial Impact of Consolidation	106

Management Commentary

1. Introduction

The Management Commentary sets out the key messages on the Council's financial and service performance for 2022/23. It looks ahead to the challenges and risks the Council, its partners, residents and communities will face as we work together to meet the changing needs of the people of East Dunbartonshire.

The Annual Accounts present the financial position and performance of the Council demonstrating the stewardship of the public funds that support the Council's vision and key priorities. The financial position of the wider Council group is also presented. The format and content of the Annual Accounts accord with the Code of Practice on Local Authority Accounting in the United Kingdom. East Dunbartonshire is required to produce our annual accounts on an annual basis in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

CIPFA's statement on the role of the Chief Finance Officer Local Government sets out the Chief Finance Officer's responsibilities for producing the accounts and financial records for those accounts. The CIPFA Statement requires that the annual accounts are published on a timely basis to communicate the authority's activities and achievements, its financial position and performance and requires certification of the accounts by the Chief Finance Officer. This certification is the confirmation that the accounts present a 'true and fair' view.

The presentation of the Annual Accounts both closes the financial management cycle and initiates the start of the next financial cycle with the rolling forward and review of the medium-term financial plan. This extends to consideration of the themes within long term financial strategy and the financial resilience of the Council.

2. East Dunbartonshire



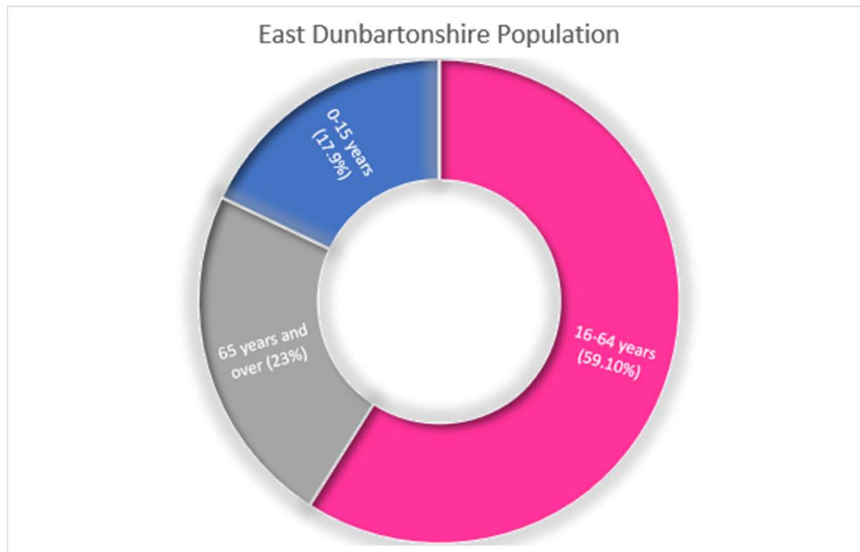
East Dunbartonshire (Siorrachd Dhùn Bhreatainn an Ear) was established in 1996 as a result of the Local Government etc. (Scotland) Act 1994. It shares boundaries with North Lanarkshire, Stirling and West Dunbartonshire Councils. The principal towns in the area are Bearsden, Bishopbriggs, Kirkintilloch, Lenzie and Milngavie, and these with the villages of Torrance, Lennoxton, Milton of Campsie and Twechar form the main population centres of the area.

East Dunbartonshire is bounded by the Campsie Fells and Kilpatrick Hills with the Forth and Clyde Canal and Antonine Wall running through our boundaries. Milngavie is the starting point for the popular West Highland Way long distance footpath to Fort William. With great transport connections to Glasgow and Edinburgh and excellent schools, East Dunbartonshire is regularly recognised as a great place to live and to raise a family and the Council priorities aim to ensure that the area is an excellent place to live, learn, visit or to establish and grow a business.

East Dunbartonshire covers an area of 77 square miles and provides an outstanding natural environment with

several visitor attractions including the West Highland Way, Antonine Wall, Lillie Art Gallery and Campsie Fells. East Dunbartonshire has been regularly ranked as one of the best places to live in Scotland.

The population of East Dunbartonshire is approximately 108,900, which is projected to increase over the next 10 years. An increase is projected across all broad age groups with the highest increase predicted in those aged 75 and over. Current population figures show East Dunbartonshire's age breakdown as shown in the chart below.



East Dunbartonshire sits within west-central Scotland, its largest towns, Bearsden and Milngavie in the southwest and Kirkintilloch in the southeast, lie within the historic county of Dunbartonshire. The Council area also includes a small area in the south around the town of Bishopbriggs in the historic county of Lanarkshire and a more extensive area in the northeast that belongs to the historic county of Stirlingshire, including Lennox Forest and the Campsie Fells.

East Dunbartonshire Council at 31 March 2023 was constituted by 22 members. The Local Government elections on 5th May 2022 returned a political balance of 8 SNP, 6 Liberal Democrats, 4 Labour, 3 Conservative and 1 Independent. The political balance at 31 March 2023 was 8 SNP, 5 Liberal Democrats, 4 Labour, 2 Conservatives and 3 Independents.

Elected Members continue to operate on many levels as representatives of their constituents on local matters, as policy makers and decision takers in relation to the policies and finances of the Council. Elected Members also have a scrutiny and challenge role in relation to policies and decisions made over the year. They also have a regulatory role in relation to Planning, Licensing and other quasi-judicial matters. Lastly elected Members also represent East Dunbartonshire Council in various local, regional and national forums.

www.eastdunbarton.gov.uk

East Dunbartonshire local councillors

- Conservative (Con)
- Independent (Ind)
- Labour (Lab)
- Liberal Democrat (LD)
- Scottish National Party (SNP)

Jim Gibbons (SNP)
Ward 1 - Milngavie
Tel: 0141 578 8163
Email: jim.gibbons@eastdunbarton.gov.uk



Alix Mathieson (Con)
Ward 1 - Milngavie
Tel: 0141 578 8163
Email: alix.mathieson@eastdunbarton.gov.uk



Aileen Polson (Ind/Other)
Ward 1 - Milngavie
Tel: 0141 578 8163
Email: aileen.polson@eastdunbarton.gov.uk



Duncan Cumming (Ind)
Ward 2 - Bearsden North
Tel: 0141 578 8016
Email: duncan.cumming@eastdunbarton.gov.uk



Alan Reid (LD)
Ward 2 - Bearsden North
Tel: 0141 578 8016
Email: alan.reid@eastdunbarton.gov.uk



Calum Smith (SNP)
Ward 2 - Bearsden North
Tel: 0141 578 8163
Email: calum.smith@eastdunbarton.gov.uk



Ian Gallagher (SNP)
Ward 3 - Bearsden South
Tel: 0141 578 8042
Email: ian.gallagher@eastdunbarton.gov.uk



Vaughan Moody (LD)
Ward 3 - Bearsden South
Tel: 0141 578 8042
Email: vaughan.moody@eastdunbarton.gov.uk



Andrew Polson (Ind/Other)
Ward 3 - Bearsden South
Tel: 0141 578 8042
Email: andrew.polson@eastdunbarton.gov.uk



Paul Ferretti (SNP)
Ward 4 - Bishopbriggs North & Campsie
Tel: 0141 578 8072
Email: paul.ferretti@eastdunbarton.gov.uk



Billy Hendry (Con)
Ward 4 - Bishopbriggs North & Campsie
Tel: 0141 578 8016
Email: billy.hendry@eastdunbarton.gov.uk



Colette McDiarmid (Lab)
Ward 4 - Bishopbriggs North & Campsie
Tel: 0141 578 8016
Email: colette.mcdiarmid@eastdunbarton.gov.uk



Lynda Williamson (SNP)
Ward 4 - Bishopbriggs North & Campsie
Tel: 0141 578 8072
Email: lynda.williamson@eastdunbarton.gov.uk



Gordan Low (SNP)
Ward 5 - Bishopbriggs South
Tel: 0141 578 8042
Email: gordan.low@eastdunbarton.gov.uk



Alan Moir (Lab)
Ward 5 - Bishopbriggs South
Tel: 0141 578 8042
Email: alan.moir@eastdunbarton.gov.uk



Ben Rose (LD)
Ward 5 - Bishopbriggs South
Tel: 0141 578 8042
Email: ben.rose@eastdunbarton.gov.uk



Callum McNally (Lab)
Ward 6 - Lenzie & Kirkintilloch South
Tel: 0141 578 8163
Email: callum.mcnally@eastdunbarton.gov.uk



Willie Paterson (LD)
Ward 6 - Lenzie & Kirkintilloch South
Tel: 0141 578 8163
Email: willie.paterson@eastdunbarton.gov.uk



Gillian Renwick (SNP)
Ward 6 - Lenzie & Kirkintilloch South
Tel: 0141 578 8172
Email: gillian.renwick@eastdunbarton.gov.uk



Stewart MacDonald (Lab)
Ward 7 - Kirkintilloch East & North & Twechar
Tel: 0141 578 8016
Email: stewart.macdonald@eastdunbarton.gov.uk



Pamela Marshall (SNP)
Ward 7 - Kirkintilloch East & North & Twechar
Tel: 0141 578 8016
Email: pamela.marshall@eastdunbarton.gov.uk



Susan Murray (LD)
Ward 7 - Kirkintilloch East & North & Twechar
Tel: 0141 578 8442
Email: susan.murray@eastdunbarton.gov.uk



Councillors are residents elected to represent their local community in the running of the Council. They have an

important role in many of the major decisions that affect people's lives, including;

- Decision making - Councillors are responsible for ensuring the Council has a clear direction and that the Chief Executive has put in place accountability and appropriate working arrangements in place to ensure that the Council achieves what it sets out to do.
- Developing and reviewing policy - Review and decision making of Council policy through their role in scrutinising and approving, where appropriate, new and revised policies.
- Scrutiny - Councillors are the only locally democratically elected community representatives capable of holding public services to account for their performance within local areas and on behalf of local communities.
- Representation - A key role of a councillor is to represent their ward and the people who live in it. This demands visibility, being a trusted point of contact and an effective advocate for local people.
- Regulator - Councils are not just service providers, they also play a regulatory role in issues such as planning, licensing, trading standards and environmental health. This involves councillors in quasi-legal roles on special committees appointed directly by the Council. These regulatory committees operate within a specific set of legislation and guidance, and councillors can only make decisions that are in accordance with such legislation or guidance.

Together these Elected Members constitute the Council with Officer Structures cascading from the Chief Executive, as the Head of Paid Service, to the Depute Chief Executives, the Chief Finance Officer, the Chief Solicitor & Monitoring Officer, the HSCP Chief Officer, the Chief Social Work Officer and nine Executive Officers and their operational teams. The structure of the Senior Management Team (SMT) was approved at the Council meeting on the 20 September 2018 and it works closely with the General Manager of the EDLCT and the HSCP Management Team. Further information on the Council's leadership structure is provided within the Remuneration Report also included within these Annual Accounts.

3. Key Risks, Uncertainties and Financial Pressures

Over the last decade the Council's Annual Accounts and Financial Statements have served to reflect a period of change and recovery. Significant events in prior years, such as the impact of Covid-19, financial austerity and demographic change, have shaped the Council to remain sustainable and continue to perform well against a backdrop of reduced funding. Such austerity and increased demand on resources increases year-on-year with each superceding the last. Whilst its impact has been challenging for the Council to manage, and the cumulative impact significant, collectively it served to galvanise systems, structures, teams, governance arrangements and strategies to the extent that change has been well managed and has never served as a fundamental shock to the Council and its operations. At the end of the financial year 2022/23, worldwide events are such that the term 'unprecedented' along with considerations around austerity require updating on an annual basis to accommodate the scale of challenges ahead.

a. Risk Registers

The Council's previous Corporate Risk Register was approved in June 2019. Whilst the COVID-19 Pandemic impacted upon the formal review process, the Register was kept under ongoing review in the intervening period. As Council agreed a revised approach to strategic planning and performance and refreshed its strategic priorities in June 2022, it was appropriate to consider an updated Corporate Risk Register in this context. Officers developed a revised Corporate Risk Register presenting this to Council.

The latest version of the Council's Corporate Risk Management Strategy was approved in June 2019 and is being updated to reflect changes in roles and accountabilities as the Organisation & Workforce for the Future is further developed. The Strategy continues to provide a useful reference point for Elected Members, providing background on the Council's risk management approach and methodology. Council considered the Corporate Risk Register during November 2022 with a detailed assessment of risks across the six external influences – Political, Economic, Social, Technological, Legal, and Environmental (encompassing the health and wellbeing of our communities), representing those at the highest, strategic level. An assessment at this level considers the potential for the failure to deliver on Councils strategic priorities or the failure to operate in line with stated principles as a consequence of external influences.

The risk being assessed is the risk of any of these external factors negatively impacting on the Council's ability to achieve some or all of its strategic priorities. More specific analysis or risk to individual priorities will be undertaken

at a Service level. For example, when considering the external economic influence, the risk being assessed is at a macro-economic level, i.e. the Council having insufficient funds to deliver all of its priorities. This risk will also be considered within the Finance and Audit Risk Strategy, but consideration of the finance risk at this level will extend to the consideration of potential failings in internal systems and control mechanisms.

Similarly, within the Environmental risk context, one of the risks will be of a civil contingencies event of any nature impacting on the Council's ability to deliver on its outcomes. This could include a pandemic, a cyber-attack, a severe weather event or a prolonged power outage. Detailed analysis of these and other individual civil contingencies risks will be addressed in the Civil Contingencies Risk Register and associated Service Risk Registers as appropriate.

b. Governance

The Council's Administrative Scheme governs specific and general powers of delegation to senior officers. This supplements the powers delegated to various committees, boards and other decision-making bodies. This enables decisions to be made in an appropriate and transparent manner, but which also enables day-to-day business to progress. The Council's regular cycle of meetings were disrupted by the Covid-19 pandemic with duties normally requiring Council/Committee approval being delegated to the Chief Executive during such times (in whose absence Depute Chief Executives) and in consultation with any other Officers deemed necessary. On the 31 March 2022 the Council agreed to a proposed cycle of meetings that represented a return to 'normal' following the Local Government Elections on the 5 May 2022 and the Statutory Meeting on the 19 May 2022.

The Council has continued to discharge its legal and statutory responsibilities, through the normal course of business, during the year. Such activities are reflected within these Accounts, which will also include reference to ongoing recovery from Covid-19, where a number of accommodations were previously made within the Council's strategy, business model and performance regime. Certain provisions within the Coronavirus Act 2020 that were due to expire in March 2022 were retained with proposals for longer term adoption in the Coronavirus (Recovery and Reform) (Scotland) Bill. Despite such provisions the pandemic has eased with a new Council administration implementing a new approach to strategic planning and performance, with recommended strategic priorities to support East Dunbartonshire Council, its citizens and its businesses collectively recover from the pandemic. These Accounts and those in future years will bear testament to this impact reflecting the Council's subsequent and sustained response in its role to support residents, business and communities. More than ever this reinforces the Council vision of:

Working together to achieve the best with the people of East Dunbartonshire

In moving from 'response' to 'recovery' the Council sought to refresh those Corporate risks that continue to have the potential to significantly impact operations either singularly or linked to ongoing events. The Council's established and comprehensive risk management process, constituted by the Corporate Risk Register and supported by Operational Risk Registers, remains of paramount importance, with an update being reported to Council in November 2022.

Good financial management is an essential element of good governance and longer-term service planning, which are critical in ensuring that local service provision is sustainable. The Council also ensures that the CIPFA Financial Management Code / CIPFA / SOLACE Delivering Good Governance in Local Government Framework (2016) is replicated throughout our financial planning and analysis to ensure that the authority meets its statutory responsibility for sound financial administration.

c. Risk Management

Risk registers continue to reflect significant challenges over the short, medium and long term with financial pressures, technological developments, partnership demands, demographic factors, public policy developments, and political direction all adding to the risks and uncertainty within the Local Government Sector.

The need to manage risks relating to public sector austerity and reducing financial resources, within an environment of increasing demand for services, and driven by demographic change is one of the key longer-term challenges and risks for the Council.

Such pressures have required the significant and ongoing reshaping of service delivery with the Council taking this forward as part of the Transformation Programme and associated 'Have YOUR Say' Budget consultation. Delivery against these also represents a key risk and, despite the Council's response to meet these challenges, ongoing austerity and real terms reductions in grant funding remains. The Council has a clear plan for the required next steps through the implementation of a transformative agenda to shape the future delivery of Council services. The

nature, timing and extent of these is now likely to change, with key areas of focus remaining those set around finances, resources, community needs and inequalities, collaboration, leadership and workforce.

4. Objectives and Strategy

There is a strong tradition of effective partnership working in East Dunbartonshire. This has delivered successful outcomes for the area. The East Dunbartonshire Community Planning Partnership (ED CPP) involves partner organisations working together to ensure effective use of resources, engagement with the community, and the delivery of services. These interactions improve the lives and outcomes of people across East Dunbartonshire. The current Local Outcome Improvement Plan set out the following outcomes and the mechanisms through which these will be achieved and these are constituted by the following six outcomes.



1. East Dunbartonshire has a sustainable and resilient economy with busy town and village centres, a growing business base, and is an attractive place in which to visit and invest.

2. Our people are equipped with knowledge, skills for learning, life and work.



3. Our children and young people are safe, healthy and ready to learn.



4. East Dunbartonshire is a safe place in which to live, work and visit.



5. Our people experience good physical and mental health and wellbeing with access to a quality built and natural environment in which to lead healthier and more active lifestyles.

6. Our older population and more vulnerable citizens are supported to maintain their independence and enjoy a high quality of life, and they, their families and carers benefit from effective care and support services.



The ED CPP Local Outcomes Improvement Plan (LOIP) was prepared in 2017 and review annually. It meets the requirements of the Community Empowerment (Scotland) Act 2015 and, through its delivery, the Council and its partners continue to demonstrate improvement, focusing on reducing disadvantage across the authority and achieving the vision for East Dunbartonshire. The Council also has also agreed Strategic Priorities which determine the priorities for all services and for their delivery.

Whilst much has been achieved to date, challenges continue to change and grow, in both size and complexity. Challenges resulting from the economic downturn and on-going austerity has been further subsumed within a partnership Covid-19 response and now recovery and current cost of living crisis, which will fundamentally affect our local communities with associated impact on partnerships and Council services. This response, against a

backdrop of financial constraint, means that it is vital that resources are targeted in an effective, economic and efficient way and that the Council, in conjunction with Partners, can continue its work to address poverty and inequalities within our communities. The Council recognises that working with our people and communities is central to the achievement of our outcomes, and these reflect the requirements of the Community Empowerment (Scotland) Act 2015.

Whilst these principles and priorities have been well established and applied to good effect during the course of the financial year, these will now need to be reviewed. This will include revisiting the outcomes and priorities of our LOIP with focus on our localities. This also aligns with current work on the review and refresh of the Locality Plans which have been subject to extensive community engagement and consultation across our four most deprived area. The development of the reviewed Locality Plans will inform the planned review and governance arrangements going forward for the LOIP.

Through annually refreshed Business Improvement Plans (BIPs), each strategic service area sets out how they will contribute to these strategic priorities for the coming year. Progress against these plans is currently reported on a regular basis through the How Good is Our Service (HGIOS) Self Evaluation Framework. The Council's Strategic Planning and Performance Framework (SPPF) ensures that relevant information on the performance of services is available to officers, elected members and our local communities. This includes the publication of benchmarking data allowing us to make meaningful comparisons with other areas.

5. Key Achievements in 2022/23

The Council's Annual Audit report published in October 2022 recognised that the council has effective governance arrangements in place that support good governance and accountability. Whilst Covid 19 had impacted service performance in certain areas the Council was on track to meet many existing performance targets.

The Council also welcomed what it considered to be an excellent Best Value Assurance Report which recognised strong leadership at the Council, good services being delivered and the exemplary efforts of the workforce, particularly during the pandemic. This was presented to Council in November 2021 but published by Audit Scotland in September 2021.

In the most recent publication of Local Government Benchmarking framework data in February 2023 the Council has demonstrated an improvement in performance, reflecting continued recovery from the pandemic with the majority of comparable benchmarking indicators demonstrating improvement from the 20/21 year. The Council continues to report the majority of benchmarking indicators in the top two quartiles of Scottish councils with only 16% of indicators in the bottom quartile.

The transition from Covid recovery continued in 22/23 and significant projects and developments completed and progressed during the year. Key achievements for the Council include the following:

- The new Boclair Academy opened in August 2022, welcoming 1,031 young people and staff. The new state-of-the-art building has been greatly received by young people, staff and families.
- The initial phase of the new Allander Leisure centre is now complete. The overall Allander, which involves the construction of a new 'Sports Dome', offering two football pitches and a tennis court – is expected to be completed by autumn 2023.
- Good progress continues to be made on the construction of the new Additional Support Needs School in Kirkintilloch. Internally, the building is well progressed and the sample classroom was recently made available for quality inspection by all parties
- The Kirkintilloch Community Sports Complex is now substantially complete. A final section of the works to finalise the bund arrangements on the site will continue during Spring 2023.
- The development of affordable housing at Kerr St, Kirkintilloch is now complete and tenants are in the process of moving into the newly finished properties.
- A contractor and design team have commenced development of proposals for each of the two lots which comprise the Council's next Affordable Housing Investment Programme, involving up to 11 sites and which aims to further increase the supply of affordable housing in East Dunbartonshire over the next 5 years.

Key Achievements



New Boclair Academy -



Allander Leisure Centre



Additional Support Needs
(ASN) Project -
artist's impression



Kirkintilloch Community
Sports Complex -
artist's impression



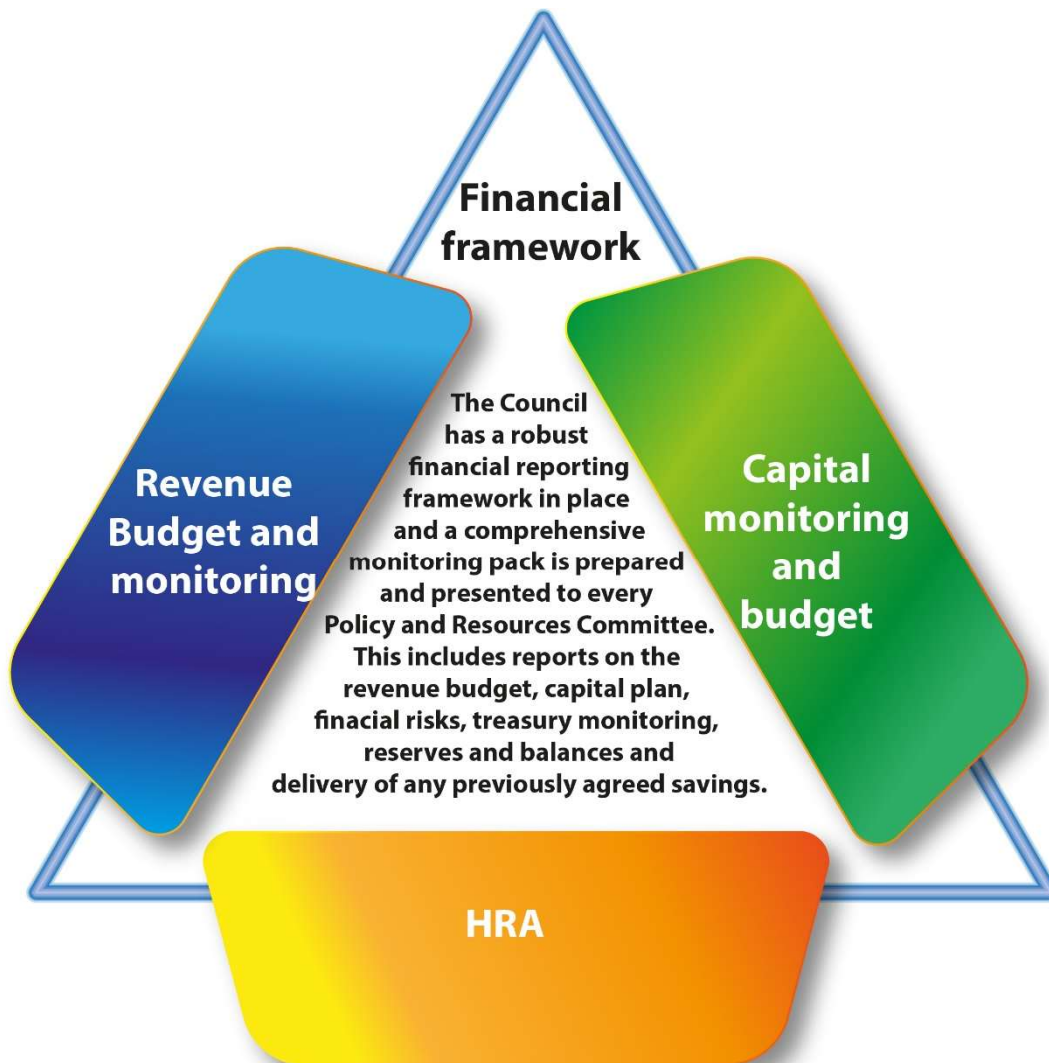
Affordable houses
Kerr Street

- The refurbishment of Brookwood Villa continues to progress well over the period and remains on target for completion by mid-2023.

a) General Fund Performance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.

Government grants, fees & charges, Council Tax income, Non-Domestic Rate Income (subject to pooling arrangements) and interest/returns on investments provide resources for the General Fund. The General Fund is split between uncommitted balances (the level of funding available to the Council to manage financial risks and unplanned expenditure) and balances that have been earmarked for specific purposes.

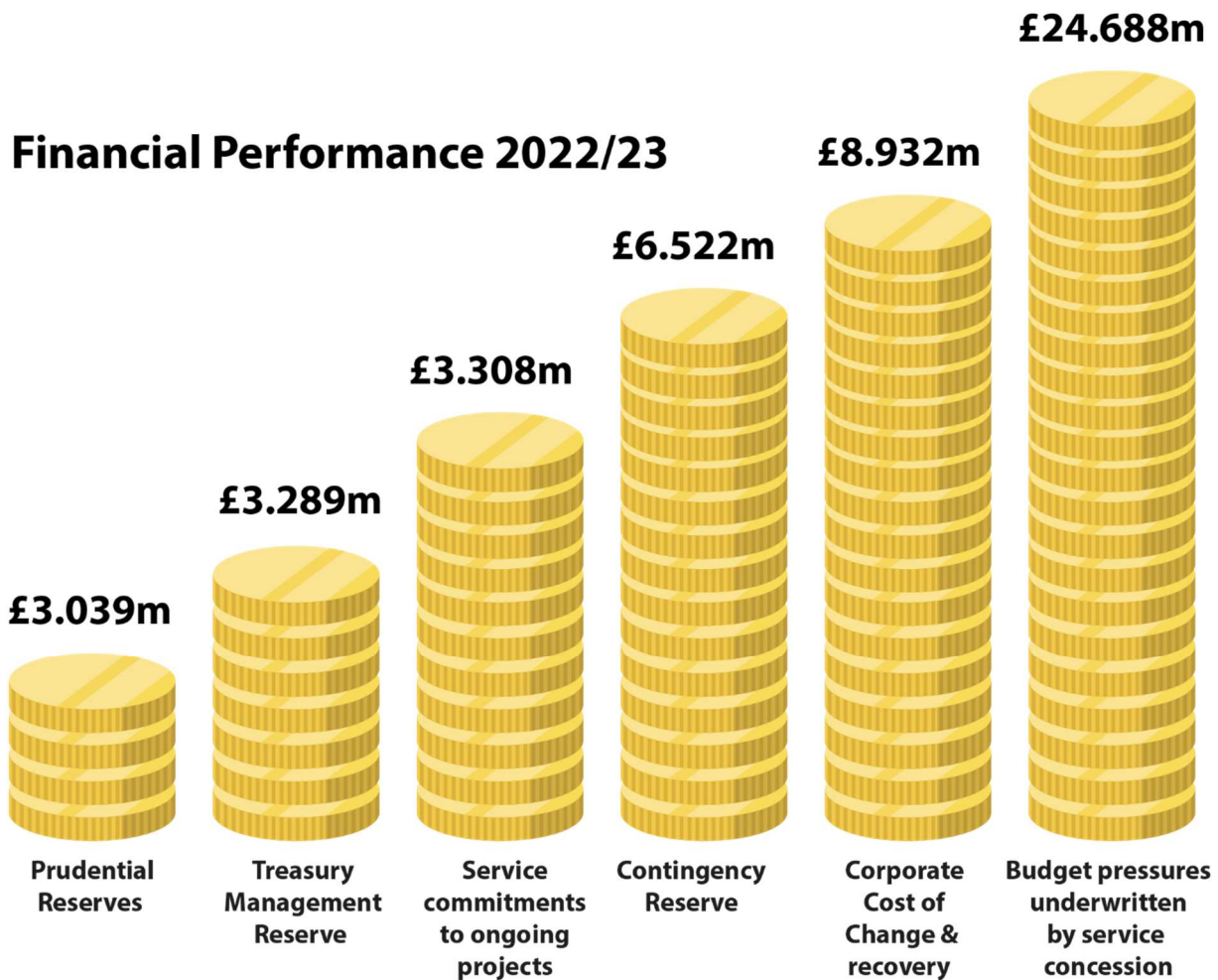


The Council has a robust financial reporting framework in place and reports are presented at every Policy and Resources Committee for general fund revenue and capital. Reports on housing through the Housing Revenue Accounts are discharged through reporting to Place, Neighbourhood and Corporate Assets Committee. There are also reports presented to Council for risks, financial long term plans, treasury monitoring and reserves most notably through the Strategic Planning & Performance Framework.

The Council recognises the potential impact of ongoing uncertainty and continues to apply its Policy & Strategy on Reserves with current levels reflecting current levels of uncertainty and risk. The Prudential Reserve for 2022/23 equates to £3.039m.

The Council's Unallocated General Fund balance, established for minimum level of designated funds to ensure stable service delivery, meet future needs and protect against financial instability, has been retained at 2% of the Council's net expenditure which equates to £6.522m of actual resources and is in line with the target level set in the Reserves Strategy. The Council's Treasury Management Reserve has been retained at £3.289m in 2022/23 which allows for re-profiling of revenue costs and providing long-term resilience in future years.

