



East Dunbartonshire Council

Annual Accounts

2021-22



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East Dunbartonshire Council

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Management Commentary

1. Introduction

The Management Commentary sets out the key messages on the Council's financial and service performance for 2021/22. 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.