Earmarked reserves are used for intended purposes and are reported as such. The Council's ear-marked reserves for 2022/23 are £36.928m, an increase of £18.426m however of this £24.688m is for the Council's budget gap, mainly underwritten by service concession monies, £8.932m for Corporate Cost of Change and Recovery and £3.308m for service commitments to ongoing projects. This is shown as an **infographic** below.

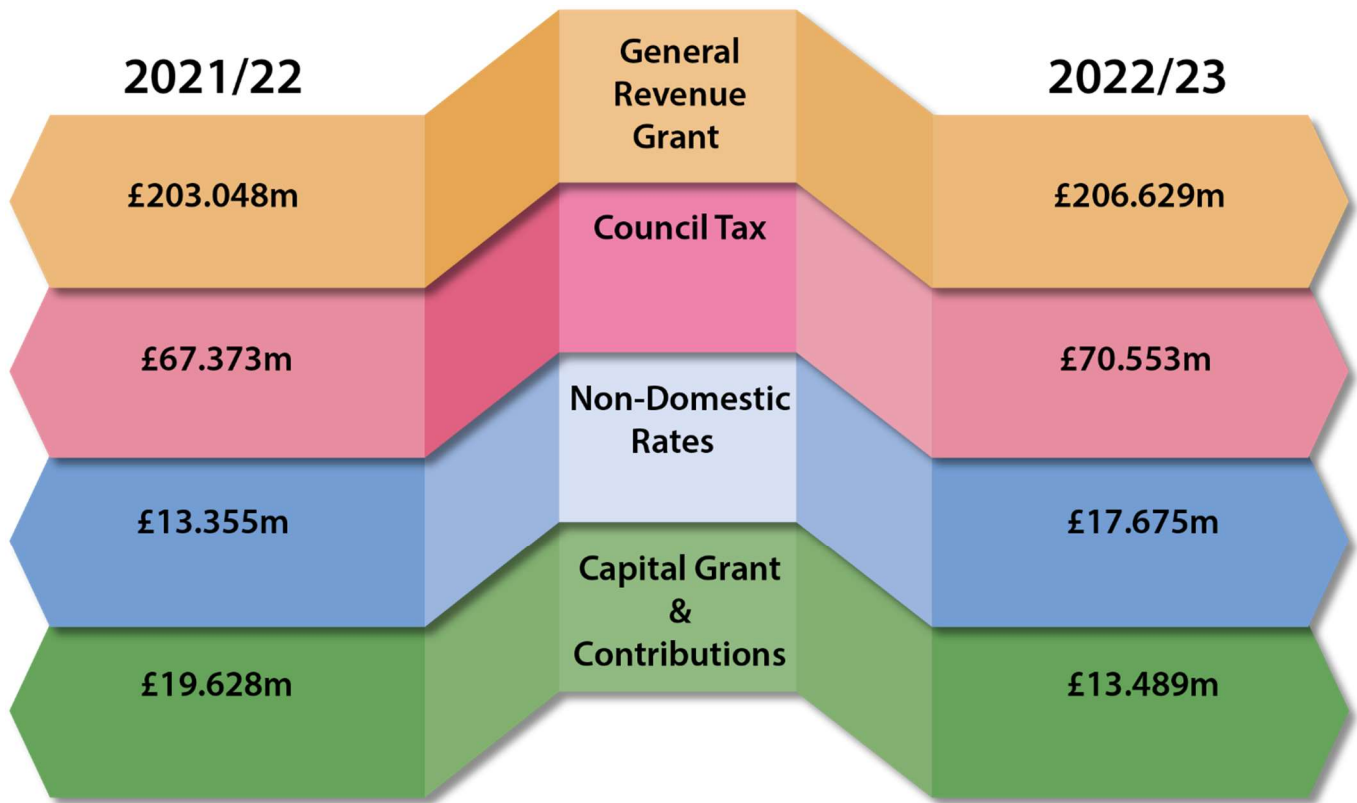


Principal Sources of Finance

As noted above the principal sources of finance are the General Revenue Grant, Council Tax income and Non-Domestic Rate Income. **Table 1** over the page shows a comparison of the principal sources of finance compared with the previous financial year; further analysis of this information is included in the ratio analysis later in this commentary.

Table 1 shows that the General Revenue Grant, provided by the Scottish Government, is the Council's main source of funding. The settlement for 2022/23 was provided based on a single rather than multi-year settlement. Single year settlements do not provide certainty regarding future funding levels, represent a significant risk for the Council and limit the effectiveness of longer term financial planning. An additional £4.673 million of funding was provided through GRG redeterminations in March 2022/23 for many areas including the pay deal which has an impact on the Council's cashflow in year. The level of Council Tax is set by the Council and is the most significant funding source over which local authorities have control.

Table 1: Principal Sources of Finance within the Council



The net income from Non-Domestic Rates (NDR), after deduction of reliefs, is retained by the Council in addition to the NDR distributed as grant funding from the national NDR pool. Total NDR raised to support the Council's expenditure in 2022/23 was £17.675m (£13.355m in 2021/22). Further details are provided in the Non-Domestic Rates Income account.

▪ **General Fund Outturn**

The Comprehensive Income & Expenditure Statement (CIES) sets out the Council's funding and spending in accordance with accounting requirements which is different to the way we report performance within the year. The Expenditure Analysis (EFA) provides a link between the budget management reports, reported within the year and the figures in the CIES. The reconciliation above assists users of the accounts to follow the figures between these statements.

Table 2 on the next page highlights how the Council returned a net loss for the year of £12.399m (after rounding) within the General Fund services, however this was offset by the use of the concessionary fund monies of £32.163m, and use of funds carried forward for ongoing projects of £4.673m. The net effect of these elements is the net surplus for the year of £18.084m. In response to ongoing challenges, East Dunbartonshire Council has continued to ensure that finances remain well managed with update reports being supplemented to include additional information to aid understanding of the complicated financial picture. Similar to the prior year, this message reflects one where the Council has maintained financial stability and sustainability.

Table 2: General Fund Revenue Outturn (Per Outturn) Reconciled to EFA

Detailed Analysis of Net Service Outturns	Final Performance Report			Building the Expenditure & Funding Analysis		
	Final Budget	Final Outturn Report	Variance for Management Reports	Amounts Not Included In Net Cost of Service or Management Commentary	HSCP Adjustments & Reserves	Net Expenditure Chargeable to General Fund
	£'000	£'000	£'000	£'000	£'000	£'000
CEX, Dep CEX, Joint Boards & Misc	12,714	12,861	(147)	147		13,394
Covid-19	1,486	386	1,100			
Assets & Facilities	42,662	46,377	(3,715)	(10,626)	410	36,161
Roads & Transportation	7,217	7,126	91			7,126
Neighbourhood Services	11,534	13,136	(1,602)	(95)		13,041
General Fund Housing	1,145	1,497	(352)			1,497
Land, Planning & Development	3,080	2,413	667			2,413
Place & Community Planning	2,594	2,346	248			2,346
Education	124,416	125,830	(1,414)	(1)		125,829
Finance, Audit & Performance	4,240	3,708	532	3		3,711
Legal & Democratic Services	2,683	2,585	98			2,585
Organisational Transformation	4,738	4,203	535			4,203
Customer & Digital Services	7,816	8,275	(459)			8,275
HSCP	71,435	77,737	(6,302)		(6,711)	71,026
General Fund Net Expenditure	297,760	308,480	(10,720)	-10,572	(6,301)	291,607
PPP Principal and Interest			0	10,721		10,721
Debt charges	7,194	6,694	500			6,694
Total GF Net Expenditure	304,954	315,174	(10,220)	149	(6,301)	309,022
General Revenue Grants & NDR	(224,693)	(224,304)	(389)			(224,304)
Council Tax Income	(68,618)	(70,553)	1,935			(70,553)
Application of HSCP Reserves	0	(6,301)	6,301		6,301	0
Application of Reserves	(6,971)	(9,316)	2,345	(149)		(9,465)
Transfer of Reserves	(4,673)	(4,673)	0	59		(4,614)
Net (Surplus) / Deficit for Year	(1)	27	(28)	59	0	86
Balance 1 April 2022						31,694
Application of General Fund expend						(4,614)
Other Transfer GF Income & Expend						32,163
Net Surplus / (Deficit) for Year						(9,465)
Balance 31 March 2023						49,778

Within the Council's Services there are a number of notable variations between actual and budgeted net expenditure within services such as Education as well as Assets and facilities. Taken together, and excluding HSCP, debt charges and miscellaneous services, Council services have returned an overspend of £10.220m. However, the net position (excluding the HSCP) reflects an overspend equivalent to £3.918m, added to the initial gap of £6.970m, leading to an in year overspend of £10.888m, although this reduces to £9.465m after the additional council tax income received after reviewing the bad debt provision. The reasons for this can be summarised as the impact of inflationary pressures, increased pay awards, supply chain shortages and payments for cost of living. In addition, Council Tax managed a rise in in-year collection rates, increasing marginally to 97.73%.

Table 2 helps the Council to "tell the story" of the Annual Accounts as a number of presentational changes now required by the 2022/23 Local Authority Code of Practice means that this is increasingly difficult. This table now

shows the variation between what is reported through the Council's Service Committees and the requirements of the Expenditure and Funding Analysis in Note 1 of these Annual Accounts.

During 2022/23, the Council faced significant financial pressures, the most significant being inflation, pay rises, cost of living and supply chain shortages. The Movement in Reserves Statement shows an overall increase in the Council's total General Fund balance of £18.084m for the year (mainly through concessionary funds of £32.163m without which would have been a decrease of £14.079m and reserves of only £17.615m), representing the movement in total balances from £31.694m in the prior year to £49.778m at the end of 2022/23. This is shown in **Table 2** with further analysis being reflected in **Table 3** below.

During the course of the year, uncommitted balances have decreased by £0.342m. The movement in Earmarked General Fund balances is outlined in **Note 21**, which reflects the movements attributable to, for example, previous financial commitments that have been, or are in the process of being finalised.

Reflecting on the financial risks associated with the ongoing reduction in funding levels the Council continues to plan to ensure financial resilience, sustaining its Contingency Reserve at 2% of net expenditure, sustaining the Prudential Reserve, maintaining its Treasury Management Reserve in line with repayments of borrowing expected and allowing for additional earmarked elements as required. Such action will allow future flexibility, sustain financial resilience and provide a position that seeks to enable the Council to manage future financial risks.

Table 3: Movement in Uncommitted Balances

General Fund Balances	Uncommitted Balances £000	Earmarked Balances £000	Total Balances £000
Balance B/Fwd 1 April 2022	(13,192)	(18,502)	(31,694)
Movement in year:			
Net Increase in Balances	(658)	(31,896)	(32,554)
Use of Balances	1,000	13,470	14,470
Balance C/Fwd 31 March 2023	(12,850)	(36,928)	(49,778)

▪ **Service Concession Arrangements**

On 8 October 2020, the Scottish Government announced the introduction of a number of 'financial flexibilities' to help alleviate ongoing financial and funding pressures. These flexibilities were constituted by three key initiatives being: the use of capital receipts for Covid revenue costs; the provision to apply a loans fund principal repayment holiday; and changes to service concession arrangements.

At the budget in February 2022 the flexibility offered in relation to 'Service Concessions' for Councils' Public Private Partnership Initiative (PPP) contracts for the provision of schools and other services was agreed to be implemented. Previous accounting treatment for PPP contracts was in accordance with Finance Circular 4/2010 which required a consolidated payment to be made each year to account for services (including maintenance), repayment of the liability and finance costs. These are disclosed in subsequent Financial Statements with payments for each of these buildings previously aligned to the life of the contract rather than the working life of the underlying asset.

Engagement with Scottish Government on this service concession fiscal flexibility was initiated after Councils highlighted a potential inequity in the current regulations where assets funded through PPP were written down over the contract life (typically 25-30 years), whereas these assets have a much longer life (60 years). Had these assets been financed through traditional Council borrowing, as is the case for all other capital expenditure, this cost would have been spread over the life of the asset.

The approach proposed is similar and consistent with previous revisions to the Council's Loans Fund Repayment Policy where debt repayments were aligned to the life of those assets funded through borrowing. This review of the Loans Fund Repayment Policy was undertaken and reported to the Council's Policy and Resources Committee in September 2019.

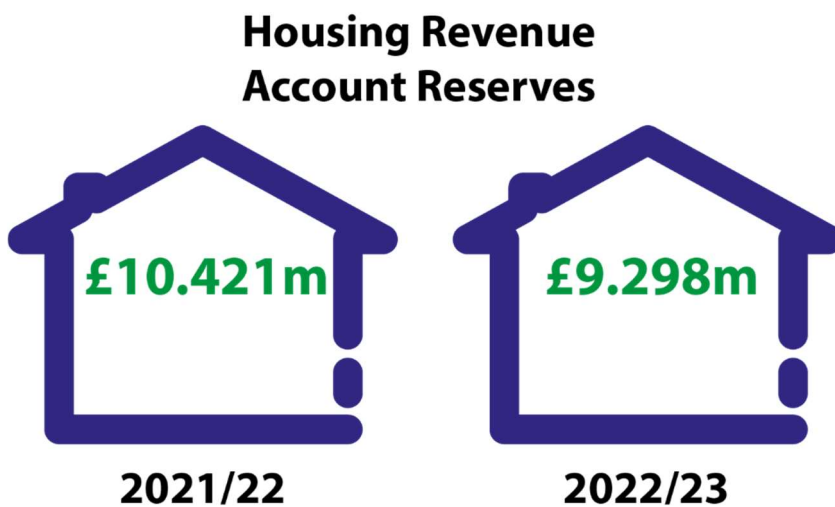
Previous work on the loans fund, and now the service concession arrangements, highlights the issue of inter-generational equity. Regulations were predicated on current taxpayers paying a disproportionate share for those assets financed by PPP arrangements as these are paid for over a shorter time period. In little over 17 years' time future service users will benefit from the asset without making a similar financial contribution albeit with continued budgetary provision in place.

In seeking to address this inequity, Councils also sought remedial action within the revised guidance and to access previous overpayments so as to ensure fairness and support the Council's strategic aims and financial challenges. These are the fundamental reasons for the proposed change which are included in the subsequent financial statements generating a significant in-year and retrospective saving for the Council equating to £32.163m.

b. Housing Revenue Account Performance

Housing Revenue Account performance shows the income generated during the course of the year funded the running costs. This included financing of £4.000m of capital expenditure (2021/22 £2.600m) and total income generated from council house, ground, garage and homeless rents of £15.982m (2021/22 £14.773m). The final outturn position was a decrease in the surplus of £1.123m against a prior year balance of £10.421m. Further analysis is in **Table 4** below.

Table 4: Housing Revenue Account



Overall, the majority of operational costs showed an unfavourable variance at the year end as a result of housing repairs and admin costs. The closing surplus for the Housing Revenue Account (HRA) is £9.298m (2021/22 £10.421m). This is available to meet a number of ongoing commitments, and to provide financial resilience against future pressures.

c. Group Accounts

Where Local Authorities have a material interest in other organisations, they are required to prepare group accounts in addition to their own Financial Statements. The group accounts consolidate the Council's Financial Statements, the Common Good & Trust Funds and four other entities, including two subsidiaries: East Dunbartonshire Leisure and Culture Trust Limited and Mugdock Country Park Joint Committee. The effect of combining these entities on the Group Balance Sheet is to increase reserves and net assets by £20.144m, creating an overall net asset of £440.0m. This includes the combined pension position of these organisations similar to that of the Council. These accounts have been prepared on a going concern basis.

d. Capital Finance

The level of capital spend undertaken by local authorities is governed by the provisions of The Prudential Code for Capital Finance in Local Authorities developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code gives the Council responsibility to set its own limits for capital expenditure and sets prudential indicators, which are monitored to ensure that borrowing is only incurred for capital expenditure purposes. These indicators support prudent decision-making and assist in securing affordable and financially sustainable investment and borrowing activities undertaken by the Council.

Capital Expenditure and Income 2022/23

The Council's priorities for General Services Capital Expenditure are set out within the 10 Year Capital Investment Plan, approved in February 2022. During the course of the year, the Council delivered a significant programme of capital works for the general fund with £71.471m of capital expenditure being applied; a figure that approximates to 88% of the revised budget of £81.029m after slippage into future years. This equates to an underspend of £9.558m before slippage, mainly due to a general lack of resources, workforce and materials. Some of the most significant capital projects undertaken during the year are highlighted below.

Significant capital projects



Woodland View ASN



Allander Leisure Centre



Boclair Academy



Roads and Footways



Kirkintilloch Community Sports Complex -

The Housing Services Capital Budget for 2022/23 was approved by Council in February 2022. The plan for the Housing capital budget is separately informed by the long-term housing business plan. Expenditure on Housing capital was £1.641m less than the budget, mainly due to a change in the AHIP 2021-2026 programme. Income from grants was £1.806m less than expected, leading to total income from grants, contributions and Capital from Current Revenue (CFCR) being £8.090m.

A more detailed explanation of the capital variances for both General Fund and Housing capital programmes is presented in the final outturn report 2022/23. A summary of Capital Expenditure and Income for both General Services and Housing is shown in Table 5, this reflects the required balance funded from borrowing; additional analysis is included within Note 13.

Table 5: Capital Expenditure and Income

	Budget £000	Outturn £000	Under (Overspend) £000	Underspend % Budget
Capital Expenditure				
General Services	81,029	71,471	(9,558)	(11.8%)
Housing Capital	19,302	15,813	(3,489)	(18.1%)
	100,331	87,284	(13,047)	
Capital Income				
General Services	14,302	13,728	(574)	(4.0%)
Housing Capital	9,938	8,090	(1,848)	(18.6%)
	24,240	21,818	(2,422)	
Net Capital Expenditure	76,091	65,466	(10,625)	(14.0%)

e. Capital Financing Requirement

The Capital Financing Requirement is a measure of the capital expenditure incurred historically by the authority that can be financed by external debt. This was £470.533m at 31 March 2023 (£378.060m at 31 March 2022) after significant capital expenditure and the application of the Service Concession arrangement. The outturn capital financing requirement compared to the actual external borrowing is shown in **Table 6** below.

Table 6: Capital Financing Requirement

	2021/22 £m	2022/23 £m
Actual External Borrowing	253.476	301.575
Plus PPP / Finance Lease Liability	76.318	73.309
Less Capital Financing Requirement	378.060	470.533

Actual external borrowing and long term liabilities are less than the capital financing requirement by £95.649m (£48.266m 2021/22), indicating that the Council is reporting an increased under-borrowing position. This means that the Council's capital borrowing requirement has not yet been fully funded with loan debt. Although this has been the position for a number of years now, it has been recognised that this is not sustainable in the long term. The Council's Treasury Management Strategy includes a plan to address this over the medium to long term. The Council has continued to use cash from reserves and balances where available to support capital programmes, which is still a short term, prudent strategy in the current economic environment where investment returns are low. This position continues to be monitored as part of the overall treasury management strategy with the Outturn Report for the Financial Year following the completion of the Annual Accounts.

f. Borrowing

The operational boundary for external debt for the Council for 2022/23 was £390m (2021/22 £337m). The actual level of outstanding long and short-term debt, including PPP and leases at the year end totalled £374m (2021/22 £330m). At 31 March 2023, the Council had borrowing of £302m (2021/22 £254m), comprising long-term borrowing of £199m (2021/22 £166m), and short-term borrowing (repayable within 12 months) of £103m (2021/22 £88m). The short-term borrowing includes accrued interest on long-term loans of £2.89m (2021/22 £1.85m). The average interest rate for all loans was 4.003% (2021/22 2.873%). The Council paid £8.948m (2021/22 £6.781m) of interest and similar charges on external loans and received £0.997m (2021/22 £0.102m) of interest and investment income.

g. Balance Sheet as at 31 March 2023

The Balance Sheet sets out the total net worth of East Dunbartonshire Council at 31 March 2023. When comparing the net worth of the Council at the date of the last Balance Sheet on 31 March 2022 it can be seen that there has been an overall increase in the net worth of the authority of £32.292m in the past 12 months.

Table 7: Movement in Net Worth

Movement in Year	£000
Long-term Assets	51,409
Current Assets	(28,764)
Current Liabilities	(19,029)
Long-term Liabilities	28,676
Net Movement	32,292

Movements in the net worth of the Council are attributed to:

- **Long-term Assets** - increase in assets being built and acquired
- **Current Assets** - decrease in current assets as a result of a decrease in short term debtors and in the holding of short-term investments, consistent with the Council's treasury management strategy

- **Current Liabilities** – increase in short term creditors and borrowing in line with the borrowing note above
- **Long-term Liabilities** – movement due to actuarial gains (discussed in pensions below) offset by the pension asset ceiling and, to some extent, by an increase in long-term borrowing

h. Pension

The impact of the Local Government Pension Scheme and Scottish Teachers' Superannuation Scheme on the Council's accounts has been disclosed in **Notes 26 and 27** to the accounts. As at 31 March 2023, the Council's Pension Fund had a net pension liability of £28m (2021/22 a liability of £87m). This figure represents the amount that actuaries estimate that East Dunbartonshire Council will have to pay out in future years for all pension entitlements earned by current and previous staff by 31 March 2023 that is not funded, after application of an asset ceiling. This was mainly due to the rise in the corporate bond yield which reduced the assumed level of the Council's pension obligations although this was offset by the asset ceiling calculation and, to some extent, by the increase in the pensions payable for April 2023 significantly exceeding previous expectations. The Council continues to monitor and measure the pension position and make changes to cash contributions as required as part of the regular assessment made by an independent actuary.

i. Accounting Ratios

CIPFA Scotland Directors of Finance Section has developed a suite of accounting ratios for incorporation into the Annual Accounts. The ratios are intended to assist stakeholders in evaluating the Council's financial sustainability and the affordability of financial plans. These can be seen in **Table 8**.

Table 8: Accounting Ratios

Accounting Ratio	2022/23 % or £	2021/22 % or £	Explanation
Reserves			
Uncommitted General Fund Reserves as a % of annual budgeted net expenditure	4.2%	4.5%	Demonstrates the Council's flexibility to meet unanticipated expenditure, and the Council's commitment to increase reserves when it is able to do so.
Movement in the Uncommitted General Fund Balance	-2.6%	-26.8%	Reflects a slight increase in the uncommitted resources available within the General Fund Balance.
Council Tax			
In-year Collection Rate	97.7%	97.5%	Demonstrates the Council's effectiveness in collection of local taxation.
Council Tax Income as a % of Overall Revenue Funding	23.9%	23.7%	Demonstrates the funds received from Council Tax as a % of overall funding requirement.
Financial Management			
Actual Outturn as a % of Budget	103.4%	95.7%	Demonstrates actual expenditure over budget reflecting the pressure on the Council's financial position at the year end.
Actual Contribution to/(from) Uncommitted General Fund Balance	£0.324m	£4.824m	Demonstrates the Council's application of reserves to support Council decisions during the year.
Debt & Borrowing			
Capital Financing Requirement	£470.5m	£378.1m	This is the amount of unfunded capital expenditure.
External Debt Levels	£374.5m	£329.8m	The amount of external debt held by the Council. Slight increase on last year due to temporary loans taken for cashflow purposes.
Ratio of Financing Costs to Net Revenue Stream - General Fund	5.9%	4.8%	Demonstrates how much of the General Fund revenue budget is tied up in supporting borrowing
Ratio of Financing Costs to Net Revenue Stream - Housing Revenue	21.1%	21.0%	Demonstrates how much of the housing revenue budget is tied up in supporting borrowing

6. Future Developments and Financial Planning

The Council continues to undertake financial planning both in the medium term and beyond, incorporating and evaluating risks, uncertainties and financial pressures to reflect good financial management practices. Financial planning assumptions were revised as part of the budget setting process and updated following the publication of the Scottish Government's second Medium Term Financial Strategy (MTFS) in June 2023.

With additional information on future developments relating to Government policy, principles, borrowing, reserves and infrastructure investment the second iteration of the MTFS supplemented the first. However, further work was ongoing to include further detail in relation future planning, spending priorities, the economic context, demographic change, automation and climate change.

Future challenges will now require the above work to be reviewed in light of the wide ranging and significant impacts of inflation, future pay requirements and the impending loss of reserves. Work continues to address the Council's immediate budget pressures and financial gap with this being undertaken alongside the medium-term and longer-term financial strategies.

Inclusive Economic Growth

In 2022, the Scottish Government published a National Strategy for Economic Transformation, the ultimate objective of which is to build a 'Wellbeing Economy' for Scotland. A Wellbeing Economy is defined as centring the principles of prosperity, equality, sustainability and resilience.

East Dunbartonshire is taking steps towards a Wellbeing Economy through its Economic Recovery Plan (ERP), which was produced to support local businesses and residents through the economic crisis caused by the COVID-19 pandemic. The ERP sets out actions which not only support a return to economic activity, but also address inequality and support the transition to net zero. East Dunbartonshire's Economic Recovery Plan (ERP) was approved in 2021 and throughout 2022 the Council has been working with its community partners to deliver the actions over the plan's four priority areas: Business; People; Community; and Environment. One of the key actions in the ERP was to produce a Circular Economy Strategy, which describes what we aim to do as a Council to support the development of a more regenerative local economy, where waste is minimised and resources are used sustainably. A draft Circular Economy Strategy was produced in 2022 in collaboration with members of East Dunbartonshire Economic Partnership and informed by early engagement activities with the local business community, across Council services and Community Planning Partners.

Following public consultation in January 2023, East Dunbartonshire's Circular Economy Strategy has now been approved and delivery of its actions will commence in the coming year, including development of support for businesses and residents to help them to reduce waste. The actions in the strategy are presented within three broad themes: Actions for Council Services; Actions for Businesses and Social Enterprises; and Actions for Communities. There is also a further section detailing plans for governance, delivery and monitoring of the actions and progress towards growing East Dunbartonshire's Circular Economy. Encouraging development of a local Circular Economy will play a part in the Council's journey towards a Wellbeing economy by including actions which support the development of a fairer, more distributive and more localised economy.

East Dunbartonshire Council's new Local Development Plan (LDP2) was adopted in November 2022 - this is a statutory document under planning legislation, the purpose of which is to guide all planning decisions made in East Dunbartonshire. The LDP2 includes a specific policy aimed towards creating a supportive business environment and encouraging development that will generate sustainable and permanent employment opportunities. It also has a strong focus on 'place', with policies for each of the local community areas which take into account their unique challenges and opportunities to promote inclusive economic development. Early work has now commenced on the next plan – LDP3.

The Council continues to be involved in regional work and Glasgow City Region is one of the pilot areas for Community Wealth Building – an approach designed to tackle long-standing economic challenges by considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated and retained in communities and localities. Work in this area is still developing, and in the past year East Dunbartonshire Council has been involved in regional working groups to take this approach forward.

Child Poverty

Child poverty is a complex and multi-faceted issue. The Child Poverty (Scotland) Act 2017 sets ambitious income-based targets for reductions in child poverty across Scotland by 2030.

The Scottish Government recently published Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026. It advises, using current projections they anticipate that around 17% of children will live in relative poverty in 2023, with over 60,000 fewer children living in poverty since the Act was passed in 2017.

East Dunbartonshire Council, in partnership with Greater Glasgow & Clyde Health Board have produced a report and action plan for 2022-23. The plan outlines the strategies and targets to address child poverty and create a fairer East Dunbartonshire. The implementation of the delivery plan focuses on key areas including data and monitoring, income support, affordable housing, education and skills, health and well-being and empowering communities. The partnership aims to achieve significant reductions in child poverty rates, ensuring that all our children in East Dunbartonshire have equal opportunities to thrive and reach their potential, regardless of their socio-economic background.

Wellbeing

Over the year, the continued safe return of staff to the workplace has been of paramount importance, returning services to capacity and undertaking the required actions to respond to the relaxation of Covid-19 restrictions with further work being specified to enhance reporting of Covid-19 sickness absence and working alongside occupational health services to offer adapted provision including virtual appointments and consultations. During the course of the year, this has been vital to support Council employees. With the emergence of this new absence type, the Council like other organisations, continues to seek ways to support and manage this form of absence and in particular Long Covid absences, in accordance with the Attendance Management policy

We continue our commitment to ensuring a holistic approach to managing absence and well-being through line managers and the targeted provision of training. Following the success of achieving the Healthy Work Lives Gold Award the scheme has now ended and work is underway to review and develop the group to improve employee health and wellbeing in conjunction with the Council's wellbeing strategy. Building on this success, work continues to enhance the Employee Zone pages with updates and additions to the Wellbeing page to reflect health and wellbeing campaigns throughout the year.

Council membership and participation at the SPDS Wellbeing Portfolio and Absence Portfolio groups supports benchmarking and best practice.

Focus around supporting the Mental Wellbeing of our employees is supported through the proactive promotion of the Employee Assistance Programme, Time for Talking, counselling service and more recently the promotion of Able Futures a confidential, no cost advice and guidance service provided by a mental health specialist in partnership with the Department for Work & Pensions.

Supporting a proactive approach for musculoskeletal conditions through the Council's physiotherapy referral service is supporting employees to remain at work and/or facilitate an earlier return to work in conjunction with health and safety initiatives/workplace risk assessments to ensure a safe working environment for all employees.

Ongoing collaboration with our occupational health provider to ensure early intervention to support the management of employees to remain at work or achieve a supported return to work at the earliest opportunity.

The Council has a number of policies which supports and underpins Wellbeing, providing support and guidance. The recent introduction of the Menopause policy has been well received within the workforce and revisions are underway to the Family Friendly policy.

Climate Change & Sustainability

During 2022/23, there has been a particular focus on stakeholder engagement for the emerging Climate Action Plan (CAP) and Local Heat and Energy Efficiency Strategy (LHEES). Over December and January, three sessions were held to enable the Council and consultants Ricardo to engage with internal and external stakeholders and relevant community groups. Useful discussions were held and recorded in relation to various mitigation and adaptation issues and the role of nature-based solutions in supporting both aspects of climate action. This work has informed the development work for the CAP, with pathways being created to show possible routes to achieving net zero and climate resilience. These will be presented to Elected Members in an Options Report in September 2023 and will form the basis of the Draft CAP, which will be issued for public consultation in April 2024.

Work on the related LHEES is also progressing; the emerging pathways for decarbonising heat and energy use in buildings will inform the wider CAP vision. The emerging Options Report and draft CAP will align with and build on various other key local agendas, including the Sustainability and Climate Change Framework, corporate Carbon Management Plan, Local Biodiversity Action Plan, Green Network Strategy, Open Space Strategy, Active Travel

Strategy and emerging Local Housing Strategy, Greenspace Strategy, Food Growing Strategy and Circular Economy Strategy. Sustainability also continues to be integrated into policy-making on an organisation-wide scale, through measures such as Strategic Environmental Assessment.

The new Local Housing Strategy (LHS) for East Dunbartonshire is also currently being peer reviewed on behalf of the Scottish Government and will include a stronger focus on climate change. Housing plays a key role in reducing emissions and helping communities to adapt to the projected increase in extreme weather events caused by climate change, and the LHS will reflect this - setting out actions that will support the wider mitigation and adaptation goals of the CAP. The LHS 2023-28 has been co-produced with approximately 80 stakeholders, including tenants and tenant organisations, with final adoption anticipated in Autumn 2023.

The Council's annual climate change reports for 2021/22 have now been produced and approved by Elected Members. The Public Bodies Climate Change Duties report, required by the Scottish Government, sets out actions being taken across the Council to reduce future carbon emissions and to prepare for likely climate change impacts. In line with new reporting requirements, it also shares progress on the way in which spending plans and use of resources are being aligned with emissions reduction and achievement of related targets. The Carbon Management Plan Annual Report expands on the corporate emissions part of the required report, recording a 49% emissions reduction compared to the 2012/13 baseline. Both reports are available on our Climate Action Plan on the Council's website.

Following confirmation that money from the UK Government's Shared Prosperity Fund has been allocated to East Dunbartonshire, plans are underway to deliver a variety of projects, which will support climate action in a variety of ways, including the provision of advice, support and funding to local communities and businesses. Among the planned initiatives are community carbon literacy training, extra support for food growing and an assessment of nature-based solutions to climate change at the River Kelvin.

Budget 2023/24

The Council's 2023/24 budget has an assessed financial gap of £21.264m. Based on current events, past experiences and expectations that the Local Government settlement would be challenging, several options were tabled to close the gap including recovery planning, fiscal flexibilities, a review of existing grant schemes and use of reserves. The reported 2023/24 budget allocated across Executive Officers is shown below, with this being the basis for reports to the Council's Policy and Resources Committee. Within Council services, the reduction in funding comes at a time of sustained cost pressures and demographic demands on our services.



* These budgets have moved from the budget detailed in the Council committee paper due to late changes, the main one being amendment from Scottish Government and these will be detailed in next years first monitoring report.

Despite such challenges Council performance has largely been sustained during which time services have been reshaped to provide a more efficient and effective model of delivery. The Council continues to anticipate demand pressures alongside ongoing financial austerity, sustained reductions in funding and increased cost pressures.

7. Other Significant Information

a) Sickness Absence

The average number of working days per employee lost through sickness absence for teachers was 5.68 days (2021/22 5.36 days). For all other local government employees the average was 14.03 days (2021/22 12.02 days). With Covid absences being reported as sickness since 31 October 2022.

b) Personal Data Incidents

The Council had fifty-one recognised data protection breaches during 2022/23, one of which was reportable.

c) Register of Interests

A Register of Interests for each Councillor is available on the Council's website via:

· Home Page > Council & Democracy > Committees & Councillors > Councillors > Councillors 2023

This information is available for public inspection at the Council's headquarters: 12 Strathkelvin Place, Kirkintilloch G66 1TJ.

.....
Jamie Robertson CPFA
Chief Finance Officer
Date: 20 December 2024

.....
Ann Davie
Chief Executive
Date: 20 December 2024

.....
Councillor Gordan Low
Leader of the Council
Date: 20 December 2024

Annual Governance Statement

What we are responsible for

East Dunbartonshire Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for and used in an economic, efficient and effective way. The Council has a statutory duty and policy commitment to secure Best Value under the *Local Government in Scotland Act 2003*. The Council is committed to addressing any governance issues identified and to keeping arrangements under review.

To meet our responsibility, we have put in place proper arrangements for overseeing what we do. These arrangements form the basis of our governance framework, which is intended to make sure that we do the right things, in the right way, for the right people, in good time, and in a fair, open, honest and accountable way.

The Council has a *Code of Corporate Governance*, which it continues to apply. The Code is prepared in accordance with the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives) publication '*Delivering Good Governance in Local Government*' and is aligned to its six constituent core principles of good governance. This Annual Governance Statement explains how East Dunbartonshire Council reviews the effectiveness of these arrangements and delivers good governance.

At the start of the financial year, we again put in place some temporary variations in governance arrangements to manage the impact of the coronavirus (COVID-19) pandemic. Arrangements have now returned to business-as-usual processes. Further detail on the variations is provided below.

COVID-19 recovery and governance arrangements

A. Impact on business as usual in the delivery of services

Service delivery was predominately on a business-as-usual basis throughout the year whilst ensuring protection measures were in place for both our workforce and service users, with the impact of COVID-19 on operations diminishing compared to the previous years. Nonetheless, the Council continued to operate in a challenging environment, which included the challenges of the cost-of-living crisis, the urgent need to tackle climate change and accelerating financial pressures on the Council.

The year started with some COVID-19 related backlogs, for example in Housing non-essential repairs. The Local Self-Isolation Assistance Service and National Assistance closed on 30 April 2022 after two years of providing support, initially to those shielding and then extended to support those that had to self-isolate. The closure of this service allowed the Shared Services team to resume other duties that had been on hold due to restrictions around the pandemic. The Community Testing Team continued to support national public health work and to respond to the requests of Scottish Government and the NHS Board in relation to the ongoing vaccination programme.

B. Governance Implications

In the previous financial year, (2021/22) the emergence of the Omicron variant and the subsequent pressures on services resulted in the cancellation of the first Audit and Risk Management and Policy & Resources Committees of 2022, with this being accompanied by a return to 'Command and Control' management arrangements. Provision was made for any business requiring a decision by Members to be submitted to the meeting of Council held in February. Furthermore, in March 2022 certain other committees were also cancelled, which was both reflective of the impact of the Omicron variant and also a lack of business for consideration at these meetings, which is not unusual at the end of the term of a sitting Council. Nonetheless, Council continued to meet throughout this period to consider any business which required a decision by or scrutiny of Members. Since the start of the COVID-19 pandemic, if Officers have produced Reports that do not need a specific decision and are for 'noting', these have been discharged via technical notes. This change was implemented to reduce the number of papers going to each Special Council meeting while the committee structure was suspended. A Technical Notes section was developed on the Council's website, where relevant documents have been uploaded since April 2021, so as to ensure transparency.

There were no scheduled meetings for April 2022 and the first half of May due to the local government elections. Following the elections, the Council's Statutory Meeting was held on 19th May 2022. This was followed by a full cycle of committee and other meetings, along with a comprehensive training programme, delivered throughout June 2022. From August 2022 there was a return to "business as usual" governance arrangements.

The governance framework

Whilst noting the temporary variations that have been outlined above, key features of the governance framework are set out in the following paragraphs, with any further ongoing COVID-19 impacts detailed in the narrative.

1. Purpose, Outcomes & Vision

The Council's purpose and outcomes form a consistent thread through its Strategic Planning and Performance Framework. Key corporate objectives cascade from the vision of: 'working together to achieve the best with the people of East Dunbartonshire' through the Local Outcome Improvement Plan (LOIP) to its strategic and local outcomes and priorities. With a continued commitment to this vision, at its meeting in June 2022, Council agreed a renewed approach to the Council's strategic planning and performance framework, 'East Dunbartonshire Forward in Partnership'. This renewed approach is based on the following founding principles:

- an open and transparent Council that genuinely engages with the communities it serves and with the employees who deliver its services;
- a Council that listens to what local people are saying and takes decisions after consultation;
- the Council will promote community empowerment particularly in areas that struggle to be heard and enhance the role of local residents, businesses and community groups in local democracy and decision-making.

'East Dunbartonshire Forward in Partnership' places citizens and communities at the heart of decision-making and supports the delivery of Council's strategic priorities and outcomes, decision-making and the appropriate prioritisation of services and resources. With finite resources, prioritisation of services and activities will be critical. The development of the Council's revised Operating Models which will seek to introduce Locality Based Models. Importantly, this approach is aligned to East Dunbartonshire's Local Outcomes Improvement Plan (LOIP), recognising the key role played by the Community Planning Partnership. The LOIP will be reviewed through a cost-of-living lens, ensuring priorities are relevant and incorporate performance monitoring and reporting demonstrating the impact in relation to reducing inequality and poverty, against measurable indicators.

The LOIP sets out the outcomes that all Community Planning partners aim to achieve with the people of East Dunbartonshire. It acts as the core plan for everything the Council does; and it is, in essence, the delivery plan for community planning in East Dunbartonshire. The LOIP also sets out how the East Dunbartonshire Community Planning Partnership contributes to the Scottish Government's key objectives through its sixteen national outcomes. The LOIP includes a set of guiding principles, and all partners are directed to consider these principles in their approaches. The principles include Best Value, prevention and early intervention, co-production and engagement, and fair and equitable services. This demonstrates our commitment to involving communities at the earliest point to ensure transparency in decision making, and to maximise the impact of our efforts through inclusive approaches.

Our LOIP covers a 10-year period with the current period being 2017-27. Local outcomes are measured through a consistent set of long and short-term indicators, aligned to the needs of our people and communities and reflecting the social, economic, health and environmental challenges of the area. In updating the LOIP, the Community Planning Partnership is carrying out a rigorous analysis of local needs and engaging widely across all our communities. This is enabling us to identify the specific issues that affect people and communities across East Dunbartonshire and will help us plan what we want to achieve over the decade and detail how we will expect to get there.

This long-term approach acknowledges the ongoing and significant funding challenges against a backdrop of the cost-of-living crisis, increasing pressures and greater demand for services. It also recognises the impact of demographic change and the national policy agenda. It demonstrates that transformation and innovation will necessarily continue to be key to the delivery of the Council's - and its communities - priority outcomes. Demonstrating Council's clear commitment to the Community Empowerment (Scotland) Act, this approach also acknowledges the Participatory Budgeting Charter for Scotland and the importance of public engagement.

The Council's strategic priorities for 2022 - 2027 were categorised within the following themes:

- Health & Well-being
- Access to Services
- Finance and Employment
- Community and Environment

To deliver the Council's strategic priorities, 'East Dunbartonshire Forward in Partnership' will see service delivery priorities and operational arrangements designed to deliver the services that local communities need and that those services are accessible in those communities. This approach recognises that a 'one-size fits all approach' is not appropriate and that a flexible and tailored approach is needed to achieve the varying needs, priorities and outcomes across the diverse range of communities throughout East Dunbartonshire.

2. Common Purpose, Clear Functions and Roles

The Council provides a clear statement of roles and responsibilities through its Administrative Scheme. This was revised and approved at Council in June 2021, with the Contract Standing Orders section being subsequently updated in March 2022. The Administrative Scheme was adopted by the Council at its Statutory Meeting on 19th May 2022 and a further Addendum to put arrangements in place for the management of "Hybrid" meetings was approved by the Council at a special meeting on 22nd July 2022. Officers will keep the Administrative Scheme under review and provide regular updates to ensure that it reflects current arrangements including decision-making, organisational structures and strategic responsibilities.

The Council has continued to enhance and strengthen its internal control environment through updating and introducing new policies and procedures throughout the course of the year. The Scheme of Delegation sets out the remit of and the extent of delegations made to Committees and Officers, under the principle that decisions should be made at the most appropriate level, consistent with the nature of the issues involved. The Council also has Financial Regulations and Standing Orders relating to contracts and property in place and all of these procedural documents are regularly reviewed.

The business of the Council is determined through the relationship between Officers and Members. Both Elected Members and the Officers as employees are servants of the public and they are indispensable to one another. However, their responsibilities are distinct. Elected Members determine policy and are responsible to the electorate for a finite term of office. Employees, as officers of the Council, undertake operational activity within that policy and are responsible to the Council. An Officer's role is to give advice to Elected Members and to the Council, and thereafter to carry out the Council's work under the direction and scrutiny of the Council and its Committees.

3. Promoting Values

The Council complies with and supports elected members to comply with the *Ethical Standards in Public Life etc. (Scotland) Act 2000*, which provides a framework to encourage and, where necessary, enforce high ethical standards in public life. The 2000 Act established the Standards Commission for Scotland and the post of Chief Investigating Officer and the Councillors' Code of Conduct, which provides the principles and rules governing the conduct of councillors across all of Scotland.

The Council promotes values and demonstrates the values of good governance through upholding standards of conduct and behaviour. The Council has an established Code of Conduct for both its employees and Elected Members, which is a written statement of good practice and convention. The Statement aims to clarify roles and responsibilities and to establish accepted behaviour and practices. It also aims to enhance and maintain the integrity of local government and demands high standards of personal conduct. In support of this, the Council continues to require members of its Corporate and Senior Management Teams and any other officer (including those employed by key partners) with a significant role in the operation of the Council and the services that it delivers, and/or a position of influence within the Council, to complete and maintain a Register of Interests.

In 2022/23, the Council continued to develop its counter-fraud activities, in accordance with the CIPFA publication '*Code of Practice on Managing the Risk of Fraud and Corruption*', taking a zero-tolerance approach to fraud. The Corporate Fraud Team continues to undertake proactive investigative work with a focus on areas of risk including Council Tax Reduction, Single Person Discount, Housing Tenancy, School Placing Requests, Blue Badges and Licencing.

4. Developing Capability & Capacity

The Council seeks to ensure that Members and Officers have the skills, knowledge, experience, and resources they need to perform well in their roles. This includes developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group. The Council looks to encourage talent so that best use can be made of individuals' skills and resources in balancing continuity of service alongside the need for service redesign.

As part of the 'East Dunbartonshire Forward in Partnership' approach approved by Council in June 2022, 'The Organisation & Workforce for the Future' paper was approved. This outlined the strategy and transformative

agenda for developing the organisation and workforce of the future to enable Council to respond to current and future challenges and to ensure it is aligned to deliver Council's strategic priorities.

As mentioned at Section 1, the Council is developing a locality-based model. In reconsidering the workplace, processes and skills for the future required for a locality-based approach, it is essential to look at the interdependencies with:

- Workforce Planning in its widest sense,
- Evolution of services required,
- Assets that services will be delivered from,
- Processes and infrastructure that support service delivery,
- Supports to enable maximum fulfilment of services; and
- Council impact on Climate Change and Sustainability.

In the delivery of a Locality Based Model, the organisational design principles will be based on the foundations of a 'Matrix' organisation where specialist services are delivered to customers directly.

A Matrix organisation focuses upon multiple relationships, based on the concept that horizontal relationships across the organisation are just as important as the hierarchical reporting relationships within a more traditional organisation. The organisational matrix is seen as an intricate latticework where people and roles are interwoven in delivering services within functions and to projects and processes laterally across the business.

The design and development of Locality Based Models within a Matrix Organisation requires an extensive programme of transformative development. Continued emphasis is placed on the Digital Data and Technology roles alongside the Transformative Agenda to ensure capacity and planning assumptions have resourcing strategies to deliver.

The Scottish Government, in its 'A Changing Nation: How Scotland Will Thrive in a Digital World' report published in 2021, outlines the principles that form the backbone of the revised Digital Strategy as well as being an assessment of activities planned or undertaken in transformation planning.

The Council's Digital Strategy 2019 recognised how digital technology has changed the way we live and work. The experience through the COVID-19 pandemic increased the pace of technological change and accelerated progress. With new emerging technologies and the opportunities these bring, the opportunities for Council services also increases and the Council must be agile enough to adapt rapidly to the changing needs of our citizens and employees. The pace of change is such that opportunities become endless which makes the prioritisation of the strategic direction of the organisation and the role of digital development critical.

The principles of our approach place the employee at the heart of service delivery, recognising the contribution and value that they bring to deliver on behalf of communities and citizens. Our Workforce Planning processes continue to recognise the changing role of employees as the Council transforms and take account of the characteristics of roles evolving and future requirements.

The principles of Smart Working have been refreshed in the 'East Dunbartonshire Forward in Partnership' approach. As part of this approach, each role within the Council has been assigned a 'Workstyle Definition' as either: Frontline/Field Based, Fixed base, Flexible/Mobile or Remote/Hybrid. The work delivered by services, teams and individuals has been assessed against time and location dependencies. The need to be present in a location to deliver a role has been a key determinant of workstyles.

At the heart of the approach as an employer but also central to Smart Working for the Future is employee wellbeing. Employee wellbeing policies continue to apply regardless of work location. The need to ensure that the wellbeing of employees is managed carefully but promptly continues.

The Council's approach to Workforce and Skills Planning considers the linkage to revised delivery models, skills, competencies, and specialist knowledge required to deliver successfully taking account of demographics and succession planning principles.

Training needs analysis continues across all services, based on service roles and taking account of priorities and future requirements. Delivery through e-learning solutions continues to feature as a priority with opportunities through collaboration and sharing. Following the local government elections in 2022, a comprehensive training

programme was delivered for new and returning members to support them in undertaking the various elements of their role as a Councillor. This was supplemented by the circulation of slides, guidance and recordings of the training sessions to enable private refresher study. The Elected Member development programme continues to be progressed and a new rolling programme of Elected Member briefings and workshops for specific topics and issues is currently under development. As part of this Members will be invited to suggest topics where new or additional training would be beneficial.

An employee survey was again carried out in 2022, covering key themes around:

- Leadership
- Communication and Engagement
- Management
- Teamwork
- Wellbeing
- Our Workplace
- Travel

'Our Workplace' and 'Travel' were new themes for 2022. The results give an understanding of how the workforce feels about the role they carry out, the team they work in and working for the Council and provides organisational and service-based results and actions.

5. Informed & Transparent Decision Making

The Council establishes its processes and controls to be rigorous and transparent about how decisions are taken and to listen and act on the outcome of constructive scrutiny. This includes having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants and needs. The Council also has a well-developed risk management policy and strategy with Corporate and Service Risk Registers providing support and assurance that risk exposures are known and managed. In addition, the committee report template includes links to the LOIP, requires that key impacts are articulated succinctly, and sets out key risks and any mitigating actions. The Council and each standing Committee also receives an outstanding business statement as part of the agenda for each meeting. This provides Members with an update of outstanding decisions and actions taken to implement these and enables ongoing scrutiny and assurance of performance against decisions.

The Council is committed to and promotes a fair, transparent and inclusive decision-making culture that supports the delivery of its vision. These commitments are reflected in the decision-making structures, which provide clarity of purpose through the Administrative Scheme including individual terms of reference and committee composition with business being conducted through an established cycle of meetings. Wherever possible, the Council conducts its business in public to ensure transparency and accountability. Where a Report contains information which is exempt from publication then all reasonable steps are taken to ensure that it is only that 'exempt' information which is withheld.

The Council's Audit & Risk Management Committee provides an appropriate forum through which audit and scrutiny activity can be reported and directed. This includes considering audit work relating to systems, processes, governance arrangements and Best Value but also considering performance against LOIP objectives, transformational activities and co-ordinating activities for the Scrutiny Panels. Furthermore, the Committee also considers external reports where they have a direct significance to, and implications for, the Council.

6. Engaging with Local People & Stakeholders

The Council seeks to engage effectively with local people and all local stakeholders including partnerships, and to develop constructive accountability relationships. The Council takes an active and planned approach to dialogue with, and accountability to, the public. This helps to ensure effective and appropriate service delivery whether directly by the authority, in partnership, or by commissioning.

East Dunbartonshire Council has a statutory duty of Community Planning under *Community Empowerment (Scotland) Act 2015*. Community Planning places a statutory duty on a range of national, regional and local organisations to plan in partnership for their local area and, in doing so, reduce inequality of outcomes across their communities. Community Planning is about a range of national, regional and local organisations working together to plan and provide for the wellbeing of individual communities. The Council has an established Community Planning Partnership Board whose remit is to:

- set the strategic priorities and direction for partnership working in East Dunbartonshire,
- agree the East Dunbartonshire Local Outcome Improvement Plan,
- review performance in implementation of the Local Outcome Improvement Plan,
- approve the remit of the Community Planning Executive Group,
- review the work of the Community Planning Executive Group and the Local Outcome Delivery Groups, and
- ensure full and active engagement of all partners and the wider community.

At a high level, this includes engaging with the community on areas such as development of Place Plans, the Local Development Plan and the future development of partnership engagement strategy. A comprehensive review of the Place/Localities Plans is currently being completed, with future work including indicators to demonstrate impact in relation to key priorities.

The Council's Consultation and Engagement process connects with local people and communities in a wide range of ways to seek their views on the performance of our services and to identify what our strategic priorities should be, in order that we can plan, resource and deliver our services effectively to meet local need. The Council's Consultation and Engagement Strategy 2021-24 supports all consultation and engagement activity, seeking to ensure consistency of approach across all strategic areas. The strategy reflects the challenges of the COVID-19 pandemic on consultation and engagement and strengthens the approach to annual action plans and reporting on the outcomes of engagement activity. An area-wide budget consultation exercise was again undertaken in 2022, which sought community input into budget and income generating priorities for 2023 and beyond. The outcomes of the budget engagement process were used to help inform decisions by Council on its priorities for 2023/24. The Council, in partnership with its Community Planning Partners, continues to engage with its communities, with a particular emphasis on our most vulnerable areas within Twechar, Hillhead and Harestanes, Lennoxton and Auchinairn, with the aim of working together with local people to regenerate these areas more effectively.

The *Public Bodies (Joint Working) (Scotland) Act 2014* required the establishment of an 'integration authority' to deliver nationally agreed outcomes for health and social care. The Act aims to integrate health and social care services by delegating the planning, commissioning and oversight of a range of health services and adult social care. In East Dunbartonshire, this is achieved via a separate legal body, known as East Dunbartonshire Health and Social Care Partnership (HSCP). The delegated services include adult social care and children's services. East Dunbartonshire Council has delegated the relevant portion of the Council budget to the HSCP, who in turn directs the Council to provide a range of specified Council services.

7. CIPFA Governance Guidance

The Chief Finance Officer is a member of the council's Corporate Management Team and Senior Management Team and as such, is integral in all major decisions taken by the Council, and in material matters which are submitted to Councillors for decision. This involvement fulfils the expectation of CIPFA in terms of the role of the Chief Financial Officer.

Internal audit carried out an assessment in 2022/23 against the recently published CIPFA Financial Management Code (the Code) and an action plan was developed to enhance compliance. Since then, the Chief Finance Officer has completed the actions raised by auditors and carried out an additional self-assessment. No further actions were identified as a result of this self-assessment and so the Council considers itself to be compliant with the Code.

8. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by: the work of the Corporate Management Team and the Executive Officers of the Council who have responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's Annual Report, and comments made by the external auditors and other review agencies and inspectorates. The Audit & Risk Manager's role as the Chief Internal Auditor complies with the 2019 CIPFA statement on the role of the head of internal audit.

During 2022/23, the Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and is effective in practice. Specifically, the Council's governance arrangements have been reviewed against the requirements of the CIPFA/SOLACE Framework. Whilst this process of review is co-ordinated corporately and approved by the Corporate Management Team, Executive Officers have a responsibility to ensure their own governance arrangements are adequate and operating effectively. In line with the CIPFA/SOLACE Framework, each Executive

Officer is required to make an annual statement confirming that this is the case. For 2022/23, these Executive Officer disclosures confirm the adequacy and effective operation of corporate governance arrangements and financial controls. These assurances extend to include engagement with the Housing Regulator with further detail provided at section 10 (b) below.

Based on Internal Audit work completed in 2022/23 in accordance with Public Sector Internal Audit Standards (PSIAS), the Audit & Risk Manager has concluded that the Council's internal control procedures were generally found to operate as intended, with reasonable assurance being provided on the integrity of Council controls. A number of recommendations have been made by the internal audit team in 2022/23 in order to improve controls further across the Council, and action plans developed with management to address the risks identified. The main areas that the internal audit team highlighted as requiring further improvement are included in section 10 (c) below.

The level of assurance provided by the internal audit team can never be absolute. This reflects the sample nature of the work carried out, the relative scope and objectives of audit assignments and those explanations offered, and evidence provided by officers. In addition, factors external to the audit process including human error, collusion or management overriding controls, highlight the potential for systems historically highlighted as being satisfactory to become exposed to risk or loss.

The reports issued by the Council's prior external auditors, Audit Scotland, have also been considered as part of our overall review of effectiveness. A number of national and local reports have been issued during the financial year and these have been evaluated as part of the internal audit opinion above. As a significant Report issued relatively recently, the 2021 Audit Scotland Best Value Assurance Report provides assurance over governance arrangements, including the conclusion that:

'The Council has responded well to the challenges of the pandemic. Governance arrangements were restructured quickly to ensure that priority services were delivered.'

The final Audit Scotland Management Report 2021/22 reported on the following key issues: timeliness of completion of reconciliations, timeliness of second Officer review of Council Tax Reliefs/Discounts and the consistency by which a standard proforma is utilised for changes to Payroll standing data. Action plans were agreed to address the issues raised.

9. Assurances Provided

The Council's Audit & Risk Manager provides Internal Audit services to the HSCP. The constitution of the Health & Social Care Partnership requires that a set of Annual Accounts be prepared in accordance with relevant Accounting Codes and these include their own Annual Governance Statement.

East Dunbartonshire Council has provided assurances to the HSCP that an adequate and effective system of internal control is in place.

In addition, the Council has received funding from Glasgow City Region – City Deal, for City Deal capital projects. The Audit & Risk Manager has provided assurance to Glasgow City Region over this expenditure, through a formal opinion. This opinion states that the Council's procedures around governance and financial control are operating adequately and that there are no significant matters which require to be raised which would have a material impact on the Glasgow City Region Annual Assurance Statement for financial year 2022/23.

10. Governance Improvement Plans

The system of governance (including the system of internal control) provides reasonable assurance that assets are safeguarded; that transactions are authorised and properly recorded; that material errors or irregularities either are prevented or would be detected within a timely period; and that significant risks impacting on the achievement of our strategic priorities and outcomes have been mitigated. In completing the review of governance arrangements in the current year, the following have been noted for inclusion as part of the ongoing governance improvement plan:

a) External Scrutiny

Over the course of the year, the Council has received reports through our Local Area Network of scrutiny bodies including Audit Scotland, our previous external auditors. Specific engagement will continue to be carried out with the Scottish Housing Regulator (SHR) in the area of temporary accommodation, which continues to be a nationwide topic of focus for the SHR in 2023/24 and also on tenant and resident safety.

b) Internal Audit Work

Further to the completion of the internal audit work for 2022/23, and following up on previously raised internal audit actions, the Internal Audit Team highlighted specific areas as requiring further improvement. These specific areas included risks in relation to compliance with documented procedures where the frequency of Memorials and Headstones inspections fell materially short of the expectations. Further risks were identified relating to data risks associated with the use of personal mobile phones by trade operatives, the contractual status of social care providers and contract management. Progress was made in 2022/23 towards mitigating risks with the risks continuing to be kept under review. Auditors monitor compliance with the agreed actions as part of a six-monthly cycle, and progress is reported to the Audit & Risk Management Committee.

As a post balance sheet update on these actions the following can be noted:

- Personal mobile phone risks have been addressed and operatives are now utilising Council mobile phones.
- The risks relating to Memorials and Headstones have been addressed with the appointment of a contractor to carry out inspections over a four-year period.
- Social care provider contractual risks have evolved due to changes in the market and contracting regime. A risk assessment template has been developed following a report to Council and given the fragility of market conditions consideration is being given on a risk-based basis to the direct award of contracts, with appropriate Head of Service sign-off.
- Contract management arrangements require to be taken forward and a revised target date of June 2025 has been agreed for this action.

c) Best Value

The Council articulates its ongoing commitment to Best Value and continuous improvement a Strategic Planning and Performance Framework, which provides a clear roadmap from our strategic priorities to our operational activity. The framework identifies how our day-to-day activities feed into the delivery of the agreed outcomes and guiding principles of the East Dunbartonshire Local Outcomes Improvement Plan (LOIP). The effectiveness of the Council's approach and ongoing work to demonstrate Best Value are assessed by external auditors and reported to the Accounts Commission on an annual basis.

Comparing our performance with that of other Councils is a key factor in ensuring Best Value and the most recent benchmarking data available highlights that we are a high performing Council, with the majority of our benchmarking indicators remaining within the top two quartiles of Scottish Local Authorities. The Council's Performance Team provided detailed outturn analysis on the Local Government Benchmarking Framework data, with the analysis informing our annual Public Performance Report.

d) Public Performance Reporting

Effective performance management and reporting is key to ensuring that we know we are achieving our LOIP objectives. There are lessons which from the Council's response to the COVID-19 pandemic which have been critically appraised and included in the Council's approach to the strategic planning and performance framework. The Council has revised and updated its approach to strategic planning and performance to become more reactive to local circumstances in real time with a more dynamic outlook. Reporting for 2023/24 will continue to be on a monthly basis via technical note and then biannually to relevant Strategic Committee. This will ensure regular, effective scrutiny, which will be supplemented by scrutiny of performance that is undertaken via the Scrutiny Panels

The 2021/22 statutory reporting deadlines were met with the publication of the Public Performance Report. The publication of a single annual public performance report clearly linking performance to the priority outcomes and guiding principles of the LOIP provides a comprehensive summary of year-end performance across all service areas. Enhanced transparency to our communities is achieved through regular publication of performance information on the Council website and social media channels. A further improvement for 2022/23 is the publication of a monthly case study on performance.

The Council is seeking agreement of the Community Planning Partnership to progress and finalise the approach to developing an engagement framework which will include a suite of satisfaction indicators. It is proposed that the approach undertaken is an East Dunbartonshire-wide household survey-based approach, supplemented by targeted direct engagement with groups and individuals representative of the demographic makeup of the area and covering all locality areas. This will ensure that all voices are heard across all representative groups. This will include discussions on resourcing, an agreed set of core questions, mechanisms for face-to-face engagement and realistic timescales for implementation.

In 2022/23 the Council has expanded on the performance section of the website further by including an infographic video on year-end performance and the inclusion of monthly case studies. The website is now fully up to date with year-end performance reporting for 2021/22. Further Improvements in 2022/23 have been achieved with the introduction of Monthly Performance reporting and less reliance on PDF documents on the website in line with best practice.

e) Scrutiny of Transformation

At its meeting on 23 June 2022, Council agreed a revised approach to Strategic Planning and Performance “East Dunbartonshire Forward in Partnership”, which approved revised strategic priorities and a revised approach to delivering the transformative agenda, through the development of the organisation and workforce for the future, which supersedes the previous Transformation Programme. Regular updates will be provided to Council via the presentation of Strategic Planning & Performance Reports to Council.

f) Audit & Risk Management Committee

The full Strategic Service Committee is chaired by the Opposition Group Leader, providing scrutiny on the Council’s Audit & Risk Management activities. The functions of the Audit & Risk Management Committee are undertaken in line with best practice guidance as identified in the CIPFA publication, ‘*Audit Committees: Practical Guidance for Local Authorities*’. The cycle of meetings is ordinarily aligned to the six meeting cycle.

11. Conclusion

We consider the governance and internal control environment operating in 2022/23 to provide reasonable and objective assurance that significant risks affecting the achievement of the principal strategic priorities and outcomes will be identified and actions taken to avoid or mitigate their impact.

A number of improvements have been identified that will further strengthen the governance arrangements and these are set out above. Systems are in place for regular review and improvement of the governance and internal control environment.

.....
Ann Davie
Chief Executive
Date: 20 December 2024

.....
Councillor Gordan Low
Leader of the Council
Date: 20 December 2024

Statement of Responsibilities for the Accounts

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the authority has responsibility for the administration of those affairs (section 95 of the *Local Government (Scotland) Act 1973*). In this Council, that officer is the Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- ensure the Annual Accounts are prepared in accordance with legislation (the *Local Authority Accounts (Scotland) Regulations 2014*, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the *Local Government in Scotland Act 2003*)
- approve the Annual Accounts for signature

.....
Councillor Gordan Low
Leader of the Council

Date: 20 December 2024

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Annual Accounts in accordance with proper practices as required by legislation as set out in the CIPFA & Local Authority (Scotland) Accounts Advisory Committee (LASAAC) *Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Accounting Code)*.

In preparing these Annual Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the Accounting Code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

- kept adequate accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the local authority (and its group) at the reporting date and the transactions of the local authority (and its group) for the year ended 31 March 2023.

.....
Jamie Robertson CPFA
Chief Finance Officer

Date: 20 December 2024

Remuneration Report

1. Introduction

The Remuneration Report has been prepared in accordance with the *Local Authority Accounts (Scotland) Regulations 2014*. These Regulations require various disclosures about the remuneration and pension benefits of Senior Councillors and senior employees, together with details of the Council's remuneration policy or the role it has in determining such a policy.

2. Remuneration of Council Leader, Provost and Senior Councillors

The remuneration of Senior Councillors is regulated by the *Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007* (SSI No. 2007/183). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements as either the Leader of the Council, the Provost, Senior Councillors or 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, such as the Chair or Vice-Chair of a committee, sub-committee or board.

The Regulations permit the Council to remunerate one Leader of the Council and one Provost. For 2022/23 the Regulations set the salary for the Leader as £39,148 (2021/22 £37,213) and the maximum salary for the Provost as £29,361 (2021/22 £27,910).

The Regulations also set out 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 is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for all of its Senior Councillors shall not exceed £269,126 for 2022/23 (2021/22 £255,826) and the maximum number of Senior Councillors is 11. A Senior Councillor may only be remunerated for one senior position regardless of the senior positions held. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within those maximum limits.

There were changes to the positions for which the Council provides remuneration (Leader, Provost and 8 Senior Councillors), following; (1) the local Government election of 5 May 2022, the positions being agreed at Council on 19 May 2022, (2) the first meeting of the Licensing Board following the election held on 1 July 2022. A full list of remunerated positions and holders are provided in the table below.

Remunerated Elected Member Positions Held During the Course of the Financial Year

Position Held	Date	
	01/04/2022 04/05/22	19/05/22 31/03/23
Joint Leaders of the Council	V Moody, A Polson	-
Leader of the Council	-	G Low
Depute Leader	-	C Smith
Provost	G Pews	G Renwick
Depute Provost	Vacant	C McDiarmid
Convener:		
Audit & Risk Management	G Low	V Moody
Education	J Goodall	L Williamson
Place, Neighbourhood & Corporate Assets	W Hendry	P Ferretti
Policy & Resources Committee	V Moody	G Low
Chair - Planning Board	R O'Neil	C McNally
Chair - Licensing Board	J Gibbons	S MacDonald (2)
Vice Convener:		
Audit & Risk Management	G Renwick	S Murray
Education	G McGinnigle	I Gallagher
Place, Neighbourhood & Corporate Assets	S Murray	P Marshall
Policy & Resources Committee	A Polson	C Smith
Vice Chair - Planning Board	S Thornton	J Gibbons

(2) Appointed after the first meeting of the Licensing Board following the election held on 1 July 2022 to 31 March 2023.

The Council has a representative on the Board of NHS Greater Glasgow and Clyde and the representative receives remuneration from the National Health Service (NHS) for that position. This position was held by Councillor Mechan until 4 May 2022. Councillor McDiarmid was appointed on 19 May 2022. Excluding the Leader of the Council and the Provost, the additional remuneration paid to these Senior Councillors in 2022/23 totalled £269,126 (2021/22 £255,826). 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.

Remuneration of Council Leader, Provost, and Senior Councillors

Total 2021/22	Councillor	Office held as at 31 March 2023	Salary and Allowances	Taxable Expenses	Total 2022/23
£			£	£	£
37,213	V Moody	Joint Leader of the Council, Convener (1) Convener (2)	24,891	0	24,891
27,910	A Polson	Joint Leader of the Council, Vice Convener (1)	21,556	0	21,556
23,815	G Low	Main Opposition Leader, Convener (1) Leader of the Council, Convener (2)	37,030	0	37,030
17,358	A Brown	Provost (to 13/11/21)	-	0	-
24,689	G Pews	Provost (1)	2,735	0	2,735
20,433	G Renwick	Vice Convener (1), Provost (2)	28,226	0	28,226
24,559	J Goodall	Convener (1)	2,407	0	2,407
26,419	W Hendry	Convener (1)	22,212	0	22,212
23,815	R O'Neil	Chair of Planning Board (1)	2,334	0	2,334
-	C McNally	Chair of Planning Board (2)	22,103	0	22,103
20,433	S Thornton	Vice Chair of Planning Board (1)	2,002	0	2,002
20,433	J Gibbons	Chair of Licensing Board (1), Vice Chair of Planning Board (2)	21,787	0	21,787
-	S MacDonald	Chair of Licensing Board (3)	21,337	0	21,337
20,433	G McGinnigle	Vice Convener (1)	2,002	0	2,002
24,188	S Murray	Vice Convener (4)	22,154	0	22,154
-	L Williamson	Convener (2)	22,103	0	22,103
-	P Ferretti	Convener (2)	23,979	0	23,979
-	I Gallagher	Vice Convener (2)	19,731	0	19,731
-	P Marshall	Vice Convener (2)	19,731	0	19,731
-	C Smith	Vice Convener, Depute Leader of the Council (2)	26,170	0	26,170
311,698			344,489	0	344,489

(1) from 1 April 2022 until 4 May 2022; (2) from 20 May 2022 to 31 March 2023; (3) from 1 July 2022 to 31 March 2023;
(4) from 1 April 2022 to 4 May 2022 and from 20 May 2022 to 31 March 2023.

Salaries are calculated based on 365 days and paid four-weekly which can give rise to small differences in the actual payments made between financial years.

Total Councillors' Remuneration

The total remuneration of all the Council's elected members (including Senior Councillors above) and including all business expenses is shown in the table below.

2021/22	2022/23
£	£
479,134	498,913
3,959	7,404
483,093	506,317
	Total

Business expenses include non-taxable expenses such as mileage and the costs met by the Council of support to members including training, travel and mobile phones. Detailed figures for these costs are on the Council's website.

Conveners and Vice Conveners of Joint Boards

In addition to the Senior Councillors of the Council, the Regulations also set out the remuneration payable to Councillors with the responsibility of being Convener or Vice-Convener of a Joint Board, such as the Dunbartonshire and Argyll and Bute Valuation Joint Board. The Regulations require the remuneration and any pension contributions to be paid by the Council of which the Convener or Vice-Convener is a member. Councillor Moody was appointed as Convener of the Dunbartonshire and Argyll and Bute Valuation Joint Board on 24 June 2022 but received no remuneration from the Council for this role.

3. Pension Entitlements of Council Leader, Provost and Senior Councillors

Councillor	Office	Pension Contributions		Accrued Pension Benefits			
		Year to 31 March 2023	Year to 31 March 2022	As at 31 March 2023		As at 31 March 2022	
		£	£	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
V Moody	Joint Leader of the Council & Convener (1), Convener (2)	4,804	7,182	8	2	7	2
A Polson	Joint Leader of the Council, Vice Convener (1)	4,160	5,387	3	0	2	0
A Brown	Provost (to 13/11/21)	-	3,350	-	-	-	-
G Pews	Provost (1)	528	4,765	2	0	2	0
G Low	Main Opposition Leader & Convener (1), Leader of the Council & Convener (2)	7,147	4,596	7	2	6	2
J Goodall	Convener (1)	464	4,740	3	0	2	0
R O'Neil	Chair of Planning Board (1)	450	4,596	2	0	2	0
J Gibbons	Chair of Licensing Board (1), Vice Chair of Planning Board (2)	4,205	3,944	6	2	5	1
G Renwick	Vice Convener (1), Provost (2)	5,448	3,944	6	2	5	1
G McGinnigle	Vice Convener (1)	386	3,944	2	0	2	0
S Murray	Vice Convener (4)	4,276	4,668	3	0	2	0
L Williamson	Convener (2)	4,266	-	1	0	-	-
P Ferretti	Convener (2)	4,628	-	2	0	-	-
I Gallagher	Vice Convener (2)	3,808	-	0	0	-	-
P Marshall	Vice Convener (2)	3,808	-	0	0	-	-
C Smith	Depute Leader of the Council, Vice Convener (2)	5,051	-	0	0	-	-
C McNally	Chair of Planning Board (2)	4,266	-	0	0	-	-
S MacDonald	Chair of Licensing Board (3)	4,118	-	6	2	-	-
Total		61,813	51,116	51	8	35	6

Note: Membership of the pension scheme is not compulsory.

(1) from 1 April 2022 until 4 May 2022; (2) from 20 May 2022 to 31 March 2023; (3) from 1 July 2022 to 31 March 2023; (4) from 1 April 2022 to 4 May 2022 and from 20 May 2022 to 31 March 2023.

Councillors' pension benefits are based on career average pay and are provided through Strathclyde Pension Fund (SPF). Councillors' salaries for each year or part year ending 31 March (other than for 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 revalued pay is then divided by the period of membership to calculate the career average pay which is then used to calculate the pension benefits. The scheme's normal retirement age for Councillors is the state pension age.

There is no longer an 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 pensionable salary for each year of pensionable service from 1 April 2015; prior to this, different accrual rates applied, which included a lump sum.

The value of the accrued benefits has been calculated on 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; and, 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 in the table above are the benefits that the person has accrued due to their

total local government service, and not just their current appointment. The lump sum payable on retirement can alter from the prior year estimate supplied by the Strathclyde Pension Fund due to added years and commutation.

4. Remuneration of Senior Employees

The salary of the Chief Executive is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Chief Officials sets the salary scales for chief executives and chief officials of Scottish local authorities. The salaries of East Dunbartonshire's other senior employees have been evaluated using the Scottish Councils' Job Evaluation Scheme under the authority of the Chief Executive and with the assistance of an independent expert in this area. There are now 2 grades of senior employees. The Depute Chief Executives (Education, People & Business and Place, Neighbourhood & Corporate Assets) are on the scale previously set for Chief Official Grade 3, a scale from points 43 to 45. This scale was agreed at Council of 20 November 2014 and the Depute Chief Executives transitioned to their new roles as per the Special Council of 17 May 2016. The Executive Officers were subject to a pay and grading review, effective from 1 July 2017. All Executive Officers included within this report are on Grade 17, a scale from points 135 to 141. Positions in the East Dunbartonshire Health and Social Care Partnership are not included in this report as the Integration Joint Board is a separate body.

Senior employees, as defined by the *Local Authority Accounts (Scotland) Regulations 2014*, include any local authority employee:

- who has responsibility for management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- who holds a post that is politically restricted by reason of Section 2(1) (a), (b) or (c) of the *Local Government and Housing Act 1989*;
- whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

East Dunbartonshire Council include in this report, the members of the Corporate Management Team and the holders of key positions in the Council. Local authorities in Scotland are required by various statutes to make appointments to a number of specified offices, commonly referred to as 'statutory officers'. Where applicable, these designations have been given in square brackets:

Corporate Management Team

- Chief Executive [Head of Paid Service]
- Depute Chief Executive, Education, People and Business (EPB)
- Depute Chief Executive, Place, Neighbourhood and Corporate Assets (PNCA)

Other Chief Officials

- Executive Officer - Education [Chief Education Officer]
- Executive Officer – Social Work [Chief Social Work Officer]
- Executive Officer – Finance & Audit, Chief Finance Officer [Section 95 Officer]
- Executive Officer - Legal & Democratic Services [Monitoring Officer]

Remuneration of Senior Employees

2021/22 Salary, Fees & Allowances			2022/23 Salary, Fees & Allowances		2022/23 Annual Salary
£			£		£
137,815	G Cornes	Chief Executive	143,922		142,892
111,871	A Davie	Depute Chief Executive, EPB	116,681		115,651
64,109	T Glen	Depute Chief Executive, PNCA (1)	-		-
29,583	J MacDonald	Executive Officer Education (2)	-		-
83,191	G Bremner	Interim Chief Education Officer (3)	99,950		99,950
104,539	C Sinclair	Chief Social Work Officer	110,849		109,056
104,539	J Robertson	Chief Finance Officer	109,216		109,056
104,839	K Donnelly	Chief Monitoring Officer	109,586		109,056

Totals	690,204	685,661
---------------	----------------	----------------

(1) to 31/10/21 (2) to 06/07/21 (3) from 17/05/21

As well as salary, fees and allowances, East Dunbartonshire Council is also required to report the amount received by the senior employees above in respect of taxable expenses, compensation for loss of employment, other remuneration, bonuses and non-cash benefits. None received these types of remuneration in 2022/23 or 2021/22. Most salaries are calculated based on 365 days and are paid four-weekly which can give rise to small differences in the actual payments between financial years.

5. Pension Entitlements of Senior Employees

Pension benefits for most local government employees are provided through the Local Government Pension Scheme (LGPS). From 1 April 2015 this became a career average salary pension scheme, although it was a final salary scheme until that date. This means that pension benefits are based on the index-linked salary for service since 1 April 2015 and the final year's pay for membership of the scheme up until that date.

		Pension Contributions		Accrued Pension Benefits			
		Year to 31 March 2023	Year to 31 March 2022	As at 31 March 2023		As at 31 March 2022	
				Pension	Lump Sum	Pension	Lump Sum
		£	£	£'000	£'000	£'000	£'000
G Cornes	Chief Executive	27,777	26,593	79	126	73	121
A Davie	Depute Chief Exec, EPB	22,321	21,296	33	10	30	10
T Glen	Depute Chief Exec, PNCA (1)	-	12,373	-	-	52	0
G Bremner	Interim Chief Education Officer	23,020	19,134	28	85	26	77
C Sinclair	Acting Chief Social Work (2)	21,394	20,080	42	42	38	40
J Robertson	Chief Finance Officer	21,048	20,080	34	26	31	25
K Donnelly	Monitoring Officer	21,048	20,080	14	0	12	0
Total		136,608	139,636	230	289	262	273

(1) to 31/10/21 (2) Figures restated for transfer in from Orkney Islands Pension Fund

6. Local Government Pension Scheme Contribution Rates

From 1 April 2009, a five-tier contribution system was introduced with contributions from each member being based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership. Part-time workers' contribution rates are worked out on whole-time pay rate for the job, with actual contributions paid on actual pay earned.

The tiers and members contribution rates for 2022/23 whole time pay are as follows:	Contribution rate
On earnings up to and including £23,000	5.50%
On earnings above £23,001 and up to £28,100	7.25%
On earnings above £28,101 and up to £38,600	8.50%
On earnings above £38,601 and up to £51,400	9.50%
On earnings of £51,401 and above	12.00%

7. Remuneration of Other Employees

The number of Council employees, including teachers, receiving more than £50,000 remuneration for the year (excluding pension contributions) is shown in the following table. These figures would include any payments for redundancy and early retirement as part of restructuring of the Council's services but exclude senior employees shown in the table before. The figures include senior employees whose remuneration for the year exceeds that shown in the table in Section 4 as they were in an acting position.

Remuneration	No. of Employees	
	2022/23	2021/22
£55,000 - £59,999	57	71
£60,000 - £64,999	62	44
£65,000 - £69,999	34	18
£70,000 - £74,999	7	4
£75,000 - £79,999	4	2
£80,000 - £84,999	4	3
£85,000 - £89,999	1	0
£90,000 - £94,999	2	12
£95,000 - £99,999	9	1
£100,000 - £104,999	0	2
£105,000 - £109,999	2	0
£110,000 - £114,999	1	0

8. Exit Packages

The table below shows the number of employees who received exit packages in the bands indicated and the total cost of those packages in those bands. The figure includes redundancy costs, strain on the fund, lump sums, actuarial benefit of pension added years, pay in lieu and retiral awards. As required, it also includes the capitalised value of the additional contributions to be made to the pension fund. This amount is calculated actuarially and does not reflect the actual payments made in the financial year. The overall result of the exit packages is savings for the Council in future financial years. None of the departures were compulsory redundancies.

Value of Exit Packages in Bands	2022/23		2021/22	
	Number	Cost	Number	Cost
		£		£
£0 - £20,000	0	0	3	21,150
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	0	0	0
£60,001 +	0	0	0	0
Total	0	0	3	21,150

9. Subsidiary Entities – Remuneration and Pension Entitlement

The Council includes two subsidiary entities within its Group Accounts:

- **Mugdock Country Park Joint Management Committee** – Under the agreement between East Dunbartonshire Council and Stirling Council, East Dunbartonshire Council is the permanent employer of the staff of Mugdock Country Park and the remuneration of all staff is determined by the job evaluation process used for Council staff. Responsibility for Mugdock Country Park lies with the Depute Chief Executive – Place, Neighbourhood & Corporate Assets and, in their absence, with the Chief Executive. The remuneration for these posts is disclosed under **Remuneration of Senior Employees**. Six East Dunbartonshire Councillors serve on the Joint Committee and no remuneration is received for serving.
- **East Dunbartonshire Leisure and Culture Trust** – On 1 April 2011, East Dunbartonshire Leisure & Culture Trust (EDLCT) came into operation. The most senior manager is the General Manager, M. Grant. Remuneration of EDLCT staff is determined by the job evaluation process used for Council staff. Five East Dunbartonshire Councillors serve on the board of EDLCT and no remuneration is received for serving.

The following tables show the remuneration, pension contributions and accrued pension benefits of the most senior manager of EDLCT. No employees of EDLCT or Mugdock Country Park receive remuneration of over £150,000.

				2022/23	2021/22
	Salary, Fees & Allowances	Expenses	Other Remuneration	Total Remuneration	Total Remuneration
	£	£	£	£	£
M Grant - General Manager	90,351	0	0	90,351	86,229

	Pension Contributions		Accrued Pension Benefits			
	Year to 31 March 2023	Year to 31 March 2022	As at 31 March 2023		As at 31 March 2022	
			Pension	Lump Sum	Pension	Lump Sum
	£	£	£'000	£'000	£'000	£'000
M Grant - General Manager	17,438	16,642	46	73	43	69

Salaries are calculated based on 365 days and paid four-weekly which can give rise to small differences in the actual payments made from one financial year to the next.

All information disclosed in the tables in this Remuneration Report will be audited by Forvis Mazars. The other sections of the report will be reviewed by Forvis Mazars to ensure they are consistent with the financial statements.

10. Trade Unions (Facility Time Publication Requirements) Regulations 2017

In addition to the regulations governing senior employees and councillors, the *Trade Union (Facility Time Publication Requirements) Regulations 2017*, which apply from 1 April 2017, require public sector employers to collect and publish a range of information on trade union facility time in respect of those employees who are Trade Union representatives. This information is not subject to audit. This information for 2022/23 will be available on the Council's website by 30th September 2023.

.....
Ann Davie
Chief Executive

Date: 20 December 2024

.....
Councillor Gordan Low
Leader of the Council

Date: 20 December 2024

Principal Financial Statements of Single Entity

The Annual Accounts summarise the Council's transactions for the year, its year end position at 31 March 2023 and its cash flows. The Annual Accounts are prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2022/23* (the Code), which is based on International Financial Reporting Standards (IFRSs). Every effort has been made to use plain language; where technical terms are unavoidable they have been explained in the Glossary.

The Council presents statements in respect of:

- **Single entity accounts** – representing the transactions of the Council only (pages 42 to 92)
- **Group accounts** – where the Council has material interest in other organisations it is required by the Code to consolidate these results of the Council with its share in other entities (pages 93 to 102)

The four principal statements and their relationships are explained in more detail below:

- **Comprehensive Income and Expenditure Statement** – this shows the accounting cost in the year of providing services in accordance with 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 accounting position is shown in the Movement in Reserves Statement, as explained above, and the adjustments made between the accounting basis and the funding basis to reflect the amount available to the Council to meet future capital and revenue expenditure is disclosed at **Note 7**
- **Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Council, analysed in to 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves' (i.e. those that the authority is not able to use to provide services but must set aside under statute and accounting regulations). The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing the Council'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 Housing Revenue Account for the purposes of setting Council Tax and dwelling rents
- **Balance Sheet** – this 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
- **Cash Flow Statement** – this shows the change 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 that 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

Notes to the Principal Financial Statements provide further information in support of that disclosed in the main accounting statements and also where the materiality is such that further disclosure is merited.

Supplementary Financial Statements – these statements provide additional information on the Housing Revenue Account, the Council Tax Income Account, the Non-Domestic Rates Income Account, and Common Good Funds and Trust Funds.

Comprehensive Income & Expenditure Statement

2021/22			2022/23			
Gross Expend. £000	Gross Income £000	Net Expend. or (Income) £000	Gross Expend. £000	Gross Income £000	Net Expend. or (Income) £000	Notes
Service Revenue Accounts:						
14,344	(1,424)	12,920	12,935	(554)	12,381	
43,742	(2,926)	40,816	45,786	(3,522)	42,264	
15,482	(1,259)	14,223	15,094	(1,518)	13,576	
15,297	(817)	14,480	16,002	(880)	15,122	
3,542	(2,213)	1,329	3,188	(1,319)	1,869	
2,380	(921)	1,459	5,306	(1,521)	3,785	
5,667	(1,121)	4,546	4,430	(1,592)	2,838	
160,657	(18,138)	142,519	162,973	(16,944)	146,029	
18,332	(14,071)	4,261	17,264	(13,133)	4,131	
4,008	(551)	3,457	3,678	(424)	3,254	
5,495	(129)	5,366	5,305	(104)	5,201	
11,136	(704)	10,432	11,463	(862)	10,601	
153,262	(84,976)	68,286	171,114	(94,342)	76,772	
19,708	(14,947)	4,761	22,533	(16,190)	6,343	
473,052	(144,197)	328,855	497,071	(152,905)	344,166	EFA
		374			109	
		374			109	
		14,268			16,417	
		3,625			2,598	27b
		(102)			(997)	16
		17,791			18,018	
		(67,373)			(70,553)	
		(13,355)			(17,675)	
		(203,048)			(206,629)	
		(19,628)			(13,489)	
		(303,404)			(308,346)	
		43,616			53,947	3
		2,151			(6,309)	22c
		(107,830)			(79,930)	27b
		(105,679)			(86,239)	
		(62,063)			(32,292)	

Movement in Reserves Statement

	Usable Reserves				Total Usable Reserves	Total Unusable Reserves	Total Reserves
	Main Revenue		Capital and Other				
	General Fund Balance	Housing Revenue Balance	Capital Receipts & Capital Fund	Other Funds			
	£000	£000	£000	£000	£000	£000	
Balance at 31 March 2022	31,694	10,421	4,631	818	47,564	340,014	387,578
Movement in reserves during 2022/23:							
Total Comprehensive Income and (Expenditure)	(49,342)	(4,605)	0	0	(53,947)	86,239	32,292
Adjustments between accounting basis and funding basis under regulations (Note 7)	35,268	3,482	(2,285)	0	36,465	(36,465)	0
Transfers to and from Other Statutory Reserves (Note 8)	32,158	0	0	5	32,163	(32,163)	0
Balance at 31 March 2023 carried forward	49,778	9,298	2,346	823	62,245	357,625	419,870
Balance at 31 March 2021	35,043	8,942	6,308	817	51,110	274,405	325,515
Movement in reserves during 2021/22:							
Total Comprehensive Income and (Expenditure)	(40,306)	(3,310)	0	0	(43,616)	105,679	62,063
Adjustments between accounting basis and funding basis under regulations (Note 7)	36,958	4,789	(1,677)	0	40,070	(40,070)	0
Transfers to and from Other Statutory Reserves (Note 8)	(1)	0	0	1	0	0	0
Increase or (Decrease) in 2021/22	(3,349)	1,479	(1,677)	1	(3,546)	65,609	62,063
Balance at 31 March 2022 carried forward	31,694	10,421	4,631	818	47,564	340,014	387,578

Balance Sheet

31 March 2022		31 March 2023	
£000		£000	Notes
807,454	Property, Plant and Equipment	858,065	9
3,808	Heritage Assets	3,808	10
2,001	Intangible Assets	2,924	11
129	Long-term Debtors	4	18
813,392	Long-term Assets	864,801	
1,513	Assets Held for Sale	1,340	12
697	Inventories	825	
36,745	Short-term Debtors	26,368	18
1,281	Prepayments	2,210	18
19,271	Cash and Cash Equivalents	0	
59,507	Current Assets	30,743	
(87,778)	Short-term Borrowing	(103,265)	16
(3,318)	Other Short-term Liabilities (PPP Contract)	(2,840)	15
(95)	Other Short-term Liabilities (Finance Leases)	(94)	25
(52,127)	Short-term Creditors	(54,679)	19
0	Cash and Cash Equivalents	(2,024)	
(49)	Provisions	(27)	20
(9,790)	Short-term Grants & Receipts in Advance	(9,257)	19
(153,157)	Current Liabilities	(172,186)	
(165,698)	Long-term Borrowing	(198,310)	16
(69,991)	Other Long-term Liabilities (PPP contract)	(67,150)	15
(2,914)	Other Long-term Liabilities (Finance Leases)	(2,820)	25
(87,095)	Other Long-term Liabilities (Pensions)	(28,120)	27c
(276)	Provisions	(328)	20
(6,190)	Long-term Grants & Receipts in Advance	(6,760)	19
(332,164)	Long-term Liabilities	(303,488)	
387,578	Net Assets	419,870	
47,564	Usable Reserves	62,245	21
340,014	Unusable Reserves	357,625	22
387,578	Total Reserves	419,870	

The unaudited annual accounts were issued on 30 June 2023 and the annual accounts were authorised for issue on 19 December 2024.

.....
Jamie Robertson CPFA
Chief Finance Officer
Date: 20 December 2024

Cash Flow Statement

An analysis of the components of cash and cash equivalents follows the statement.

2021/22	Cashflow Categories	2022/23	
		£000	£000
43,616	Net (Surplus) or Deficit on the Provision of Services		53,947
	Adjust for Non-Cash Movements		
(34,169)	Depreciation and Impairment	(35,261)	
(15,178)	Revaluations	(4,012)	
(663)	Amortisation	(866)	
2,030	(Increase)/Decrease in Impairment for Bad Debts	1,952	
(3,702)	Increase/(Decrease) in Debtors	(11,414)	
(22,826)	(Increase)/Decrease in Creditors	(15,275)	
(5)	Increase/(Decrease) in Inventories	128	
(23,711)	Movement in Pension Liability	(20,955)	
(1,137)	Carrying Amount of Non-Current Assets Sold	(2,094)	
90	Other Non-Cash Transactions	(28)	
(99,271)		(87,825)	
	Adjust for Items in Net Surplus or Deficit that are Investing and Financing Activities		
0	Proceeds from Short-term and Long-term Investments	0	
440	Proceeds from Sale of PPE and Intangible Assets	1,270	
19,628	Other Financing and Investment Activities	13,489	
20,068		14,759	
(35,587)	Net Cash Flows from Operating Activities		(19,119)
	Investing Activities		
91,513	Purchase of PPE and Intangible Assets	95,320	
(1,145)	Sale of PPE and Intangible Assets	(1,337)	
(12,449)	Other Receipts from Investing Activities	(8,883)	
77,919		85,100	
	Financing Activities		
(135,069)	Cash Receipts from Short-term and Long-term Borrowing	(149,045)	
3,116	Reducing Liabilities on Finance Leases and PPP	3,413	
91,454	Repayment of Short-term and Long-term Borrowing	100,946	
(40,499)		(44,686)	
(21,104)			(19,271)

31 March 2022	Cash and Cash Equivalent	31 March 2023
£000		£000
17	Cash Held by Officers	18
242	Bank Current Accounts	(8,507)
19,012	Short-term Deposits (Temporary Investments)	6,465
19,271	Total Cash and Cash Equivalents	(2,024)

The signs in the Cash and Cash Equivalent table above are reversed from the figures in the cashflow statement to agree with the figures shown in the Balance Sheet.

Notes to the Principal Financial Statements

1. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis (EFA) is to show to Council Tax, rent and rate payers how the funding available to the Council (i.e. government grants, rents, fees and charges, Council Tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It shows how this expenditure is allocated for decision-making purposes between the Council's services. The services shown in the table below reflect the Council's organisational structure and its internal reporting of financial figures for services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22			2022/23		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (Note 2)	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis (Note 2)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
13,789	869	12,920	13,394	1,013	12,381
31,232	(9,584)	40,816	36,161	(6,103)	42,264
7,476	(6,746)	14,222	7,126	(6,450)	13,576
12,390	(2,090)	14,480	13,041	(2,081)	15,122
1,247	(82)	1,329	1,497	(372)	1,869
1,067	(392)	1,459	2,413	(1,373)	3,786
3,336	(1,210)	4,546	2,346	(492)	2,838
114,278	(28,241)	142,519	125,829	(20,199)	146,028
3,820	(441)	4,261	3,711	(420)	4,131
2,633	(824)	3,457	2,585	(669)	3,254
4,346	(1,020)	5,366	4,203	(997)	5,200
7,936	(2,496)	10,432	8,275	(2,327)	10,602
62,482	(5,804)	68,286	71,026	(5,746)	76,772
266,032	(58,061)	324,093	291,607	(46,216)	337,823
(4,677)	(9,439)	4,762	(2,371)	(8,714)	6,343
261,355	(67,500)	328,855	289,236	(54,930)	344,166
(259,485)	25,754	(285,239)	(274,038)	16,181	(290,219)
1,870	(41,746)	43,616	15,198	(38,749)	53,947
(43,985)		Opening General Fund and HRA Balance	(42,115)		
1,870		Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	15,197		
1		Transfers to / from Other Statutory Reserves	(32,158)		
(42,114)		Closing General Fund and HRA Balance at 31 March (MIRS)	(59,076)		

2. Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts.

Adjustments between Funding and Accounting Basis				
2022/23	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note 2) £000	STACA (Note 3) £000	Total Adjustments £000
Chief Exec./Depute Ch. Ex.s/Joint Brds/ Misc.	(2,332)	3,345	0	1,013
Assets & Facilities	(2,254)	(3,849)	0	(6,103)
Roads & Transportation	(5,165)	(1,283)	(2)	(6,450)
Neighbourhood Services	(913)	(1,168)	0	(2,081)
Housing	(275)	(97)	0	(372)
Land, Planning & Development	(823)	(550)	0	(1,373)
Place & Community Planning	(10)	(482)	0	(492)
Education	(14,120)	(5,861)	(218)	(20,199)
Finance, Audit & Performance	0	(420)	0	(420)
Legal & Democratic Services	(8)	(661)	0	(669)
Organisational Transformation	0	(997)	0	(997)
Customer & Digital Services	(864)	(1,463)	0	(2,327)
Social Work	(985)	(4,538)	(223)	(5,746)
Housing Revenue Account	(8,381)	(333)	0	(8,714)
Net Cost of Services	(36,130)	(18,357)	(443)	(54,930)
Other Income and Expenditure	18,779	(2,598)	0	16,181
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	(17,351)	(20,955)	(443)	(38,749)

- The capital adjustments in Net Cost of Services include charges for depreciation, impairment, amortisation and revaluation of non-current assets and capital expenditure charged against revenue and are detailed in **Note 7**.
- The capital costs for Other Income and Expenditure include gain/loss on disposal of non-current assets, capital grants and contributions, financing costs of capital investment and the difference between financing costs charged to the CIES and chargeable in year and are detailed in **Note 7**.
- The pensions adjustment and the STACA adjustment are separately identified in **Note 7**.

Adjustments between Funding and Accounting Basis				
2021/22	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note 2) £000	STACA (Note 3) £000	Total Adjustments £000
Chief Exec./Depute Ch. Ex.s/Joint Brds/Misc.	(2,073)	2,942	0	869
Assets & Facilities	(5,676)	(3,908)	0	(9,584)
Roads & Transportation	(5,329)	(1,417)	0	(6,746)
Neighbourhood Services	(912)	(1,178)	0	(2,090)
Housing	(3)	(79)	0	(82)
Land, Planning & Development	(1)	(391)	0	(392)
Place & Community Planning	(529)	(682)	1	(1,210)
Education	(21,804)	(6,232)	(205)	(28,241)
Finance, Audit & Performance	0	(441)	0	(441)
Legal & Democratic Services	(136)	(688)	0	(824)
Organisational Transformation	0	(1,020)	0	(1,020)
Customer & Digital Services	(861)	(1,636)	0	(2,497)
Social Work	(958)	(5,046)	200	(5,804)
Housing Revenue Account	(9,129)	(310)	0	(9,439)
Net Cost of Services	(47,411)	(20,086)	(4)	(67,501)
Other Income and Expenditure	29,379	(3,625)	0	25,754
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	(18,032)	(23,711)	(4)	(41,747)

Notes

1) Adjustments for Capital Purposes

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

- **Other operating expenditure** – 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 credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year

2) Net Change for the Pensions 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 employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs
- **For Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES

3) Other Differences

STACA adjustments: this represents the amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.

3. Expenditure and Income Analysed by Nature

The authority's expenditure and income is analysed as follows:

2021/22 £000	Category	2022/23 £000
Expenditure		
192,214	Employee benefits expenses	202,980
28,987	Employer's superannuation	30,684
206,126	Other services expenses	225,702
50,011	Depreciation, amortisation, impairment	40,139
14,268	Interest payments	16,417
374	Gain on the disposal of assets	109
491,980	Total expenditure	516,031
Income		
(112,162)	Fees, charges, and other service income	(123,219)
(102)	Interest and Investment income	(997)
(80,728)	Income from council tax, non-domestic rates, district rate income	(88,228)
(255,372)	Government grants and contributions	(249,640)
(448,364)	Total income	(462,084)
43,616	(Surplus) or Deficit on the Provision of Services	53,947

Revenue from Contracts with Service Recipients - The Council has examined the revenue received from contracts with service recipients as required by IFRS 15 and has determined that there are no contract assets or liabilities and that there are no factors affecting these contracts that require further disclosure. Given these circumstances, the Council considers the disclosure of fees, charges and other service income provides sufficient information for readers of the accounts regarding the nature of such revenues.

4. Contingent Liabilities

A contingent liability, as accounting policy in **Note 29(u)**, arises where an event has taken place that gives the Council a possible obligation the existence of which 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 benefit or obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Following an EU ruling that holiday pay must correspond to normal pay, including commission or other variable elements of pay such as overtime payments, a number of claims were raised against the Council. This area of employment law is still changing. Further guidance is expected in due course from current cases as to how Tribunals will approach calculation of the sums due, particularly in terms of the reference period to be used where pay fluctuates. No liability can be quantified until some of these claims have progressed and there is therefore some clarity on the amounts potentially payable.

The removal of the limitation period for historic abuse claims by the Limitation (Childhood Abuse) Scotland Act 2017 could result in a liability to the Council. The Scottish Government introduced a redress scheme in December 2021 which would provide a payment to claimants in return for a guarantee from them not to take action against the Council. The total number of any claims that may be made, the level of any settlement and the impact of the redress scheme on these are all unknown at this point and so this liability cannot be fully evaluated.

In 2019/20 the Council referred itself to the Health and Safety Executive (HSE) in relation to a Health and Safety issue within a specific Council building. The HSE carried out an inspection and notified the Council of past contravention of regulations although it was noted that the Council had taken mitigating action in this regard and so did not require further action to be taken. However, the issue remains subject to ongoing process and the final outcome is unknown. It is therefore uncertain if the process will result in an action against the Council and therefore whether a liability will even be incurred or what value the claim would result in if it did.

5. Events After the Balance Sheet Date

In June 2023 the High Court ruled in the Virgin Media Limited v NTL Pension Trustees II Limited (and others) case regarding the validity of amendments to post 6 April 1997 benefits in formerly contracted-out defined benefit pension schemes. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court. This ruling may have a potential future impact on the Local Government Pension Scheme benefits as the Local Government Pension scheme has made amendments since 1997 and these amendments did impact member benefits. No adjustments have been made to the financial statements, as it is not clear if the specific circumstances of the Council's LGPS are relevant and if the Pension Fund obtained the necessary documentation to support amendments at the time. Should this be the case, the impact of the ruling has not yet been determined and would require significant investigation to quantify any potential impact on the Council's liabilities, and so is not quantifiable at this stage. No other changes to the figures that require to be reflected in the financial statements or notes were found between the closure of the unaudited accounts and the date of submission of the accounts (19 December 2024).

6. External Audit Costs

Fees payable to Forvis Mazars in respect of external audit services undertaken in accordance with the Code of Audit Practice in financial year 2022/23 were £0.302m (2021/22 £0.269m).

The appointed auditors, Forvis Mazars, provided no other services to the Council in the year.

7. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against, and the 2022/23 and 2021/22 tables of adjustments follow on the next two pages:

General Fund Balance - The statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account Balance - Reflects that statutory obligation to maintain a revenue account for local authority council housing provision in accordance with part VI of the *Local Government and Housing Act 1989*. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve - Holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Fund - Can be used to defray any expenditure of the Council to which capital is properly applicable, or in providing money for repayment of the principal of borrowing (but not any payment of interest on borrowing), subject to the provisions of Schedule 3, Section 22 (1) of the *Local Government (Scotland) Act 1975*.

Adjustments between Accounting Basis and Funding Basis under Regulations:

2022/23	Usable Reserves				Movements in Unusable Reserves
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Capital Fund	
	£000	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the CIES*:					
Charges for Depreciation and Impairment of Non-Current Assets	22,957	12,304	0	0	(35,261)
Charges for Impairment of Assets Held for Sale	0	0	0	0	0
Revaluation losses on Property, Plant and Equipment	3,902	0	0	0	(3,902)
Revaluation losses on Assets Held for Sale	110	0	0	0	(110)
Amortisation of Intangible Assets	840	26	0	0	(866)
Capital grants and contributions applied	(10,423)	(3,066)	0	0	13,489
Capital/Other funds applied to fund capital expenditure	0	0	0	(3,000)	3,000
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	1,416	678	0	0	(2,094)
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	(3,413)	(1,743)	0	0	5,156
Capital expenditure charged against the General Fund and HRA balances	(59)	(4,000)	0	0	4,059
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sales proceeds credited as part of the gain/loss on disposal to the CIES	(961)	(1,024)	1,985	0	0
Use of capital receipts reserve to fund capital expenditure	0	0	(1,270)	0	1,270
Transfer from the Capital Receipts Reserve to the Capital Fund	0	0	(715)	715	0
Adjustments primarily involving the Financial Instrument Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(152)	(40)	0	0	192
Adjustments primarily involving the Pensions Reserve:					
Amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations	20,608	347	0	0	(20,955)
Adjustments primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	443	0	0	0	(443)
Total Adjustments	35,268	3,482	0	(2,285)	(36,465)

* CIES - Comprehensive Income and Expenditure Statement

Note 7 continued:

2021/22	Usable Reserves				
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Capital Funds	Movements in Unusable Reserves
	£000	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the CIES*:					
Charges for Depreciation and Impairment of Non-Current Assets	22,453	11,716	0	0	(34,169)
Charges for Impairment of Assets Held for Sale	0	0	0	0	0
Revaluation losses on Property, Plant and Equipment	15,850	0	0	0	(15,850)
Revaluation losses on Assets Held for Sale	(672)	0	0	0	672
Amortisation of Intangible Assets	650	13	0	0	(663)
Capital grants and contributions applied	(16,332)	(3,296)	0	0	19,628
Capital/Other funds applied to fund capital expenditure	0	0	0	(2,000)	2,000
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	566	571	0	0	(1,137)
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	(8,113)	(1,819)	0	0	9,932
Capital expenditure charged against the General Fund and HRA balances	0	(2,600)	0	0	2,600
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES.	(643)	(120)	763	0	0
Use of the Capital Receipts Reserve for capital expenditure.	0	0	(440)	0	440
Transfer from Capital Receipts Reserve to Capital Fund	0	0	(323)	323	0
Adjustments primarily involving the Financial Instrument Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with	(156)	(36)	0	0	192
Adjustments primarily involving the Pensions Reserve:					
Amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations	23,351	360	0	0	(23,711)
Adjustments primarily involving the Employee Statutory Adjustment Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	4	0	0	0	(4)
Total Adjustments	36,958	4,789	0	(1,677)	(40,070)

* CIES - Comprehensive Income and Expenditure Statement

8. Transfers to or from Other Statutory Reserves

This note sets out the amounts set aside from the General Fund in statutory reserves established under *Schedule 3 of the Local Government (Scotland) Act 1975* to provide financing for expenditure plans and the amounts transferred back to meet General Fund expenditure in 2022/23.

	General Fund	Housing Revenue Account	Other Statutory	
			Capital Funds	Other Statutory Funds
	£000	£000	£000	£000
2022/23 TRANSFER				
Service Concession Agreement	32,163	0	0	0
Transfer of funds to Central Energy Efficiency Fund	(5)	0	0	5
Total Transfers 2022/23	32,158	0	0	5
2021/22 TRANSFER				
Transfer of HRA funds to General Fund	0	0	0	0
Transfer of funds to Central Energy Efficiency Fund	(1)	0	0	1
Total Transfers 2021/22	(1)	0	0	1

9. Property, Plant and Equipment

a) *Effects of Changes in Estimates*

In 2022/23, the Council made no material changes to its accounting estimates for Property, Plant and Equipment.

b) *Revaluation*

The Council carries out a rolling programme which ensures that all Property, Plant and Equipment, required to be measured at current value, is revalued at least every 5 years. During 2022/23, all valuations were provided by external valuers, who are members of the Royal Institute of Chartered Surveyors (MRICS) and RICS registered valuers. Valuations were undertaken in accordance with the RICS Valuation Professional Standards (The Red Book) published in January 2014 and updated in January 2015 with regard to valuation of property assets for inclusion within the financial statements. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of RICS. The significant assumptions applied in estimating the values are:

- Infrastructure, community assets (except where a valuation option has been adopted) and assets under construction is measured at historic cost. All other classes of property, plant and equipment is measured at current value. Current value is the amount that would be exchanged for the asset in its existing use
- Surplus assets have been valued at level 1 of the fair value hierarchy “quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date”, which is consistent with the concept of market value
- Where there is no market-based evidence of current value, due to the specialist nature of the property and the fact the asset is rarely sold, the Council may need to estimate current value using a *depreciated replacement cost* (DRC) approach. The value of Council dwellings shall be measured using *existing use value – social housing* (EUV-SH). EUV-SH and DRC are methods of valuation that are based on current value with additional special assumptions for each of the respective methods
- Historic cost is used as a proxy for current value with regards to the valuation of vehicles, plant, furniture and equipment. Councils may elect to adopt this approach for non-property assets that have short useful lives or low values (or both)

Revaluation Cycle	Last	Next
Land and Property Type:		
Other Land and Buildings (Phase 1)	31/03/2022	31/03/2027
Other Land and Buildings (Phase 2)	31/03/2023	31/03/2028
Council Dwellings (incl. Lock ups)	31/03/2019	31/03/2024
Commercial & Industrial	31/03/2021	31/03/2026

Other land and buildings may also be revalued where there is evidence of a potential change in value, due to instances such as in-year capital investment or impairment. Where applicable, these properties are revalued by the Council's valuer and any change in carrying value will be reflected in the accounts as a revaluation or impairment. For example, where roofing, window replacement or structural works carried out on Council dwellings are deemed to extend the useful life of the asset but not increase the carrying value, an impairment adjustment will be made against the assets concerned.

c) Movements in Balance

Movements in 2022/23

	Assets Under Construction	Infrastructure Assets (2)	Community Assets	Vehicles, Plant, Furniture and Equipment	Other Land and Buildings	Council Dwellings	Surplus Assets	Total Property, Plant and Equipment	PPP assets (1)
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	77,711								
Additions	52,277	9,482	0	4,600	4,972	14,160	3	85,494	83
Donations	0	0	0	0	0	0	0	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0	0	6,309	0	0	6,309	
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	(17,438)	0	0	(17,438)	
Derecognition - Disposals	0	0	0	(1,442)	(2,144)	(693)	(110)	(4,389)	0
Derecognition - Other	0								
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0	0	0
Other reclassifications	(81,771)	0	0	0	77,471	3,807	(730)	(1,223)	0
At 31 March 2023	48,217		4,467	50,217	437,278	262,269	484	812,414	123,739
Accumulated Depreciation and Impairment									
At 1 April 2022	(404)						(565)	(85,704)	0
Depreciation charge		(5,205)		(3,293)	(14,687)	(9,901)	(9)	(33,095)	(4,326)
Depreciation written out to the Revaluation Reserve								0	
Depreciation written out to the Surplus/Deficit on the Provision of Services					13,536			13,536	
Impairment (losses)/reversals recognised in the Surplus/Deficit on the Provision of Services						(2,165)		(2,165)	
Derecognition - Disposals				1,058	1,280	16	5	2,359	
Derecognition - Other									
At 31 March 2023	0		0	(35,469)	(14,257)	(48,913)	(2)	(103,846)	(4,326)
Net Book Value									
At 31 March 2023	48,217	153,774	4,467	14,748	423,021	213,356	482	858,065	119,413
At 31 March 2022	77,307	149,497	4,467	13,825	353,470	208,132	756	807,454	123,656

(1) Schools PPP Assets included in 'Other Land & Buildings' total.

(2) Infrastructure asset values have been disclosed in accordance with Scottish Government Finance Circular 9/2022 Statutory Over-ride – Accounting for Infrastructure Assets. The Council has applied both statutory over-rides set out in the circular, which are as follows:

- For accounting periods commencing from 1 April 2021 until 31 March 2024, a local authority is not required to report the gross carrying amount and accumulated depreciation for infrastructure assets
- For the accounting periods from 1 April 2010 to 31 March 2024, the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be accounted for at a nil amount, and no subsequent adjustment can be made to the carrying amount of the asset with respect to that part

The approach is set out in Note 29 Accounting Policies.

Movements in 2021/22

	Assets Under Construction	Infrastructure Assets (2)	Community Assets	Vehicles, Plant, Furniture and Equipment	Other Land and Buildings	Council Dwellings Restated	Surplus Assets	Total Property, Plant and Equipment	PPP assets (1)
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
Additions	65,811	4,364	0	4,492	3,234	5,713	5	83,619	3
Donations	0	0	0	0	0	0	0	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0	0	(39,282)	0	0	(39,282)	(35,523)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	(27,390)	0	0	(27,390)	0
Derecognition - Disposals	0	0	0	(1,544)	0	(649)	(5)	(2,198)	0
Derecognition - Other	0	0	0	0	(1,115)	0	(108)	(1,223)	0
Assets reclassified (to)/from Held for Sale	0	0	0	0	(264)	0	0	(264)	0
Other reclassifications	(24,811)	0	0	0	11,032	13,839	(60)	0	0
At 31 March 2022	77,711		4,467	47,059	368,108	244,995	1,321	748,025	123,656
Accumulated Depreciation and Impairment									
Depreciation charge		(5,096)		(3,017)	(14,554)	(9,567)	(565)	(107,706)	(18,828)
Depreciation written out to the Revaluation Reserve					37,079		40	37,119	(4,708)
Depreciation written out to the Surplus/Deficit on the Provision of Services					11,539			11,539	23,536
Impairment (losses)/reversals recognised in the Surplus/Deficit on the Provision of Services						(1,890)		(1,890)	
Derecognition - Disposals				1,289		78		1,367	
Derecognition - Other					1,045		5	1,050	
Other reclassifications								0	
At 31 March 2022	(404)		0	(33,234)	(14,638)	(36,863)	(565)	(90,800)	0
Net Book Value									
At 31 March 2022	77,307	149,497	4,467	13,825	353,470	208,132	756	807,454	123,656
At 31 March 2021	36,307	150,229	4,467	12,605	372,146	200,608	924	777,286	140,348

The Valuation and Accumulated Depreciation and Impairment figures for Council Dwellings have both been restated by £68.178 million to reflect the figures recorded in the Council's asset register. These changes balance to zero so there is no net effect.

(1) Schools PPP Assets included in 'Other Land & Buildings' total.

(2) Infrastructure figures restated per Scottish Government Finance Circular 9/2022 Statutory Over-ride – Accounting for Infrastructure Assets.

d) Depreciation

The depreciation methods applied by the Council are disclosed separately in **Note 29** Accounting Policies within section (r) Property, Plant and Equipment.

e) Nature of Asset Holding

Within Other Land and Buildings there are assets that the Council does not own but which, due to the nature of agreements, accounting standards require the Council to recognise as assets within its balance sheet. The nature of these asset holdings is as follows:

Nature of Other Land and Buildings asset holdings	Owned	Shared Equity	Common Good	Finance Lease	PPP	Total Other Land and Buildings
	£000	£000	£000	£000	£000	£000
As at 31 March 2023	294,420	1,386	4,962	2,840	119,413	423,021
As at 31 March 2022	220,661	1,386	4,798	2,969	123,656	353,470

Shared Equity

The Shared Equity Scheme is a Scottish Government initiative that aims to help people on low to moderate incomes to purchase a property. The individual(s) owns the property outright, but the interests of the Council are secured by way of a standard security on the property. The Council has shown this in its Accounts by including the value of the security within Other Land and Buildings, as a donated asset, and recognising a contribution within Capital Grants and Contributions in the year in which the security is received.

10. Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets Held by the Authority:

	Artworks & Exhibits	Civic Regalia	Monuments & Memorials	Total
Cost or Valuation				
31 March 2023	3,054	178	576	3,808
Cost or Valuation				
31 March 2022	3,054	178	576	3,808

Archives - In keeping with Council policy (**Note 29 I**), these assets are not included in the Council's Balance Sheet. Council records preserved in the Archives include original signed minutes and accounts, high level strategies, policies and reports, statutory registers (e.g. Building Standards Register), building plans, school records, legal documents (e.g. compulsory purchase records), records of landfill and contaminated waste sites, burial registers and plans, records of civic events, corporate identity and branding. In addition, the Council preserves records of historical or research interest that have been donated by local families, businesses and organisations such as the Lion Foundry Co Ltd, J&J Hay Boatbuilders, Gartshore Estate Papers, and West of Scotland Football Club.

Artworks and Exhibits - Much of the Council's artwork collection is located at the Lillie Art Gallery, which houses around 450 works including paintings, prints, drawings and a small collection of sculpture and ceramics. Since the Gallery opened in 1962, the founding bequest of artworks from Robert Lillie has been developed to form a collection of Scottish art dating from the 1880s to the present day. These were revalued at 31 March 2019. There have been 81 artwork items acquired since the last valuation.

Collections include work from several of the 'Glasgow Boys' and the Scottish Colourists (including Francis Cadell and Leslie Hunter), as well as renowned works by Joan Eardley.

The Auld Kirk Museum reflects the rich history of the local area, from Roman artefacts to innovations of the 20th century, and houses around 13,000 objects that reveal the social, industrial and everyday activities of people who lived or worked in East Dunbartonshire. Some highlights of the collection are watercolour by Robert Macaulay Stevenson; counter advert for Sister Laura's Baby Food; Kirkintilloch Temperance Society cup and saucer; and a K6 red telephone kiosk.

Civic Regalia - The Council holds 27 chains and medals of office relating to the current and predecessor authorities. A small number of these items are worn by office bearers at ceremonial and civic events. These were also revalued at 31 March 2019.

Listed Buildings and Scheduled Ancient Monuments - In keeping with Council policy (**Note 29 I**) these assets are not included in the Council's Balance Sheet. The Council has numerous Scheduled Ancient Monuments within its boundaries, the most famous of which would be the Antonine Wall.

Monuments and Memorials - This category includes statues, bandstands, fountains as well as memorial structures. Peel Park Bandstand, Kirkintilloch, is an example of structures that are included in this category.

11. Intangible Assets

The Council accounts for purchased software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include software licences, warranties and internally generated assets.

The carrying amount of intangible assets is amortised on a straight-line basis over the expected life of the asset. There have been no changes to the estimated useful life of any intangible assets during the year.

The amortisation of £0.866m in 2022/23 (2021/22 £0.663m) has been charged across various services and included in the Net Expenditure of Services within the Comprehensive Income and Expenditure Statement.

2021/22	Movement in Intangible Assets	2022/23

There are no items that are individually material to the financial statements.

12. Assets Held for Sale (Current)

2021/22	Transactions	2022/23
£000		£000
710	Balance outstanding at start of year	1,513
0	Additions	0
	Assets newly classified as held for sale:	
0	- Property, Plant and Equipment	0
0	Revaluation gains/(losses) reflected in Revaluation Reserve	0
672	Revaluation gains/(losses) reflected in Surplus or Deficit on Provision of Services	(110)
0	Impairment (losses) / reversal reflected in Surplus or Deficit on Provision of Services	0
	Assets declassified as held for sale:	
264	- Property, Plant and Equipment	0
(133)	Assets sold	(63)
1,513	Balance outstanding at year end	1,340

13. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2021/22	Capital Financing Elements	2022/23
£000		£000
327,784	Opening Capital Financing Requirement	378,060
	Capital Investment:	
83,619	Property, Plant and Equipment	85,495
1,257	Intangible Assets	1,789
84,876	Total Capital Investment	87,284
	Sources of Finance:	
440	Capital Receipts	1,270
19,628	Government Grants and Other Contributions	13,489
2,000	Contribution from Capital Funds	3,000
2,600	Capital from Current Revenue	4,059
<u>24,668</u>	Total Capital Receipts, Grants & Other Contributions	21,818
6,816	Loans Fund Principal Repayments	1,743
3,116	PPP / Finance Lease Principal Repayments	3,413
0	Service Concession Agreement (PPP)	(32,163)
34,600	Total Sources of Finance	(5,189)
378,060	Closing Capital Financing Requirement	470,533
50,276	Movement in Year	92,473
	Explained by:	
50,276	Increase in underlying need to borrow	92,473
0	Assets acquired under PPP contracts / Finance leases	0
50,276	Increase / (decrease) in Capital Financing Requirement	92,473

14. Impairment Losses

During 2022/23, the Council incurred net impairment losses of £2.165m (2021/22 £1.890m) which were charged to the Comprehensive Income and Expenditure Statement. This is comprised £2.165m for Council Dwellings (2021/22 £1.890m).

15. Schools Public Private Partnership

2022/23 was the fourteenth year of a thirty-year PPP contract for the construction and maintenance of six secondary schools and related facilities. The schools became operational in summer 2009, and the Council makes annual payments under the PPP agreement to InspirED Education (East Dunbartonshire) Limited who operate the PPP schools on behalf of the Council, and who are required to ensure the availability of these buildings to a pre-agreed standard. When the agreement ends in 2039, ownership of the buildings will transfer to the Council for nil consideration, and with a guarantee of no major maintenance requirements for a five-year period.

a) Payments

The Council makes an agreed annual payment that is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed.

Payments remaining at 31 March 2023:	Payments for Services (incl. lifecycle maintenance)	Repayment of Liability	Finance Interest	Total
	£000	£000	£000	£000
Payable within 1 year	9,075	2,841	6,918	18,834
Payable within 2 to 5 years	45,750	8,478	24,950	79,178
Payable within 6 to 10 years	58,084	18,406	31,722	108,212
Payable within 11 to 15 years	56,083	32,486	30,907	119,476
Payable within 16 to 20 years	12,639	7,781	4,927	25,347
Total	181,631	69,992	99,424	351,047

b) Liabilities from PPP Arrangements

Although the payments to the provider are described as unitary payments, they have been calculated to compensate the contractor for the 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:

2021/22	Liabilities	2022/23
£000		£000
76,340	Balance outstanding at start of year	73,309
(3,031)	Payments during the year	(3,318)
73,309	Balance outstanding at year-end	69,991
Included in Balance Sheet		
3,318	Current (Short-term Liability)	2,841
69,991	Non-Current (Long-term Liability)	67,150
73,309	Total	69,991

c) Property, Plant and Equipment

The assets used to provide services at the schools are recognised on the Council's Balance Sheet. Movements in value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment in **Note 9**.

d) Application of PPP Service Concession Arrangement Flexibilities

In accordance with the Council's accounting policies and Scottish Government Finance Circular 10/2022, the Council has applied the permitted PPP Service Concession Arrangement (SCA) flexibility in 2022/23 on a retrospective annuity basis over 60 years. This period is considered the most appropriate as it reflects the likely useful asset life and compares to the 70 years used for buildings in the Council accounting policies (**Note 29r**). The flexibility applied is consistent with the current Loans Fund arrangements for the Council.

The statutory repayment profile under the SCA is shown below. This will not impact on the payments due under the PPP contract and the repayment of that liability. By applying the flexibility, a retrospective saving of £29.097m as detailed below will be achieved, together with a saving in year of £3.066m. The statutory payments will continue after the end of the PPP contract.

Statutory PPP Debt Repayment	Current Repayment	Revised Repayment	Balance of (Saving)/Cost
	£000	£000	£000
Up to 2022/23	31,123	2,026	(29,097)
2022/23	3,318	252	(3,066)
Payable within 2 to 5 years	9,159	1,215	(7,944)
Payable within 6 to 10 years	16,390	2,121	(14,269)
Payable within 11 to 15 years	29,263	3,070	(26,193)
Payable within 16 to 20 years	15,179	4,441	(10,738)
Payable within 21 to 25 years	0	6,426	6,426
Payable within 26 to 30 years	0	9,297	9,297
Payable within 31 to 35 years	0	13,452	13,452
Payable within 36 to 40 years	0	19,460	19,460
Payable within 41 to 45 years	0	28,156	28,156
Payable within 46 to 50 years	0	14,516	14,516
Total	104,432	104,432	0

The reprofiling of the debt liability payments increases the Capital Financing Requirement (CFR) by a combined £32.163m in 2022/23 and increases the General Fund balance by the same amount. The effect on the balance sheet is to reduce the Capital Adjustment Account by £32.163 million (see note 22b) and to increase the General Fund balance by the same amount. As this is a cumulative statutory adjustment which has been agreed in 2022/23, there is no prior year restatement in the accounts.

16. Financial Instruments

a) Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet. All financial assets and liabilities are accounted for at amortised cost and all income, expenses, gains and losses detailed through the CIES are on that basis:

31 March 2022		Assets and Liabilities	31 March 2023	
Long term	Current		Long term	Current
£000	£000		£000	£000
		Financial Assets:		
0	0	Investments at amortised cost	0	0
129	32,250	Debtors at amortised cost	4	16,075
0	19,271	Cash & Cash Equivalents at amortised cost	0	0
		Financial Liabilities:		
		Borrowings		
165,698	87,778	Financial liabilities at amortised cost	198,310	103,265
		Other Long-term Liabilities		
72,905	3,413	PPP and finance lease liabilities at amortised cost	69,970	2,934
		Creditors		
6,190	61,917	Financial liabilities at amortised cost	6,760	63,936
		Cash and Cash Equivalents		
0	0	Financial liabilities at amortised cost	0	2,024

The only changes through the year are financing cash flows, such as the repayment of maturing borrowing and refinancing as required by the Council's Treasury Management Strategy and the repayment of the PPP liability.

b) Income, Expense, Gains and Losses

2021/22			Category	2022/23		
Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	Total		Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	Total
£000	£000	£000		£000	£000	£000
(6,781)	0	(6,781)	Interest Expense	(8,953)	0	(8,953)
(6,781)	0	(6,781)	Total expense in Surplus or Deficit on Provision of Services	(8,953)	0	(8,953)
0	102	102	Interest income	0	997	997
0	102	102	Total income in Surplus or Deficit on Provision of Services	0	997	997
(6,781)	102	(6,679)	Net gain / (loss) for the year	(8,953)	997	(7,956)

c) Reclassifications and Soft Loans

The Council did not reclassify any financial assets or liabilities between categories during the year. A soft loan is a loan made by the Council to another entity at an interest rate significantly below market interest rates. There are no 'soft' loans for consideration in 2022/23.

d) Fair Values of Assets and Liabilities

Financial assets (represented by lending and long-term debtors) and financial liabilities (represented by borrowing and long term creditors) are carried in the balance sheet at amortised cost in accordance with the accounting regulations. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- the valuation date is 31 March 2023
- the discount factor used in the Net Present Value (NPV) calculations is the comparable premature repayment rate of the same financial instrument from a comparable lender with a published market rate at

the valuation date, using bid prices where applicable. A consistent approach has been applied to assets and liabilities

- for all Public Works Loan Board debt (PWLB), the premature repayment rate at 31 March 2023 has been used as the discount rate
- the fair values include accrued interest up to and including the valuation date
- there are no investments in equity instruments up to and including the valuation date

Expert professional assistance from the Council's treasury advisers has been used in the assessment of the fair values. The fair values are calculated as follows:

31 March 2022		Fair Value of Financial Assets (Current and Long Term)	31 March 2023	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
0	0	Financial assets	0	0
32,379	32,379	Debtors	16,079	16,079

The Council holds collateral as security against certain lending and debt due. This takes the form of mortgages on dwelling houses for borrowing as "lender of last resort" to assist owners to buy their homes. The fair value of the collateral is £0.360m (2021/22 £0.360m) which is considered to be sufficient to meet the current obligations due. The Council holds no long-term investments. Short-term deposits that mature within 3 months meet the classification of Cash and Cash Equivalents and are accounted for as such; other deposits (maturity between 3 months and 1 year) are disclosed as Financial Assets.

31 March 2022		Fair Value of Financial Liabilities (Current and Long Term)	31 March 2023	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
253,476	291,082	Financial liabilities - borrowing	301,575	307,675
76,318	106,791	PPP and finance lease liabilities	72,904	96,278
68,107	68,107	Creditors	70,696	70,696

The fair value is higher than the carrying amount because the Council's portfolio of borrowing includes a number of financial instruments where the interest rate payable is higher than the rates available for similar borrowing at the balance sheet date. The commitment to pay interest above the current market rates increases the amount the Council would have to pay if the lender requested or agreed to early repayment of the borrowing.

Where an instrument will mature within the next 12 months, the carrying amount is assumed to approximate to fair value. Current financial liabilities are included in the above total. The long-term debtors and creditors held are deemed non-material, and the carrying amount is assumed to approximate to the fair value. Short-term debtors and creditors are carried at cost, as this is a fair approximation of their value.

17. Nature and Extent of Risks Arising from Financial Instruments

a) *Management of Treasury Risk*

The Council's activities expose it to a variety of financial risks:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Council
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments
- **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 risk actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council manages its risk by:

- a full and formal adoption of the requirements of CIPFA's Treasury Management in the Public Services: Code of Practice
- the adoption of written principles for overall risk management and rigorous observance of the written policies and procedures which cover specific areas such as interest rate risk, credit risk and investment of surplus cash

- the management of risk by a central specialist Treasury Management team, which is responsible for all treasury matters and reports directly to the Chief Finance Officer
- continuing professional development by all staff involved in treasury management in line with *TMP10 Training and Qualifications*
- the approval annually in advance of Prudential Indicators for the forthcoming three years, that includes formal limits upon the Council's overall borrowing via the Authorised and Operational Boundaries; maximum and minimum exposures to both fixed and variable rates; and restrictions upon the maturity structure of the Council's debt

b) *Reporting to Elected Members*

Members of the Audit and Risk Management Committee receive regular reports on treasury matters. Before the start of the financial year, Members receive an Annual Treasury Management and Investment Strategy that outlines the approach to managing risk of financial instruments for the forthcoming year. Actual performance is reported in a mid-year report, including any significant variations from the strategy and updated Prudential Indicators. After the year end, and once the final accounts are complete, Members receive an Annual Treasury Report on the year's outturn performance with the outturn Prudential Indicators.

c) *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 exposure to the Council's customers.

This risk is minimised through the Annual Treasury Management and Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as independently assessed by the Council's treasury advisers. The Annual Treasury Management and Investment Strategy also imposes a prudent maximum sum to be invested with a particular financial institution or category of financial institutions.

For 2022/23, the following criteria applied to ensure the Council had a pool of high quality counterparties for investment:

- **Banks 1 – Good Credit Quality**

The Council will only use banks which have at least the following Fitch, Moody's and Standard & Poors credit ratings (where rated), and where the institution is non-UK, where the Sovereign has a minimum long term rating of AAA from all three agencies.

- Short-term - F1
- Long-term - A- (A minus)

UK institutions, which meet the above minimum rating criteria, can continue to be used in the event that the UK Government sovereign rating was reduced from AAA.

- **Banks 2 – Part Nationalised Banks – Lloyds Bank Group and Royal Bank of Scotland Group**

These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.

- **Banks 3**

The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised where possible and maintained in an instantly accessible call account.

- **Building Societies**

The Council will use all Societies that meet the ratings for banks outlined above.

- **UK Government**

Including gilts and the Debt Management Account Deposit Facility (DMADF).

- **Money Market Funds**

Funds used will be 'AAA' rated.

- **Local Authorities**

Investments and deposits at 31 March 2023 totalling £26.400m (2021/22 £27.000m) were placed with banks and Money Market Funds, and held in sterling. All Council lending is with other bodies with triple A rating so the risk of

default is negligible. This total of £26.400m was of a short-term nature and therefore classed as Cash and Cash Equivalents. The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience and adjusted to reflect current market conditions:

31 March 2022	Assets	31 March 2023		
		Amount	Historical experience of non payment adjusted for market conditions	Estimated maximum exposure to default and uncollectability
Estimated maximum exposure to default and uncollectability				
£000		£000	%	£000
		(A)	(B)	(A x B)
27,000	Deposits with banks, building societies and local authorities	26,400	0.0%	0
8,273	Customers (trade debtors excl. Council Tax)	7,413	34.68%	2,571

No credit limits were exceeded during the year. The Council expects full repayment on the due date of deposits placed with its counterparties. The Council does not generally allow credit for customers. At the balance sheet date, a sum of £7.413m (2021/22 £8.273m) was due from sundry debtor income billed to customers and housing benefit overpayments as shown in the table above. The past due amount is analysed by age in the table below. The Council has impaired this income based on its analysis of previous experience.

31 March 2022	Timescale	31 March 2023
£000		£000
4,199	Less than three months	4,389
462	Three to six months	427
719	Six months to one year	749
2,893	More than one year	1,848
8,273	Total	7,413

The Council will assess the risk of default on these debts during the year, and make an appropriate impairment allowance at the balance sheet date. This has been assessed at £2.6m for 2022/23 (2021/22 £2.9m), based on an assessment of sundry debtors and the Council's history of collectability within various categories of customers.

HRA Housing rent arrears of £2.049m (2021/22 £1.915m) existed at the year end. The Council has processes in place to pursue these arrears and has an impairment allowance of £1.627m (2021/22 £1.478m) to recognise the risk attached.

d) **Management of Liquidity Risk**

The Council has a responsive system of safeguards for the management of cash flow that seeks to ensure that cash is available as needed. The Council has ready access to borrowings from the market and the UK Treasury's Public Works Loans Board. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments. The Council has secure 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. The Council sets limits on the proportion of its fixed rate borrowing during specified periods. The Council's policy is to ensure that not more than 20% of borrowing is due to mature within any financial year through a combination of prudent planning of new borrowing and, where it is economic to do so, making early repayments. Any amendments to these policies, whether short-term or long term, require the prior approval of the Council.

The maturity analysis of financial liabilities is shown overleaf:

31 March 2022	Timescale	31 March 2023
£000		£000
87,778	Less than one year	103,265
2,370	Between one and two years	3,000
4,000	Between two and five years	1,000
16,232	Between five and 10 years	16,217
19,732	Between 10 and 15 years	19,728
7,845	Between 15 and 20 years	7,845
3,000	Between 20 and 25 years	3,000
8,319	Between 25 and 30 years	8,319
104,200	Over 30 years	139,200
87,778	Current	103,265
165,698	Non-Current	198,309

All other amounts payable by the Council for trade creditors are due to be paid in less than one year.

e) *Management of Market Risk*

The key area of market risk for the Council is in terms of its exposure to interest rate movements on its borrowings and investments. Changes in interest rates influence the interest payable on borrowings and on interest receivable on surplus fund invested. For example, a rise in interest rates would mean an increase in the interest charged 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.

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 25% 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 daily 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 the restructuring of existing borrowings

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.

31 March 2022	Area of Impact	31 March 2023
£000		£000
	Impact on taxpayer	
(270)	Increase on interest receivable on variable rate lending	(267)
(270)	Net effect on Comprehensive Income and Expenditure Statement	(267)
	Other presentational changes	
44,481	Decrease in the "fair value" of fixed rate borrowing (no impact on the Surplus or Deficit in the Comprehensive Income and Expenditure Statement)	31,634

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

The Council holds a ring fenced Treasury Management Reserve within the General Fund Balance to assist with medium-term fluctuations in borrowing and interest rates.

Other areas of market risk are price risk and foreign exchange risk. The Council has no exposure to these risks through its treasury activities:

- The Council does not invest in equity shares (so called 'available-for-sale' assets) and consequently is not exposed to gains or losses arising from movements in the prices of shares

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

18. Debtors and Prepayments

31 March 2022		Categories	31 March 2023	
Current	Long term		Current	Long term
22,324	0	Central government bodies	8,354	
834	0	Other local authorities	6,085	
186	0	NHS bodies	739	
202	0	Public corporations and trading funds	229	
External to general government:				
1,936		Council Tax	3,397	
1,100		Non-Domestic Rates	2,007	
11,444	129	Other Debtors	7,767	4
14,480	129	Total external to general govt.	13,171	4

No debtors have deferred settlement terms. For impairment, significant individual balances are considered before a collective impairment of all remaining debtors on their age profile. Impairment will apply to all outstanding debt at the balance sheet date for Council Tax and all debts that are over a year past their payment date for sundry debtors. For individual impairment, the authority will consider the known financial circumstances of the debtor and the local economic environment.

19. Creditors

31 March 2022			Categories	31 March 2023		
Current		Long term		Current		Long term
Creditors	Receipts in Advance	Creditors & Receipts in Advance	Creditors	Grants & Receipts in Advance	Grants & Receipts in Advance	
£000	£000	£000	£000	£000	£000	
(9,574)	(8,583)		(5,448)	(7,699)		
(2,989)	(33)		(2,671)	(549)		
(4)	0		(1,726)	0		
(206)	0		(209)	0		
(39,354)	(1,174)	(6,190)	(44,625)	(1,009)	(6,760)	
(52,127)	(9,790)	(6,190)	(54,679)	(9,257)	(6,760)	

20. Provisions

	Current Provisions		Long term Provisions		
	Intermission	Total	Municipal Bank	Insurance	Total
Notes	(1)	(2)	(3)		
	£000	£000	£000	£000	£000
Balance at 1 April 2022	0	0	49	276	325
Additional provisions made in 2022/23	27	27	0	3	3
Amounts used in 2022/23	0	0	0	0	0
Unused amounts reversed in 2022/23	0	0	0	0	0
Balance at 31 March 2023	27	27	49	279	328

Notes:

- (1) This relates to a provision for the potential outcome of outstanding equal pay claims. The detailed information in support of the provision has been updated, and based on this. There are no further costs expected than those held in the provision.
- (2) The Council has closed its Municipal Bank but has provided for future claims on balances.
- (3) An assessment of identified liabilities in respect of insurance claims outstanding against the former Strathclyde Regional Council and Strathkelvin District Council is the basis of this provision. The Council were notified of the inability for a solvent run-off of the former Municipal Mutual Insurance, and this triggered a claw back of previously settled costs, resulting in the potential for increased costs to be met by the Council in future years.

21. Usable Reserves

This note provides details of the balances on the reserves that form 'Usable Reserves' on the Balance Sheet.

31 March 2022	Usable Reserves	31 March 2023
£000		£000
31,694	General Fund Balance	49,778
10,421	HRA Balance	9,298
1,000	Capital Fund - HRA	1,000
3,631	Capital Fund	1,346
250	Central Energy Efficiency Fund	255
568	Vehicle Renewal & Repair Fund	568
47,564	Total Usable Reserves	62,245

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement. A significant proportion of the General Fund balance, shown in the Movement in Reserves Statement, has been earmarked to fund specific projects in future years.

The amounts set aside for earmarked reserves are shown in the following table:

General Fund Balances	Balance at 31/03/2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31/03/2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31/03/2023
	£000	£000	£000	£000	£000	£000	£000
External funding carried forward to complete projects	90	(90)	0	0	0	0	0
Service Commitments to ongoing projects	1,303	(1,303)	1,968	1,968	(1,968)	3,308	3,308
Job Evaluation - OP	234	0	0	234	(234)	0	0
Job Evaluation - SOM (Trust)	25	0	0	25	(25)	0	0
Winter Contingency	150	0	0	150	(150)	0	0
EU Exit	50	(50)	0	0	0	0	0
Funding for Covid Recovery	9,082	(9,082)	0	0	0	0	0
Discretionary Fund Grants	0	0	177	177	(177)	0	0
Summer School Meal Payments Shortfall	0	0	94	94	(94)	0	0
Business Support and Low Income Households	0	0	1,630	1,630	(1,630)	0	0
Child Bridging Payments	0	0	417	417	(417)	0	0
Self Isolation Support Grants	0	0	305	305	(305)	0	0
Cost of Living Support	0	0	1,500	1,500	(1,500)	0	0
Commitment to Costs of Change and Recovery	2,489	0	2,543	5,032	0	3,900	8,932
Commitment to budget pressures	3,604	(3,604)	6,970	6,970	(6,970)	24,688	24,688
Total Earmarked Reserves	17,027	(14,129)	15,604	18,502	(13,470)	31,896	36,928
Prudential Reserve	8,077	(5,038)	0	3,039	0	0	3,039
Treasury Management Reserve	3,290	(1)	0	3,289	0	0	3,289
Contingency Reserve	5,299	0	565	5,864	0	658	6,522
Uninsured Losses Reserve	1,350	(350)	0	1,000	(1,000)	0	0
Total Non-Earmarked Reserves	18,016	(5,389)	565	13,192	(1,000)	658	12,850
Total General Fund Balance	35,043	(19,518)	16,169	31,694	(14,470)	32,554	49,778

Service Commitments to Ongoing Projects – This represents the continuation of commitments matched to funding within services to ensure continuity and completion.

Commitment to Cost of Change & Recovery – Earmarked balances are included to support the future work of the Council to transform its activities to operate within a reduced financial envelope.

Commitment to Budget Pressures – Balances are earmarked to underwrite the financial gap identified at the budget to mitigate risk and ensure prudence.

22. Unusable Reserves

31 March 2022	Unusable Reserves	31 March 2023
£000		£000
(2,205)	Financial Instruments Adjustment Account	(2,013)
301,762	Capital Adjustment Account	258,996
134,955	Revaluation Reserve	136,608
(87,095)	Pensions Reserve	(28,120)
(7,403)	Employee Statutory Adjustment Account	(7,846)
340,014	Total Unusable Reserves	357,625

a) 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. The Council uses the Account to manage premiums paid on the early redemption of borrowing. 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 borrowing when it was redeemed.

31 March 2022	Financial Instruments Adjustment Account	31 March 2023
£000		£000
(2,396)	Balance at 1 April	(2,205)
191	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	192
(2,205)	Balance at 31 March	(2,013)

b) 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 additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

31 March 2022	Capital Adjustment Account	31 March 2023
312,603	Balance at 1 April	269,599
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):	
(34,169)	Charges for depreciation and impairment of assets	(35,261)
(15,178)	Valuation movements on Property, Plant and Equipment	(4,012)
(663)	Amortisation of intangible assets	(866)
(1,137)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(2,094)
(45,441)	Net written out amount of the cost of non-current assets consumed in the year	(37,577)
	Capital financing applied in the year:	
440	Use of the Capital Receipts Reserve to finance new capital expenditure	1,270
19,628	Capital grants and contributions credited to the CIES that have been applied to capital financing	13,489
2,000	Use of the Capital/Other funds to finance capital expenditure	3,000
9,932	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	5,156
2,600	Capital expenditure charged against the General Fund and HRA balance (CFCR)	4,059

c) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost; used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2022	Revaluation Reserve	31 March 2023
£000		£000
142,812	Balance at 1 April	134,955
(2,151)	Revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services	6,309
(4,974)	Difference between fair value depreciation and historical cost depreciation	(4,513)
(732)	Accumulated gains on assets sold or scrapped	(143)
134,955	Balance at 31 March	136,608

d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement (CIES) as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The credit balance on the Pensions Reserve is after an asset ceiling calculation applied in 2022/23 for the first time to reflect an assumption of the minimum funding requirement relating to future service being assumed to be paid indefinitely rather than for the actuarial future lifetime of active members. The assets reflect the contributions made to the scheme to date and the returns on the investments made using those contributions. On this basis, the credit balance is not held to represent a significant risk to the Council's finances.

31 March 2022	Pensions Reserve	31 March 2023
£000		£000
(171,215)	Balance at 1 April	(87,095)
107,831	Actuarial gains or (losses) on pension assets and liabilities	247,216
0	Pension asset derecognition (asset ceiling)	(167,286)
(41,191)	Reversal of items relating to net charges for retirement benefits charged to Surplus or Deficit on the Provision of Services in the CIES	(40,132)
17,480	Employer's pension contributions paid to Strathclyde Pension Fund	19,177
(87,095)	Balance at 31 March	(28,120)

e) 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 due but not used by 31 March. Statutory arrangements require that the impact on the General Fund Balance be neutralised by transfers to or from the Account.

31 March 2022	Employee Statutory Adjustment Account	31 March 2023
£000		£000
(7,399)	Balance at 1 April	(7,403)
7,399	Settlement or cancellation of accrual made at the end of the preceding year	7,403
(7,403)	Amounts accrued at the end of the current year	(7,846)
(4)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(443)
(7,403)	Balance at 31 March	(7,846)

23. Grant Income

The Council credited the following grants to the CIES in the financial years shown:

2021/22	Credited to Services (within Net Cost of Services in the CIES)	2022/23
£000		£000
15,257	Education	13,826
20,493	Social Work	20,787
13,089	Housing Benefits	12,420
1,560	Other	2,184
50,399	Total	49,217

24. Related Parties

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

- Central Government
- Members
- Officers
- Other Public Bodies
- Entities controlled or significantly influenced by the Council

a) Central Government

Central government, in the form of Scottish Government, has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates and provides the majority of its funding, particularly through General Revenue Grant (GRG) and the Non-Domestic Rate Pool (NDR). The Scottish Government also prescribes the terms of many of the transactions the Council has with other parties, e.g. Council Tax rebates.

b) Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2022/23 is shown in the Remuneration Report.

Services to the value of £1.315m (2021/22 £4.988m), were commissioned from business, charitable, community and health organisations in which four members had an interest. Contracts were entered into in full compliance with the Council's standing orders. Grants totalling £0.015m (2021/22 £0.055m) were paid to community organisations in which three members declared an interest. This included Covid business support grants which were paid by the Council acting on behalf of the Scottish Government. Members' interests are recorded in their profiles on the Council's website.

c) Officers

No services were commissioned from, or grants paid to, bodies in which senior officers declared an interest.

d) Other Public Bodies (subject to common control by Central Government)

In accordance with Scottish Government protocols, the Council receives substantial funding in resource transfer from the NHS Greater Glasgow and Clyde, mainly in relation to the community care costs incurred as a result of the historic closure of NHS facilities. The East Dunbartonshire Health and Social Care Partnership (HSCP) went live on 3 September 2015, with the following services being delivered by the HSCP on behalf of the Integration Joint Board: Adult Community Health and Social Care Services; NHS Community Children's Services (from 11 August 2016); Children's Social Work Services (from 11 August 2016); and Criminal Justice Social Work Services.

e) Entities Controlled or Significantly Influenced by the Council

The Council has subsidiaries over which it has control, a joint venture that it shares control with NHS Greater Glasgow & Clyde and associate companies over which it exerts significant influence. These entities and material transactions with them in financial year 2022/23 are detailed below. Further disclosure of these entities is made within the Group Accounts. The net value of the Council's transactions with its subsidiaries is as follows:

2021/22		As at 31 March 2022		Entities	2022/23		As at 31 March 2023	
Expend.	Income	Debtor	Creditor		Expend.	Income	Debtor	Creditor
6,333	(2,102)	607	(405)	East Dunbartonshire Leisure and Culture Trust	6,321	(2,744)	953	(554)
333	0	0	(36)	Mugdock Country Park Joint Management Committee	323	0	0	(5)
6,666	(2,102)	607	(441)	Total	6,644	(2,744)	953	(559)

The Integration Joint Board (East Dunbartonshire Health & Social Care Partnership) managed services to a value of £96.006m (2021/22 £82.823m) on behalf of the Council. These are included in the Adult Social Care and Children & Families lines in the CIES. More information on the IJB is included in **Note 4b** of the Group Accounts.

The net value of the significant Council transactions with its associated bodies is as follows:

2021/22		As at 31 March 2022		Associated Bodies	2022/23		As at 31 March 2023	
Expend.	Income	Debtor	Creditor		Expend.	Income	Debtor	Creditor
£000	£000	£000	£000		£000	£000	£000	£000
3,682	0	265	(38)	Strathclyde Partnership for Transport	3,817	0	315	0
229	0	0	0	Strathclyde Concessionary Travel Joint Board	228	0	0	0
697	0	0	0	Dunbartonshire and Argyll and Bute Valuation Joint Board	768	0	0	0
159	0	0	0	SEEMIS LLP	179	0	0	0
84	0	0	0	Scotland Excel	86	0	0	0
52	0	0	0	Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee (Clyde Plan)	68	0	0	0
76	0	0	0	Glasgow and Clyde Valley Cabinet (City Deal)	79	0	0	0
20	0	0	(20)	Gateway Shared Services (Continuing Education Gateway)	20	0	20	0
6,488	0	0	(10)	Hub West Scotland Limited	1,848	0	0	(220)
11,487	0	265	(68)		7,093	0	335	(220)

25. Leases

East Dunbartonshire Council as Lessor

Operating Leases

The Council has granted commercial leases for properties to various tenants on a range of lease terms. These arrangements are accounted for as operating leases. The rental income receivable in 2022/23 was £1.095m (£1.053m 2021/22) and is included in the Comprehensive Income and Expenditure Account. The rents receivable in future years under these non-cancellable leases are shown in the table below.

31 March 2022	Timescale	31 March 2023
(1,271)	Not later than one year	(1,271)
(1,381)	Later than one year and not later than five years	(1,381)
(963)	Later than five years	(1,018)

East Dunbartonshire Council as Lessee

Finance Lease

During 2019/20, as part of the Clyde Valley Waste Refuse collection project with another 4 councils, the Council entered into a finance lease for a waste recycling plant. The rentals payable in future years will be included in the CIES.

31 March 2022	Timescale	31 March 2023
£000		£000
95	Not later than one year	94
361	Later than one year and not later than five years	383
2,554	Later than five years	2,437
3,010	Total	2,914

Operating Leases

The Council leases vehicles on a variety of lease terms that are accounted for as operating leases. The rentals payable in 2022/23 were £0.063m (2021/22 £0.144m) and the rentals have been included in the CIES.

The future rental payments due under non-cancellable leases in future years are as shown in the following table. These figures do not include rents that are contingent upon events taking place after the lease was entered into, such as adjustments following rent reviews.

31 March 2022	Timescale	31 March 2023
53	Not later than one year	115
37	Later than one year and not later than five years	38

The Council leases land and buildings that are also accounted for as operating leases. The rentals payable in 2022/23 were £0.139m and the rentals have been included in the CIES.

The future rental payments due under non-cancellable leases in future years are as shown in the following table. These figures do not include rents that are contingent upon events taking place after the lease was entered into, such as adjustments following rent reviews.

31 March 2022	Timescale	31 March 2023
122	Not later than one year	115
164	Later than one year and not later than five years	174
1,100	More than 5 years	1,101

26. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPA) on behalf of the Scottish Government. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a multi-employer defined benefit scheme and consequently the Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of these Annual Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

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 benefits. The Scottish Government holds a specific amount for this purpose.

In 2022/23, the Council was due to pay £14.767m in respect of teachers' retirement benefits; the employer contribution rate for teachers per the STSS was 23.0% of pensionable pay effective from 1 September 2020. The figures for 2021/22 were £14.221m and 23.0%. The Council paid over £12.546m to the Scottish Government in respect of 2022/23 contributions (2021/22 £11.849m), leaving a balance of £2.221m to be paid over at the balance sheet date (2021/22 £2.371m).

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis. There were no such payments in 2022/23 or 2021/22.

The employer's contributions due to be paid in the next financial year are estimated to be £14.910 million.

27. Defined Benefit Pension Schemes

a) *Participation in Pension Schemes*

As part of the terms and conditions of employment of employees, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be accounted for and disclosed at the time the employees actually earn their future entitlement. The Council participates in the following post-employment schemes:

- **The Local Government Pension Scheme**, operated as Strathclyde Pension Fund and administered by Glasgow City Council (in accordance with the *Local Government Pension (Scotland) Regulations 1998*). This is a funded defined benefit statutory scheme, meaning that the Authority 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.
- **Unfunded teachers' pension schemes** were in existence prior to the Local Government Reorganisation of 1996. These are defined benefit schemes and are administered as part of the Strathclyde Pension Fund. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

b) Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment and/or retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement.

The table below provides detail on the pension costs charged to the CIES and the General Fund Balance via the Movement in Reserves Statement. This information has been provided for the Council by the actuaries Hymans Robertson, contracted by Glasgow City Council to provide all IAS19 calculations on behalf of the authorities within the Strathclyde Pension Fund.

2021/22	Comprehensive Income and Expenditure Statement	2022/23
	£000 Cost of Services:	£000
37,566	Current service cost	37,534
0	Past service costs (incl. curtailments)	0
0	(Gain)/loss from settlements	0
	Financing and Investment Income and Expenditure	
3,625	Net interest expense	2,598
41,191	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	40,132
	Other Post-employment Benefits charged to Other Comprehensive Income and Expenditure	
(42,109)	Expected return on scheme assets	34,064
(5,528)	Actuarial (gains) and losses arising on changes in demographic assumptions	(19,873)
(60,968)	Actuarial (gains) and losses arising on changes in financial assumptions	(312,392)
0	Pension asset derecognition (asset ceiling)	167,286
774	Other (if applicable)	50,985
(107,831)		(79,930)
(66,640)	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(39,798)

2021/22	Movement in Reserves Statement	2022/23
	£000	£000
(41,191)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(40,132)
17,480	Employers' contributions payable to scheme	19,177
(23,711)	Amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations	(20,955)

The current service cost was provided as a total for the Council by the actuaries. The Council allocated this cost to the appropriate service divisions using an estimation technique. The technique chosen was to allocate pro rata to the pensionable pay per service division.

c) Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Pension Assets and Liabilities	31 March 2022	31 March 2023
	£000	£000
Fair Value of Employer Assets	797,160	791,448
Present Value of Defined Benefit Liability*	(884,255)	(652,282)
Pension Asset Derecognition (Asset Ceiling)	0	(167,286)
Unfunded liabilities for Pension Fund	40,051	31,115
Teachers' unfunded pensions	24,106	19,684
Unfunded liabilities prior to 1996 local government reorganisation	5,289	4,468

The liabilities show the underlying commitments that the authority has in the long run to pay post-employment benefits. The net liability of £28.120m has had an impact on the net worth of the authority, resulting in an improvement of £58.975m in the Council's balance sheet position.

The figures above reflect the position at the latest formal valuation at 31 March 2023. High corporate bond yields have resulted in high accounting discount rates and these have caused a significantly lower valuation of the pension obligations compared to last year's accounts. Obligations were also reduced due to a decrease in expected longevity for pensioners. These factors would have resulted in a significant net pension asset but this has been reduced, or derecognised, by £167.286m due to an asset ceiling calculation of the extent to which the Council could recover the asset through reduced contributions. It will be seen that there are also £55.267m of unfunded liabilities in the scheme. Statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy as any deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, i.e. before payments fall due, as assessed by the scheme actuary. This is assessed at the formal funding valuation, carried out every three years, which ensures that any future contributions are adjusted to enable future benefits to be met. The latest formal funding valuation was as at 31 March 2023 and finance is only required to be raised to cover discretionary benefits when the pensions are actually paid

d) Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2021/22	Scheme Liabilities	2022/23
£000		£000
911,912	Opening Balance at 1 April	884,255
37,566	Current Service Cost	37,534
18,434	Interest Cost	24,137
4,362	Contributions by Scheme Participants	4,864
	Remeasurement (gains) and losses:	
(5,528)	Change in demographic assumptions	(19,873)
(60,968)	Change in financial assumptions	(312,392)
774	Other experience	56,620
0	Past Service Costs / (Gains)	0
0	Liabilities extinguished on Settlement	0
(3,429)	Estimated Unfunded Benefits Paid	(3,463)
(18,868)	Estimated Benefits Paid	(19,400)
884,255	Closing Balance at 31 March	652,282

e) **Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets**

2021/22	Scheme Assets	2022/23
£000		£000
740,697	Opening Balance at 1 April	797,160
14,809	Interest Income on Plan Assets	21,539
	Remeasurement gain / (loss):	
42,109	Expected Rate of Return on Pension Fund Assets	(34,064)
4,362	Contributions by Scheme Participants	4,864
14,051	Contributions by the Employer	15,714
3,429	Contributions re Unfunded Benefits	3,463
0	Remeasurements - Other Experience	5,635
(3,429)	Unfunded Benefits Paid	(3,463)
(18,868)	Benefits Paid	(19,400)

The expected return on scheme assets is determined by considering the long-term future expected return for each individual class of asset at the beginning of the period i.e. as at 31 March 2022.

f) **Local Government Pension Scheme assets comprised:**

2021/22	Fair Value of Scheme Assets	2022/23
£000		£000
20,284	Cash and Cash Equivalents	14,994
	Equities Securities:	
37,344	Consumer	35,505
35,127	Manufacturing	44,132
8,296	Energy and Utilities	3,961
21,954	Financial Institutions	16,849
26,638	Health and Care	28,153
46,289	Information Technology	27,369
0	Debt Securities: Corporate Bonds (non investment grade)	0
156,055	Private Equity	194,529
67,227	Real Estate: UK Property	65,254
	Investment Funds and Unit Trusts	
295,176	Equity	262,280
80,512	Bonds	91,275
274	Commodities	309
700	Infrastructure	5,082
1,284	Other	1,757
	Derivatives	
0	Foreign Exchange	(1)
0	Other	0
797,160	Total	791,448

31 March 2022	Pension Fund assets by Category	31 March 2023
79%		78%
10%		12%
8%		8%
3%		2%
0%	Debt	0%

g) Basis for Estimating Assets and Liabilities

The Council's share of the liabilities of The Strathclyde Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net asset has been assessed using the 'projected unit method', that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. It should be noted that these pension disclosures also include the pension liabilities for Mugdock Country Park Management Committee, which cannot be separately identified from the actuarial valuations obtained.

The Fund's asset has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2023. The significant assumptions used by the actuary are shown in the tables below. This includes a sensitivity analysis for the pension obligation based on reasonably possible changes of these assumptions occurring at the reporting date.

31 March 2022	Longevity at 65 for current pensioners (years):	31 March 2023
19.6	Men	19.4
22.4	Women	22.0

31 March 2022	Longevity at 65 for future pensioners (years):	31 March 2023
21.0	Men	20.0
24.5	Women	23.8

31 March 2022	Financial assumptions	31 March 2023
3.90%	Rate of increase in employee earnings	3.65%
3.20%	Rate of increase in pensions / inflation	2.95%
2.70%	Rate for discounting scheme liabilities	4.75%

h) Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivities at 31 March 2023	Approximate % Increase to Employer Obligation	Approximate Monetary Amount £'000
0.1% decrease in Real Discount Rate	2%	10,075
0.1% increase in the Salary Increase rate	0%	952
0.1% increase in the Pension Increase rate	1%	9,272

The principle demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. 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 predominantly apply at younger or older ages).

i) Impact on the Council's Cash Flows

The objectives of the Fund are to keep employer's contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating local authorities. Employer's contributions have been set at 19.3% for the three years from 1 April 2021.

The pension expense for the period to 31 March 2023 and the projected pension expense for the year to 31 March 2024 allow for the LGPS career average revenue earnings (CARE) benefit design. The figures are based on Hymans' understanding of the provisions of the Fund and are subject to change as any changes are made to the fund.

The total employer's contributions expected to be made by the Council to Strathclyde Pension Fund in the year to 31 March 2024 is £15.714m (£14.051m to 31 March 2023).

The assumed weighted average duration of the defined benefit obligation is 19 years, effective as at the previous formal valuation as at 31 March 2020 (this is different from the mortality assumptions quoted in the table above in "Basis for Estimating Assets and Liabilities").

j) **Post-Employment Benefits – Joint Boards**

Local government legislation provides that local authorities have an obligation to meet the expenditure of Joint Boards of which they are constituent members. These bodies form part of the Council's Group Accounts. Consequently, East Dunbartonshire Council has additional liabilities arising from the pension deficits of:

- Dunbartonshire and Argyll and Bute Valuation Joint Board
- Strathclyde Partnership for Transport

In accordance with the accounting regulations, the Group Financial Statements include the pension liability of the above boards. Further information regarding these deficits can be found in the Annual Report and Accounts of the relevant bodies and in the Group Financial Statements.

28. Financial Guarantees

As sponsoring authority, East Dunbartonshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to East Dunbartonshire Leisure and Culture Trust relating to its membership of the Local Government Pension Scheme (LGPS), administered by Glasgow City Council, should it cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded liabilities with regard to the *Local Government Pension Scheme (Administration) (Scotland) Regulations 2008*, the *Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008*, the *Local Government (Transitional Provisions) (Scotland) Regulations 2008* and (if applicable) the *Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998*. As the degree of control the Council has over the Trust means it is defined as a subsidiary of the Council using the criteria for group accounts and as the Council provides most of the Trust's funding, the Council should be able to prevent any events which would require this guarantee to be met.

29. Accounting Policies

a) **General Principles**

The Annual Accounts summarise the Council's transactions for the 2022/23 financial year and its position at the year end of 31 March 2023. The Council is required to prepare Annual Accounts by the *Local Authority Accounts (Scotland) Regulations 2014*. Section 12 of the *Local Government in Scotland Act 2003* requires these to 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*, supported by International Financial Reporting Standards (IFRS).

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

b) **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

c) *Accruals of Income and Expenditure*

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

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council
- Revenue from the provision of services is recognised when the Council has discharged its performance obligations under its contract with the customer
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or a creditor for the relevant amount is recorded in the Balance Sheet. Where debts might not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- Revenue from contracts is recognised reflecting the transfer of goods or services to the recipient at the amount that the Council expects to be entitled to in exchange for those goods or services
- Other revenue is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council

d) *Business Improvement District*

A Business Improvement District (BID) scheme applies in Milngavie town centre. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Authority acts as an agent under the scheme and BID transactions are not recognised in the Comprehensive Income and Expenditure Statement, and are treated as Balance Sheet items in accordance with the Code.

e) *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 the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

f) *Charges to Revenue for Non-Current Assets*

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the non-current assets used by the relevant service
- Revaluation and impairment losses on non-current assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible non-current assets attributable to the service

g) *Employee Benefits*

Benefits payable during employment

Short-term employee benefits such as wages and salaries and paid annual leave for current employees are recognised as an expense for services in the year in which employees render service to the Council. An accrual is

made for the value of holiday entitlements earned by employees but not taken before the year end, which employees can carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employment before the normal retirement date or an employee's decision to accept voluntary redundancy. Termination benefits are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to providing the termination benefits.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-employment Benefits

The Council participates in two formal pension schemes: the Local Government Pension Scheme, which is administered by Strathclyde Pension Fund; and the Scottish Teachers' Superannuation Scheme, administered by the Scottish Government.

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

- Attributable assets are measured at fair value at the balance sheet date, after deducting accrued expenses. Attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the Council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the Scheme are recorded as creditors due within one year
- For Pension charges, the change in defined benefit asset or liability is analysed and charged to the Comprehensive Income and Expenditure Statement as follows:
 - Current service cost, past service cost and gains/losses on curtailments and settlements are included in Cost of Services
 - Net interest on the net defined benefit liability is included within Financing and Investment Income and Expenditure

The nature of the teachers' scheme prevents the Council's individual share of the pension liability from being individually separated. The scheme is therefore accounted for as if it were a defined contribution scheme.

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and are accounted for using the same policies as are applied to the Local Government Pension Scheme.

h) *Events after the Reporting Period*

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. An adjustment is made to the financial statements where there is evidence that the event existed at the end of the reporting period; otherwise, the financial statements are not adjusted and, where the amount is material, a disclosure is made in the notes.

i) *Fair Value Measurement*

The Council measures its assets and liabilities in accordance with *IFRS13 Fair Value Measurement*. This is particularly relevant in the following areas:

- Surplus assets are measured at fair value, applying fair value hierarchy
- Financial instruments, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Further detail is provided in relevant accounting policies and disclosure notes for these areas.

j) *Financial Instruments*

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. For the majority of borrowing that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest, and interest charged to the Comprehensive Income and Expenditure Statement (CIES) is the amount payable for the year according to the loan agreement.

Costs associated with debt restructuring (premiums and discounts) are credited and debited to the Financing and Investment Income and Expenditure line in the CIES in the year of repayment of original debt in line with accounting regulations. Where premiums and discounts have been charged to the CIES, Scottish Government regulations allow the impact on the General Fund Balance to be spread over future years in line with any replacement loan.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The financial assets of the Council consist of lending and debtors, are recognised in the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. For the Council's short-term deposits and most of its other lending, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest, and interest credited to the Comprehensive Income and Expenditure Statement (CIES) is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

k) *Government Grants and Contributions*

These are recognised as due to 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 CIES until conditions attached to the grant or contribution have been satisfied. 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 (revenue grants) or Taxation and Non-specific Grant Income (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.

l) *Heritage Assets*

The Council holds and conserves heritage assets for future generations principally for their contribution to knowledge and culture. There are five main types of collections of Heritage Assets and these are held at numerous locations within the Council's boundary, unless specified below:

- Artwork & Exhibits - held at galleries and museums including Lillie Art Gallery and Auld Kirk Museum
- Archives - held at William Patrick Library and Brookwood Library
- Civic Regalia - held at Civic offices
- Memorials/Monuments
- Listed Buildings and Scheduled Ancient Monuments

As a general policy, Heritage Assets are recognised on the Balance Sheet where the authority has information on the cost or value of the asset. Where information on cost or value is not available, and the cost of obtaining the information outweighs the benefits to the users of the financial statements, the asset is not recognised on the Balance Sheet.

The carrying amount of Heritage Assets is reviewed where there is evidence of impairment, e.g. where an item has suffered physical deterioration or breakage, or where doubt arises as to authenticity. Any impairment is recognised and measured in accordance with the Council's policy on impairment. It is likely that disposals of Heritage Assets will be made only occasionally. Where this does occur, the proceeds are accounted for in accordance with the Council's general provisions relating to disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements.

m) *Intangible Assets*

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected it will bring benefits to the Council for more than twelve months. Intangible assets are measured initially at cost. Amounts are not revalued, as the value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement (CIES).

n) *Interests in Companies and Other Entities*

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities and require it to prepare group accounts.

o) *Inventories and Long-term Contracts*

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Work in progress, in relation to construction contracts, is calculated using the percentage completion method. Contract revenue is matched with contract costs incurred in reaching the state of completion at the balance sheet date.

p) *Leases*

The Council as Lessee

Operating Leases

Rentals paid under operating leases are charged to the relevant service account in the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased asset over the term of the lease.

The Council as lessor

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES.

q) *Overheads and Support Services*

Support services will not be recharged although the costs of services provided by the Council will be charged to separate accounts such as the Housing Revenue Account and Mugdock Country Park. The costs of support and other services will be allocated in government returns as required.

In accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2021/22*, transactions between Council service areas are not reported in the service analysis section of the Comprehensive Income and Expenditure Statement. Where expenditure is incurred by a service on behalf of another, this expenditure and the consequent income is removed from the CIES. This also applies to revenue expenditure that has been charged to capital.

r) *Property, Plant and Equipment*

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of the asset is charged as an expense when it is incurred.

Measurements

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Assets under construction are measured at cost. Where an asset is acquired via an exchange, the cost of the acquisition is deemed to be equivalent to the carrying amount of the asset given up by the Authority.

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 (CIES), unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset (e.g. schools), depreciated replacement cost (DRC) is used as an estimate of value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Examples of such assets are computers, vehicles, and other plant and equipment.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years.

Impairment

The Council recognises the impairment of non-current assets, and any material reduction in asset value as a result of changing market conditions or clear consumption of an asset is recognised in the Comprehensive Income and Expenditure Statement only to the extent that the loss exceeds the balance on the Revaluation Reserve relating to the specific asset. An impairment review is conducted annually as part of the Council's revaluation programme.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). No depreciation is charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.

Depreciation is calculated on a straight-line basis over the following maximum number of years:

Category	Maximum number of years used for purposes of depreciation
Buildings and their various components	70
Infrastructure: Carriageways / lighting / street furniture & traffic management systems, etc.	40
Computer equipment & intangible assets	5
Furniture, fixtures & fittings	5
Operational equipment	10
Vehicles	8

Where a Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and current value less costs to sell. Where there is a subsequent decrease to current value less costs to sell, the loss is posted to the Other Operating Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES). Gains in current value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services.

Disposal and Derecognition of Infrastructure Assets

When a component of an infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals is not a charge against Council Tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Where any part of infrastructure assets are replaced, an adaptation provided in a separate update to the Code assumes that, from the introduction of the IFRS based Code, when parts of an asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

Service Concession Arrangement

The Scottish Government, through statutory regulation in Local Government Finance Circular 10/2022, permits councils to account for the repayments of principal debt charges for PPP arrangements on a basis consistent with the expected useful life of the assets and with the treatment of loans fund charges. This is the best method to reflect the benefits of the assets over their useful lives. The Council has applied this to its PPP arrangement for secondary schools. It has used a useful economic life of 60 years to be prudent.

s) Loans Fund Repayment

In accordance with The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, the Council has recalculated the repayment of the loans fund advances to reflect the life of the assets associated with this debt. This has been calculated on the basis of an asset life of 35 years and an annuity rate of 4%.

t) Public Private Partnerships (PPP) and Similar Contracts

The PPP agreement for the provision of school buildings, their maintenance and other facilities is accounted for in accordance with *International Financial Reporting Interpretations Committee (IFRIC) 12 Service Concession Arrangements*. The Council carries the assets and associated liability to the PPP operator on its balance sheet. The annual amount payable to the PPP operator (the unitary charge) is apportioned between operating costs, interest payments and the repayment of debt. The property, plant and equipment of the PPP scheme are depreciated over the useful life of the assets and the associated liability to the operator is reduced by the principal repayments paid as part of the unitary charge.

u) *Provisions, Contingent Liabilities and Contingent Assets*

Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts; see **Note 4**.

v) *Reserves*

Reserves are created by appropriating amounts out of 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 in that year to be included in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. 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 processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

w) *Revenue Expenditure Funded from Capital Under Statute*

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

x) *Significant Trading Organisations (STO)*

The Council annually reconsiders the classification of its activities in terms of STOs as defined by the *Local Government in Scotland Act 2003*, and has nothing to report for financial year 2022/23.

y) *Agency Services*

The Council receives income from East Dunbartonshire Leisure and Culture Trust for the provisions of services such as support services, property and grounds maintenance and fleet and facilities management and from Scottish Water for billing and collection of domestic water charges.

z) *Value Added Tax (VAT)*

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

30. Critical Judgements in Applying Accounting Policies

In applying the accounting policies above, the Council has to use professional judgement in some areas that have a significant effect on the figures in the financial statements. These critical judgements are outlined below.

Leases

The Council has entered into an arrangement to manage certain land and buildings that are 'Common Good'. After consideration of the tests under *IFRIC4*, this management agreement is deemed to be a finance lease

arrangement on the basis that the Council assumes the risks and rewards of ownership. These assets are included as Property, Plant and Equipment on the Council's balance sheet. A similar judgement was made on the Clyde Valley Waste Treatment Facility in the Leases note.

Property, Plant and Equipment

Assets held at current value are revalued on a 5 year rolling basis. The Council's view is that, at any point in time, the carrying amount does not differ materially from that which would be determined using current value.

Public Private Partnership

The Council has entered in to a Public Private Partnership (PPP) agreement for the provision and maintenance of six secondary school facilities. After consideration of the applicable tests under *IFRIC12*, it has been concluded that these are service concession arrangements as the Council controls the services provided under the scheme and will assume ownership of the schools at the end of the contract for no additional charge. The assets used to provide services at the schools are recognised on the balance sheet of the Council and in the Property, Plant and Equipment note.

Control or Significant Influence over Another Entity

The Council considers it has significant influence over another body if it has the power to participate in or govern the financial and operating policy decisions of the entity. This is considered in more detail in the Group Accounts, in particular Note 2, Group Boundary.

Council Acting as Principal or Agent

Where the Council receives funding it considers 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 acting as an agent this funding is reported in the Agency Services note and is not reflected in the Council's income and expenditure. This had an impact in 2020/21 and 2021/22 given the large amount of funding provided by the Scottish Government through the Council to businesses and individuals affected by the Covid pandemic but was not significant in 2022/23.

Provision or Contingent Liability

Where the Council faces a future liability, where this can be quantified with a reasonable degree of certainty a provision for that liability will be made and reported in the appropriate note. The Council has made provision for pay elements and claims where it has had previous claims to base the provision on. If the liability cannot be quantified, it will be disclosed as a Contingent Liability in the relevant note. As can be seen, most of these involve ongoing or prospective legal action so the outcome and potential amounts involved cannot be determined with any level of accuracy.

Funding

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

31. Future Assumptions and Estimation Uncertainties

The Annual Accounts contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account professional judgement, historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pension Liability	Estimation of the net liability for pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The net liability has decreased by £59.0 million in 2022/23 so the impact could be in the next year or over the longer term.	The effects on the net pension liability of changes in individual assumptions can be measured. Note 28(h) to the Principal Financial Statements includes a sensitivity analysis showing the impact of varying certain assumptions. For instance, a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5% (£19.6m to £32.6m)
Property, Plant and Equipment	The estimation of fair values and the useful lives of assets are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current fiscal climate may require the Council to review current spending levels on asset repairs and maintenance, bringing into doubt fair values and useful lives assigned to assets.	If the useful lives of assets are reduced, depreciation will increase and the carrying value of assets will fall. It is estimated that the annual depreciation charge for buildings would increase by approximately £2.01m for every year that useful lives had to be reduced. Against a value of £423.021m for Other Land and Buildings assets, this would be a variation of 0.475%.

32. Accounting Standards Issued, Not Adopted

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

1. Definition of Accounting Estimates (amendments to IAS 8)
2. Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2)
3. Deferred Tax related to Assets and Liabilities arising from a Single Transaction
4. Updating a Reference to the Conceptual Framework (amendments to IFRS 3)

None are expected to have a material impact on the Council's 2022/23 or 2023/24 financial statements.

33. Cash Flow Statement – Reconciliation of Financing Activities

The tables underneath reconcile the financing activities shown in the cash flow statement to the movements in the balance sheet.

Reconciliation of Liabilities Arising from Financing Activities	Balance as	Financing	Non Cash Flow		Balance as
	at	Cash Flows	Acquisition	Other	at
	31/03/22	2022/23	2022/23	2022/23	31/03/23
	£000	£000	£000	£000	£000
Long-term borrowing	(165,698)	(32,612)	0	0	(198,310)
Short-term borrowing	(87,778)	(15,487)	0	0	(103,265)
Finance lease liabilities, long-term	(2,914)	0	0	94	(2,820)
Finance lease liabilities, short-term	(95)	95	0	(94)	(94)
PPP liabilities, long-term	(69,991)	0	0	2,841	(67,150)
PPP liabilities, short-term	(3,318)	3,318	0	(2,841)	(2,841)
Total liabilities from financing activities	(329,794)	(44,686)	0	0	(374,480)

Reconciliation of Liabilities Arising from Financing Activities	Balance as	Financing	Non Cash Flow		Balance as
	at	Cash Flows	Acquisition	Changes	at
	31/03/21	2021/22	2021/22	Other	31/03/22
	£000	£000	£000	£000	£000
Long-term borrowing	(146,642)	(19,056)	0	0	(165,698)
Short-term borrowing	(63,218)	(24,560)	0	0	(87,778)
Finance lease liabilities, long-term	(3,009)	0	0	95	(2,914)
Finance lease liabilities, short-term	(85)	85	0	(95)	(95)
PPP liabilities, long-term	(73,309)	0	0	3,318	(69,991)
PPP liabilities, short-term	(3,031)	3,031	0	(3,318)	(3,318)
Total liabilities from financing activities	(289,294)	(40,500)	0	0	(329,794)

Housing Revenue Account (HRA)

The HRA reflects the statutory requirement under the *Housing (Scotland) Act 1987* to maintain a separate account for income and expenditure arising from the provision of council housing. 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.

2021/22		Housing Revenue Account		2022/23	
£000				£000	£000
		Income			
(14,773)	Dwelling Rents			(15,782)	
(9)	Non Dwelling Rents			(200)	
(165)	Other Income			(208)	
(14,947)	Total Income				(16,190)
		Expenditure			
3,472	Repairs and Maintenance			4,358	
3,874	Supervision and Management			4,679	
11,729	Depreciation, impairment and revaluation of non-current assets			12,330	
(53)	Movement in the allowance for bad debtors			138	
634	Other Expenditure			970	
19,656	Total Expenditure				22,475
4,709	Net Expenditure				6,285
53	HRA services share of Corporate and Democratic Core				58
4,762	Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement				6,343
0	HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services				0
4,762	Net Cost of HRA Services				6,343
	HRA share of the operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement:				
451	(Gain) or Loss on sale of HRA non-current assets				(346)
1,358	Interest payable and similar charges				1,810
(15)	Interest and investment income				(172)
50	Pension interest cost and expected return on pension assets				36
(3,296)	Capital Grants and Contributions				(3,066)
3,310	(Surplus) or deficit for the year on HRA services				4,605

Movement on the HRA Statement – The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the 1987 Act.

2021/22		2022/23
	3,310 (Surplus) or deficit for the year on the HRA Income and Expenditure Statement	4,605
	Adjustments between accounting basis and funding basis under statute:	
(11,729)	Depreciation, impairment and revaluation of non-current assets	(12,330)
(451)	Gain or loss on sale of HRA non-current assets	346
36	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	40
(360)	Net charges made for retirement benefits in accordance with IAS19	(347)
1,819	Loans fund principal	1,743
2,600	Capital expenditure funded by the HRA	4,000
3,296	Capital Grants and Contributions	3,066
	(4,789) Total Adjustments between accounting basis and funding basis under statute:	(3,482)
		0

Notes to the Housing Revenue Account

1. Number and Type of Dwelling

Dwellings			
Bungalow	6	0	6
Semi-Detached	679	14	693
Detached House	7	0	7
Terraced House	1,103	5	1,108
Flats			

In 2022/23 there were 54 new properties (47 new build and 7 open market purchases). There was also one full disposal during the year.

2. Arrears and Impairment Loss Allowance

2021/22		2022/23
£000	Arrears as at 31 March	£000
817	Former Tenants	940
1099	Current Tenants	1109
1,916	Total	2,049
	Impairment Loss Allowance as at 31 March:	
1,478	Total provision in respect of uncollectable rents	1,627

3. Void Rent Loss

Rent loss in relation to housing and garages was £0.516m in 2022/23 (£0.212m 2021/22).

Council Tax Income Account

a) Statutory Background

The Council Tax Income Account (Scotland) shows the gross income raised from Council Taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the authority.

Council Tax is payable on any dwelling which is not an exempt dwelling (prescribed by an order made by the Scottish Government). The amount of Council Tax payable depends on the valuation band of the dwelling.

b) Council Tax Income Account

2021/22		2022/23
	£000	£000
80,105	Gross Council Tax levied and contribution in lieu	83,068
	Less:	
(4,858)	Council Tax Reduction Scheme	(5,055)
(7,635)	Other discounts and reductions	(8,092)
(1,040)	Write-off of uncollectable debts and allowance for impairment	366
962	Prior year adjustments	451
(161)	Transfer to Reserve	(185)
67,373	Net Council Tax Income Transferred to General Fund	70,553

c) Calculation of the Council Tax Base (shown as numbers of properties)

	A Disabled	A	B	C	D	E	F	G	H	Total No. of Properties
Properties	0	1,092	3,701	8,514	8,769	10,746	7,354	7,195	668	48,039
Exemptions	0	(73)	(144)	(261)	(208)	(231)	(118)	(99)	(6)	(1,140)
Chargeable Dwellings	0	1,019	3,557	8,253	8,561	10,515	7,236	7,096	662	46,899
Disabled Reductions		(1)	(9)	(45)	(51)	(99)	(77)	(57)	(4)	(343)
Effectively Chargeable	1	9	45	51	99	77	57	4	0	343
Adjusted Chargeable Dwellings	1	1,027	3,593	8,259	8,609	10,493	7,216	7,043	658	46,899
Discounts (50% or reduced)		(9)	(58)	(83)	(76)	(78)	(37)	(33)	(7)	(381)
Single Discount (25%)		(681)	(2,086)	(3,810)	(3,138)	(2,986)	(1,630)	(1,171)	(71)	(15,573)
Total Equivalent Dwellings	1	852	3,043	7,265	7,786	9,708	6,790	6,734	637	42,816
Ratio to Band D	$\frac{200}{360}$	$\frac{240}{360}$	$\frac{280}{360}$	$\frac{320}{360}$	$\frac{360}{360}$	$\frac{473}{360}$	$\frac{585}{360}$	$\frac{705}{360}$	$\frac{882}{360}$	--
Band D Equivalents	1	568	2,366	6,458	7,786	12,755	11,034	13,187	1,560	55,715
										Contributions in lieu
										0
										Total
										55,715
										Provision for bad debts
										(711)
										Council Tax Base
										55,004

The numbers in the above table reflect the position as at March 2023.

d) The Nature and Actual Amount of Each Charge Fixed

Dwellings fall within a valuation band from A to H, which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax base, i.e. Band D equivalents. This value is then decreased or increased dependent on the band of the individual dwelling. The Band D charge for 2022/23 was £1,348 (2021/22 £1,309).

	A	B	C	D	E	F	G	H
Annual Charge	£899	£1,049	£1,198	£1,348	£1,771	£2,191	£2,640	£3,303

Non-Domestic Rate Income Account

a) Statutory Background

Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for the area. The non-domestic rate (NDR) poundage is determined by the Scottish Government.

The NDR Account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate NDR Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national Non-Domestic Rate pool. The account shows the rates collected from non-domestic ratepayers during the year. Actual rates collected locally are shown below.

b) Non-Domestic Rates Income Account

2021/22		2022/23
£000		£000
33,094	Gross Rates levied and contributions in lieu	33,786
	Less:	
(14,741)	Reliefs and other deductions	(9,488)
0	Payment of Interest	0
(249)	Write-offs of uncollectable debts and allowance for impairment	(530)
18,104	Net Non-Domestic Rates Income	23,768
(1,117)	Prior year adjustment	(818)
0	Non domestic rates income retained by the authority	0
16,987	Contribution to national non domestic rate pool	22,950
(13,355)	Distribution from national non domestic rate pool (CIES)	(17,675)
3,632	Net contribution to/(from) national non domestic rate pool	5,275

c) The Nature and Actual Amount of Each Rate Fixed

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 Scottish Government. The Non-Domestic Rate poundage for 2022/23 was 49.8p (2021/22 49.0p).

Small businesses with cumulative rateable values of £15,000 or less are eligible for a discount on the rate of poundage of 100%; small businesses with cumulative rateable values from £15,001 to £18,000 are eligible for a discount of 25%. Businesses with two or more properties with cumulative rateable values of £35,000 or less are eligible for a discount of 25% on any individual property with a rateable value of £18,000 or less.

Properties with a rateable value from £51,001 to £95,000 pay a supplement of 1.3p on the rate poundage; properties with a rateable value over £95,000 pay a supplement of 2.6p.

d) Analysis of Rateable Values and Number of Premises as at 1 April 2022

	Number of Subjects	Rateable Value
Total	2,583	65,847

e) Movement in Rateable Values in 2022/23

2021/22		2022/23
£000		£000
66,558	Rateable Values at 1 April	65,847
(711)	Running Roll (full Rateable Value)	7,810
65,847	Rateable Values at 31 March	73,657
64,766	Net Rateable Values at 31 March	72,576

2022 was a revaluation year, and new rateable values applied with effect from 1 April 2022. The next revaluation is due in 2025.

Common Good and Trust Funds

Summary of Trust Funds

The Council administers several Trust funds, which relate primarily to legacies left by individuals with connection in the area. These Trusts transferred to the Council from the former authorities of Strathkelvin District Council, Bearsden and Milngavie District Council, and Strathclyde Regional Council. The Trusts are specific to certain areas within the former authorities and the income from the Trusts can be used to fund expenditure that is appropriate to the purpose for which the original legacies were donated. Those Trust funds registered with the Office of the Scottish Charity Regulator (OSCR) are included in Charitable Trusts below.

a) *Income and Expenditure Account*

2021/22	Total	Income and Expenditure	2022/23		
			Charitable Trusts (CTs)	Other CTs	Total
			EDC CTs		
£000			£000	£000	£000
0		Income in year	0	0	0
0		Expenditure in year	0	0	0
0		(Surplus)/Deficit	0	0	0

b) *Balance Sheet*

2021/22	Balance Sheet	2022/23		
		Charitable Trusts (CTs)	Other CTs	Total
		EDC CTs		
£000		£000	£000	£000
Assets:				
0	External Investments	0	0	0
35	Internal Investments	5	30	35
0	Debtors	0	0	0
35	Total Assets	5	30	35
0	Less Current Liabilities			0
35	Net Assets / (Liabilities)	5	30	35
Represented by:				
16	Capital balance at 31 March	2	14	16
19	Revenue balance at 31 March	3	16	19
35	Total Balance at 31 March	5	30	35

c) *Additional Fund Information*

East Dunbartonshire Council (EDC) Charitable Trusts – These minor Trust Funds are held by the Council and were mainly legacies gifted for the upkeep of memorial cairns and Regent Gardens in Kirkintilloch. The balances on these funds are generally too small to generate enough income to accomplish anything that would further the aims of the Trusts. The planting of poppy seeds at the memorial took place during 2019/20 and the Trustees have agreed a plan of action to utilise the remaining balance on Regent Gardens in Kirkintilloch. It is anticipated that this work will be completed in 2022/23.

Various Other Non-Charitable Trusts – These minor Trust Funds are held by the Council, mainly comprising legacies gifted for educational and social work purposes.

Summary of Common Good Funds

Common Good Funds were inherited from former authorities, the most significant one being the Talbot Crosbie fund from Bearsden and Milngavie District Council. This has a balance of £0.902m at 31 March 2023 (£0.975m at 31 March 2022). These funds can be used for the common good/benefit of residents of the area and, as such, they are primarily used to give grants to appropriate organisations in the relevant areas. The Common Good Funds held by the Council are currently registered charities regulated by the OSCR. Common Good funds do not represent assets of the Council and are not included in the Council's Balance Sheet but are included in the Council's Group Accounts.

a) Income and Expenditure Account

2021/22		Common Good	2022/23	
General	T Crosbie		General	T Crosbie
0	(22)	(Surplus)/Deficit	(4)	72

b) Balance Sheet

2021/22		Common Good	2022/23	
General	T Crosbie		General	T Crosbie
223	975	Total Assets	227	903
223	975	Net Assets / (Liabilities)	227	903
223	975	Total Balance at 31 March	227	903

c) Common Good – Property, Plant & Equipment

On 7 February 2012, the Policy & Resources Committee approved a management agreement whereby the Council operates land and property identified as Common Good. Under this agreement, the Council remains responsible for all costs and income relating to such assets and is entitled to use them.

International Financial Reporting Standards and associated guidance (*IFRIC 4: Determining Whether an Arrangement Contains a Lease*) require arrangements that convey the right to use an asset to be accounted for as a lease, even where they do not have the legal form of a lease. It has been determined that this arrangement has the substance of a finance lease, with the Council assuming the risks and rewards of ownership. Therefore, the land and buildings are disclosed on the Balance Sheet of the Council and not that of the Common Good.

The Common Good has a gross investment in the lease type arrangement, which comprises the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the land and buildings when the service agreement ends. The value of the lease debtor and the gross investment is not significant as the agreement and associated peppercorn rentals are expected to remain in place for the foreseeable future.

d) Regulations

The *Charities and Trustee Investment (Scotland) Act 2005* and the *Charities Accounts (Scotland) Regulations 2006*. Under the provisions of the 2005 Act and the Accounts Regulations, all registered charities in Scotland are required to prepare annual accounts that must be externally scrutinised; this will apply to all Trusts registered with OSCR.

The Council has been reviewing the Trusts it currently holds, and Council of 15 November 2012 nominated four Members of East Dunbartonshire Council to act as Trustees for all registered Trusts held by the Council. New appointments were made by Council on 23 May 2017. The Council has been liaising with OSCR over its plans to re-organise the existing Trusts to maximise the potential use that can be made of the assets of the Trusts and the actions in the year are reported in **Section c** Additional Fund Information on the previous page.

Group Financial Statements

1. Introduction

The *Code of Practice on Local Authority Accounting in the United Kingdom 2022/23* requires the Council to prepare group accounts where the authority has interests in subsidiaries, associates and/or jointly controlled entities, subject to the consideration of materiality.

2. Group Boundary

East Dunbartonshire Council considers all entities in which it has an interest for consolidation into the group accounts. The following criteria are used for determining whether an entity falls within the group accounts and, if so, on what grounds:

- **Materiality**
Where the financial impact of omitting an entity from the group accounts would not cause a user of the accounts to form a different view of the accounts, the Council has opted not to include these entities within the group boundary. These entities are detailed under **Note 5** Non-Consolidated Interests in Other Entities.
- **Subsidiary**
The Code defines a subsidiary as an entity that the authority has the ability to control through the power to govern their financial and operating policies so as to obtain benefits from the entity's activities. Control is usually presumed where an authority owns more than half the voting power of the entity. East Dunbartonshire Leisure and Culture Trust Limited and Mugdock Country Park Joint Management Committee have been consolidated in to the Group Statements as subsidiaries as at 31 March 2023.
- **Joint Venture**
The Code defines a joint venture as an entity which the authority has contractually agreed to share control with another party or parties such that significant decisions require unanimous consent and the joint venturers have rights to the net assets of the arrangement. The Council has identified one entity that meets the definition of a joint venture at 31 March 2023; the East Dunbartonshire Health & Social Care Partnership, an Integration Joint Board established with NHS Greater Glasgow and Clyde.
- **Associates**
The Code defines an associate as an entity for which the authority is an investor that has significant influence, i.e. the power to participate in the financial and operating policy decisions of the entity. The entity that has been included in the group accounts as an associate is Dunbartonshire and Argyll & Bute Valuation Joint Board.

3. Method of Consolidation

In accordance with the Code, the subsidiaries have been fully consolidated and have a financial year end of 31 March 2023. This means that the financial statements of the subsidiary are consolidated by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of the Council's financial statements. All intra-group balances and transactions are eliminated upon consolidation.

The joint venture has a financial year end of 31 March 2023 and has been consolidated using the equity method as required by the Code. This approach involves consolidating the Council's share of the net surplus or deficit for the year, as well as a share of the net assets of the entity. These results are shown as a separate line within the Group Comprehensive Income and Expenditure Statement and Group Balance Sheet. The Council's share of the results is deemed equal to the Council's share of the voting rights in the Health & Social Care Partnership (50%).

The associate has also been consolidated at its financial year end of 31 March 2023 using the equity method as above, which complies with the Code. The Council's share of the results is deemed equal to the share of the funding that the Council contributed to the entity. In 2022/23 that share was as follows:

- Dunbartonshire and Argyll and Bute Valuation Joint Board – In 2022/23 the Council contributed 27.62% of estimated operating costs (24.38% in 2021/22)

All material group entities prepared their financial statements in accordance with the Code.

Group Comprehensive Income and Expenditure Statement

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

2021/22 Restated			2022/23		
Gross Expend.	Gross Income	Net Expend. or (Income)	Gross Expend.	Gross Income	Net Expend. or (Income)
£000	£000	£000	£000	£000	£000
Service Revenue Accounts:					
16,464	(1,917)	14,547	16,523	(1,818)	14,705
43,742	(2,926)	40,816	45,786	(3,522)	42,264
15,482	(1,259)	14,223	15,094	(1,518)	13,576
15,297	(817)	14,480	16,002	(880)	15,122
3,542	(2,213)	1,329	3,188	(1,319)	1,869
2,380	(921)	1,459	5,306	(1,521)	3,785
5,870	(1,324)	4,546	4,711	(1,873)	2,838
160,657	(18,138)	142,519	162,973	(16,944)	146,029
18,332	(14,071)	4,261	17,264	(13,133)	4,131
4,008	(551)	3,457	3,678	(424)	3,254
5,495	(129)	5,366	5,305	(104)	5,201
11,136	(704)	10,432	11,463	(862)	10,601
153,262	(84,976)	68,286	171,114	(94,342)	76,772
19,708	(14,947)	4,761	22,513	(16,170)	6,343
25	(47)	(22)	109	(41)	68
475,400	(144,940)	330,460	501,029	(154,471)	346,558
			374	(Gains) / Loss on Disposal of Non-current Assets	109
			374	Other Operating (Income) or Expenditure (2)	109
			14,268	Interest Payable and Similar Charges	16,417
			0	Share of Interest Payable by Associates	0
			3,625	Pension Interest Cost/Expected Return on Pension Assets	2,598
			13	Share of Pension Interest Cost/Expected Return on Pension Assets	0
			(102)	Interest Receivable and Similar Income	(997)
			0	Share of Interest Receivable by Associates	0
			0	(Gain) / Loss on early settlement of Borrowing	0
			17,804	Financing and Investment Income and Expenditure (3)	18,018
			(67,373)	Council Tax and Community Charge	(70,553)
			(13,355)	Non-Domestic Rates	(17,675)
			(203,048)	General Revenue Grant	(206,629)
			(19,628)	Recognised Capital Grants / Contributions	(13,489)
			(303,404)	Taxation and Non-Specific Grant Income (4)	(308,346)
			45,234	(Surplus) or Deficit on the Provision of Services (5)	56,339
				{{(1) + (2) + (3) + (4)}	
			(7,073)	Share of the Operating Results of Joint Ventures	(3,464)
			47	Share of the Operating Results of Associates	125
			38,208	Group (Surplus) or Deficit on the Provision of Services (6)	53,000
			2,151	(Surplus) or Deficit on the Revaluation of Property, Plant and Equipment assets	(6,309)
			(114,329)	Actuarial (Gains) or Losses on Pensions Assets and Liabilities	(86,777)
			(10)	Other Unrealised (Gains) or Losses	0
			(112,188)	Other Comprehensive Income and Expenditure (7)	(93,086)
			(73,980)	Total Comprehensive Income and Expenditure {(6) + (7)}	(40,086)

Figures in the 2021/22 group statements and notes have been restated for the exclusion of Strathclyde Passenger Transport and Strathclyde Concessionary Travel Scheme. See Group Note 7, Prior Period Adjustments.

Group Movement in Reserves Statement

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

	Usable Reserves			Unusable Reserves			Total Group Reserves
	East Dunbartonshire Council	Group Entities	Total Group	East Dunbartonshire Council	Group Entities	Total Group	
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	47,564	17,477	65,041	340,014	(5,127)	334,887	399,928
Movement in reserves during 2022/23:							
Total Comprehensive Income and (Expenditure)	(53,947)	2,535	(51,412)	86,239	5,259	91,498	40,086
Adjustments between accounting basis and funding basis under regulations	36,465	0	36,465	(36,465)	0	(36,465)	0
Transfers to/from Other Statutory Reserves	32,163	0	32,163	(32,163)	0	(32,163)	0
Increase or (Decrease) in the year	14,681	2,535	17,216	17,611	5,259	22,870	40,086
Balance at 31 March 2023 carried forward	62,245	20,012	82,257	357,625	132	357,757	440,014
Restated Balance at 1 April 2021							
	51,110	10,191	61,301	274,405	(9,827)	264,578	325,879
Movement in reserves during 2021/22:							
Total Comprehensive Income and (Expenditure)	(43,616)	7,255	(36,361)	105,679	4,662	110,341	73,980
Adjustments between accounting basis and funding basis under regulations *	40,070	0	40,070	(40,070)	0	(40,070)	0
Transfers to/from Other Statutory Reserves	0	0	0	0	0	0	0
Increase or (Decrease) in the year	(3,546)	7,255	3,709	65,609	4,662	70,271	73,980
Restated Balance at 31 March 2022 carried forward	47,564	17,446	65,010	340,014	(5,165)	334,849	399,859

Group reserves changed at 1 April 2022 to reflect the changed basis of allocation for associates (Dunbartonshire and Argyll & Bute Valuation Joint Board).

Group Balance Sheet

The Group Balance Sheet shows as at 31 March 2023 the assets and liabilities of the Group, and combines the Council's assets and liabilities with its share of the assets and liabilities of those entities in which it has a financial interest.

31 March 2022		31 March 2023
<i>Restated</i>		
£000		£000
807,466	Property, Plant and Equipment	858,070
3,808	Heritage Assets	3,808
2,001	Intangible Assets	2,924
14,009	Investments in Associates & Joint Ventures	17,337
129	Long-term Debtors	4
827,413	Long-term Assets	882,143
0	Current Intangible Assets	0
0	Short-term Investments	0
1,513	Assets Held for Sale	1,340
707	Inventories	832
36,869	Short-term Debtors	25,805
1,281	Prepayments	2,210
23,468	Cash and Cash Equivalents	1,691
63,838	Current Assets	31,878
(87,778)	Short-term Borrowing	(103,265)
(3,318)	Other Short-term Liabilities (PPP contract)	(2,840)
(95)	Other Short-term Liabilities (Finance Leases)	(94)
(52,752)	Short-term Creditors	(55,036)
(49)	Provisions	(27)
(9,790)	Short-term Grants & Receipts in Advance	(9,257)
(153,782)	Current Liabilities	(170,519)
(165,698)	Long-term Borrowing	(198,310)
0	Liabilities in Associates	0
(69,991)	Other Long-term Liabilities (PPP contract)	(67,150)
(2,914)	Other Long-term Liabilities (Finance Leases)	(2,820)
(92,541)	Other Long-term Liabilities (Pensions)	(28,120)
(276)	Provisions	(328)
(6,190)	Long-term Grants & Receipts in Advance	(6,760)
(337,610)	Long-term Liabilities	(303,488)
399,859	Net Assets	440,014
65,010	Usable Reserves	82,257
334,849	Unusable Reserves	357,757
399,859	Total Reserves	440,014

The unaudited annual accounts were issued on 30 June 2023 and the annual accounts were authorised for issue on 19 December 2024.

.....
Jamie Robertson CPFA
Chief Finance Officer
Date: 20 December 2024

Group Cash Flow Statement

The Group Cash Flow Statement shows the change in the year of cash and cash equivalents of the Council and those entities in which it has a financial interest.

2021/22 Restated		2022/23
£000		£000
38,208	Net (Surplus) or Deficit on the Provision of Services	53,000
(94,376)	Adjust for Non-Cash Movements	(86,396)
20,068	Adjust for Items in Net Surplus or Deficit that are Investing and Financing Activities	14,759
(36,100)	Net Cash Flows from Operating Activities	(18,637)
1,320	Net (Increase) / Decrease in Cash and Cash Equivalents	21,777
(23,468)	Cash and Cash Equivalents at 31 March	(1,691)
31 March 2022	Cash and Cash Equivalents	31 March 2022
23,468	Total Cash and Cash Equivalents	1,691

The signs in the Cash and Cash Equivalent table above are reversed from the figures in the cashflow statement to agree with the figures shown in the Balance Sheet.

Notes to the Group Financial Statements

1. Statement of Group Accounting Policies

The Financial Statements in the Group Accounts have been prepared in accordance with the Council's accounting policies. Where group members are not required to prepare their financial statements on an IFRS basis, consolidation adjustments have been made where applicable. The Council has adopted the recommendations of the Code, which requires local authorities to consider their interests in all types of entity to incorporate into Group Accounts. A full set of Group Accounts, in addition to the Council's accounts, has been prepared which incorporates material balances from identified associated entities.

The Council has accounted for its interest in each Subsidiary using the acquisition method of accounting. The Council's interest in its Joint Venture and Associate has been accounted for using the equity method of accounting. With regard to the Joint Boards, the Council's interest reflects the requisition share paid by the Council.

2. Going Concern

All of the group bodies has a net asset value. The Council's Group Accounts have therefore been prepared on a going concern basis as there is no reason to suggest any concerns on the future viability of these bodies.

3. Stock

Stock is valued at weighted average cost and the lower of cost or net realisable value as follows. The difference in valuation methods does not have a material effect on the results of the Group given the levels of stockholdings in these organisations.

- Net cost or realisable value: Mugdock Country Park's stock

4. Combining Entities

Recognition has been made of the Council's controlling interest in two Subsidiary companies. The Council has effective control over the Common Good and Trust Funds, which it administers and these are also treated as subsidiaries in the Group Accounts. The Council also consolidates its interests in one Joint Venture and one Associate. The accounting period end for all entities is 31 March 2023.

The percentage share of each combining entity's financial results (excluding Minority interests) is as follows:

2021/22			Group Bodies	Consolidation Basis	2022/23		
Group Share	Restated Net Exp / (Inc)	Restated Net Assets / (Liabilities)			Group Share	Net Exp / (Inc)	Net Assets / (Liabilities)
%	£000	£000			%	£000	£000
Subsidiaries:							
100.0	(4,037)	(2,961)	ED Leisure & Culture Trust	Voting Rights	100.0	(4,603)	1,642
100.0	0	0	Mugdock Country Park Joint C'ttee	Voting Rights	100.0	0	0
100.0	0	35	EDC Trust Funds	Trustees	100.0	0	35
100.0	(22)	1,198	EDC Common Good	Trustees	100.0	68	1,130
Joint Ventures							
50.0	(7,073)	13,495	ED Health & Social Care Partner.	Voting Rights	50.0	(3,464)	16,959
Associates:							
24.38	(785)	514	Dunbartonshire and Argyll and Bute Valuation Joint Board	Requisition	27.62	205	378
	(11,917)	12,281	Total Consolidated Group Entities			(7,794)	20,144
	(62,063)	387,578	East Dunbartonshire Council			(32,292)	419,870
	(73,980)	399,859	Group Financial Statements			(40,086)	440,014

a) **Subsidiaries**

East Dunbartonshire Leisure and Culture Trust Limited

East Dunbartonshire Leisure & Culture Trust was incorporated in November 2010 as a charitable company limited by guarantee. The limit of the Council's liability if the company was wound up is £1.

The Trust began delivering a range of leisure and cultural services on behalf of East Dunbartonshire Council on 1 April 2011. These services extend to the provision of leisure centres, libraries, an art gallery and museum. The Council has agreed to do all that is reasonable to support the Trust's financial position given the challenges resulting from the Covid pandemic.

The company's Articles of Association state that the Council is the sole member of the company with the power to appoint and remove directors. The Board consists of 11 directors. There are five directors who are Councillors of, and directly appointed by, the Council. Of the remaining directors, five are appointed by the Council based on the recommendation of a nominations committee and one is appointed based on nomination by the Trade Union. The total net liability position of the company at 31 March 2023 was £5.238m (31 March 2022 £2.977m) after accounting for *FRS17: Retirement Benefits*. The following additional disclosures are required under accounting regulations for this Company because the Council's share of the net liability exceeds 25%:

2021/22	East Dunbartonshire Leisure and Culture Trust	2022/23
	£000	£000
10,119	Turnover	10,329
4,037	Profit or (loss) before tax	(2,324)
0	Taxation	0
4,037	Profit or (loss) after tax	(2,324)
12	Long term assets	5
4,025	Current assets	3,320
(1,553)	Current liabilities	(1,683)
(5,446)	Long term liabilities	0

The accounts of the Trust are published separately and can be obtained from:

East Dunbartonshire Leisure & Culture Trust
 Kirkintilloch Town Hall
 Union Street
 Kirkintilloch
 G66 1DH

Mugdock Country Park Joint Management Committee

This Joint Committee has been appointed to carry out duties under Section 48(4) of the *Countryside (Scotland) Act 1967*, namely to provide, lay and improve, maintain and manage Mugdock Country Park. The Joint Committee is acting on behalf of East Dunbartonshire Council and Stirling Council in this regard. Administrative and Funding Arrangements for Mugdock Country Park are conducted in accordance with the Minute of Agreement between East Dunbartonshire Council and Stirling Council. A new Minute of Agreement between the authorities is effective for the period 2019 to 2024 and is due to be signed in the near future. Capital expenditure is now split 50/50 between the respective authorities, and Stirling Council pays a fixed revenue contribution of £50,000 per annum.

The net assets of the Joint Committee at 31 March 2023 were nil. Title to the community assets of Mugdock Country Park rests with Stirling Council. Under the revised management agreement, which came into effect from 1 April 2008, East Dunbartonshire Council has beneficial use of the fixed assets of Mugdock Country Park. East Dunbartonshire has a lease on these assets for £1 per year until 2049. Accordingly, it has been considered appropriate that the Park's fixed assets are consolidated into the accounts of the Council. At 31 March 2023, the total net book value of the Park's buildings and equipment was £0.768m and of community assets was £2.180m.

IAS19: Employee Benefits sets out the reporting requirements for retirement benefits. The purpose of these pension disclosures is to provide clear information on the impact of an organisation's obligation to fund the retirement benefits of its staff on its financial position and performance. There is, therefore, a requirement to disclose certain information concerning assets, liabilities, and income and expenditure related to the pension schemes for employees.

Under the terms of the Minute of Agreement between the Council and Stirling Council, the Council is the permanent employer of the staff of Mugdock Country Park and deals with all payments related to the Local

Government Pension Scheme. For that reason, revenue commitments and balance sheet disclosures for the purposes of IAS19 are identified within the accounts for the Council rather than those for Mugdock Country Park. The employees of Mugdock Country Park are members of the Local Government Pension Scheme and the required accounting treatment is made with the accounts of the Council.

b) *Joint Ventures*

East Dunbartonshire Health and Social Care Partnership

This is the statutory body responsible for integrating health and social care in the East Dunbartonshire area and it was established by order of Scottish Ministers on 27 July 2015 and empowered on 3 September 2015. In 2022/23, the Partnership managed services worth £96.006m on behalf of the Council. The Council also provided some support services to the Integration Joint Board at no cost as a "service in kind". These accounting arrangements are in line with the agreement of the Integration Joint Board of 3 September 2015, have been reported to the Council's Policy and Resources Committee of 2 June 2016 and were approved at Council of 21 June 2016.

There is a risk to the Council that there could be an overspend on social care by EDHSCP. Accurate monitoring of expenditure and income by EDHSCP and the Council should highlight any issues at an early stage so action can be taken to resolve them.

Accounts for the Partnership are published separately and can be obtained from:

East Dunbartonshire Health and Social Care Partnership
Kirkintilloch Health & Care Centre
10 Saramago Street
Kirkintilloch
G66 3BF

c) *Associates*

Dunbartonshire and Argyll and Bute Valuation Joint Board

This is the statutory body formed under the *Valuation Joint Boards (Scotland) Order 1995*, and is responsible for carrying out the valuation responsibilities of the three local authorities within its boundary, namely East Dunbartonshire Council, West Dunbartonshire Council and Argyll and Bute Council. In 2022/23 the Council contributed £0.768m (2021/22 £0.697m) to the Board's estimated operating costs, which represents the Council's 27.62% agreed share of costs for the year.

Accounts for the Joint Board are published separately and can be obtained from:

The Treasurer
Dunbartonshire and Argyll and Bute Valuation Joint Board
West Dunbartonshire Council Offices
16 Church Street
Dumbarton
G82 1QL

5. *Non-Consolidated Interests in Other Entities*

The Council has an interest in various other entities, as summarised below. These entities are part of the Council's group for the purposes of Group Accounts and, as such, it is recognised that the nature of the relationship with these bodies should be included in these Notes. However, it has been decided that the Council's share of the net worth of these entities is not material to a fair understanding of the financial position of the Council, and so they have not been consolidated into the Group Accounts.

Strathclyde Partnership for Transport

This is the statutory body responsible for formulating the public transport policy for 12 local authorities in the West of Scotland. In 2022/23, the Council contributed £1.729m (2021/22 £1.735m) to the Partnership's estimated central operating costs, which represents the Council's agreed share of costs of the year (4.85%).

Accounts for the Partnership are published separately and can be obtained from:

The Treasurer
Strathclyde Partnership for Transport
131 St Vincent Street
Glasgow
G2 5JF

Strathclyde Concessionary Travel Scheme Joint Committee

This scheme is provided for 12 local authorities in the West of Scotland. The Joint Committee is responsible for the operation of the concessionary fares scheme for public transport within this area. The costs of the scheme are met by the 12 local authorities and by the Scottish Government. Strathclyde Partnership for Transport administers the scheme on behalf of the Joint Committee. In 2022/23, the Council contributed £0.228m (2021/22 £0.229m) to the Joint Committee's estimated operating costs, which represents the Council's agreed share of costs for the year (5.61%). Accounts for the Joint Committee are published separately and can be obtained from Strathclyde Partnership for Transport at the address given above.

East Dunbartonshire Development Company

The principal business was to provide rental accommodation for businesses located within the Council area. Following disposal of the property portfolio and the resolution of some related legal issues, the intention is to wind up the company. The Directors of the company include one officer and two Elected Members of the Council. The Council has purchased all the shares and fixed assets of the company. The Council has taken on full obligations associated with the purchase of the assets and, as these are already reflected in the Council's accounts, no further consolidation is required. The accounts of the company are published separately and can be obtained from:

East Dunbartonshire Development Company Limited
c/o Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Kirkintilloch's Initiative Limited

This company is limited by guarantee and its principal business is to project manage the local regeneration initiative in Kirkintilloch. This is jointly developed and funded by the Council and NHS Greater Glasgow and Clyde. Two Council officers serve as directors of the company.

The company holds no material fixed assets and has no long-term liabilities. As at the end of the financial year, there are no amounts due to or from the company in the accounts of the Council. Copies of the accounts can be obtained by writing to:

Kirkintilloch's Initiative Limited
c/o East Dunbartonshire Council
Southbank Marina
12 Strathkelvin Place
Kirkintilloch
G66 1TJ

Scotland Excel

A centre of procurement expertise for local authorities in Scotland. Its remit is to deliver best value for public services by securing cost reductions, improving best practice in procurement capacity and capability and to create a forum and communication medium for positive engagement with suppliers. Scotland Excel is a non-profit making organisation funded mainly by participating local authorities. The Council contributed £0.086m (2.2%) to the consortium in 2022/23 (2021/22 £0.084m, 2.2%).

Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee (Clydeplan)

Comprises the eight councils within its area who work together on strategic development planning matters. The principal role of the Joint Committee is to prepare and maintain an up to date Strategic Development Plan for the area. This process involves engagement through joint working and consultation with a number of key stakeholder organisations and the wider community. The Council contributed £0.068m (12.5%) in 2022/23 (2021/22 £0.052m, 12.5%).

Hub West Scotland Limited

Hub West Scotland (Hubco) is a public private development organisation, limited by shares. It works with its public sector partners to plan, design, build, fund and maintain buildings in the most efficient and effective manner, delivering better value for money and ultimately improving public services. The Council is one of eight public sector partners who hold equal shares in the organisation, alongside Wellspring and Scottish Futures Trust. Hubco is currently engaged in the Council's Primary School Improvement Programme, the community hubs and a few other capital projects.

SEEMIS Group LLP

This limited liability partnership involves 28 local authority members and is concerned with the provision of information technology solutions to its member councils. The Council paid £0.179m for services in 2022/23 (2021/22 £0.159m) and was entitled to a membership percentage of 2.46% in 2022/23 (2021/22 2.46%).

Dunbartonshire Educational Trust Scheme 1962

The Trust is registered with the Office of the Scottish Charity Regulator (OSCR). The Trust's income from its bequests and endowments is to be used for educational prizes and bursaries in the local authority areas formerly covered by the Dunbartonshire County education department. West Dunbartonshire Council administers the Trust.

Glasgow and Clyde Valley Cabinet (City Deal)

A Joint Committee established on 20 January 2015. The purpose of the Committee is to determine the strategic development priorities for the Clyde Valley region and to monitor and ensure the delivery of the City Deal programme as agreed between member authorities and the UK and Scottish Governments. The City Deal programme anticipates the delivery of a £1.1bn investment programme and, in addition, delivery of labour market and innovation programmes. The Council contributed £0.079m (5.90%) in 2022/23 (2021/22 £0.076m, 5.90%).

6. Financial Impact of Consolidation

a) Group Balance Sheet Statement

By including the group entities, the effect on the Group Balance Sheet is an increase in both Reserves and Net Assets (excluding minority interests) of £38.835m (£35.945m 2021/22). This represents the Council's share of the net assets of these entities.

b) Group Comprehensive Income and Expenditure Statement

The notes contained in the Council's single entity accounts are not significantly changed as a result of consolidation of group entities. In addition to the Balance Sheet, the only other item of a material nature is in relation to the Group Comprehensive Income and Expenditure Statement, as follows:

2021/22 Restated	Total Comprehensive (Income) and Expenditure	2022/23
(4,037)	East Dunbartonshire Leisure & Culture Trust	(4,603)
(22)	Common Good and Trust Funds	68
(7,073)	Integration Joint Board	(3,464)
(785)	Dunbartonshire and Argyll and Bute Valuation Joint Board	205
(11,917)	Total for Consolidated Group Entities	(7,794)
(73,980)	Total for Group Comprehensive Income & Expenditure Statement	(40,086)

7. Prior Period Adjustments

Prior period adjustments were made to the Group financial statements and notes for 2021/22 to remove the impact of the inclusion of Strathclyde Passenger Transport and Strathclyde Concessionary Travel Scheme as associates. This reduced the group Comprehensive Income by £2.062 million, with the impacts being seen mainly in actuarial gains on pension assets and liabilities (£1.651 million), the share of the operating results of associates (£0.387 million) and interest payable by associates (£0.024 million). Group usable reserves were reduced by £8.474 million and unusable reserves by £15.225 million. This also reduced the balance sheet figure for interest in associates by £23.699 million.

Independent Auditor's Report to the Members of East Dunbartonshire Council and the Accounts Commission

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the annual accounts of East Dunbartonshire ("the Council") and its group for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the council-only and group Comprehensive Income and Expenditure Statements, the Movement in Reserves Statements, the Balance Sheets, the Cash Flow Statements, the council-only Housing Revenue Account, the Council Tax Income Account, the Non-Domestic Rate Income Account and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Council and its group as at 31 March 2023 and of its income and expenditure of the Council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted, and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the Council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the Council and its group. However, we report on the Council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Chief Finance Officer and the Audit and Risk Management Committee for the financial statements

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

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the ability of the Council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the Council and its group.

The Audit and Risk Management Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Reporting on other requirements

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

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

Other information

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Tom Reid

For and on behalf of Forvis Mazars LLP

100 Queen Street

Glasgow

G1 3DN

20 December 2024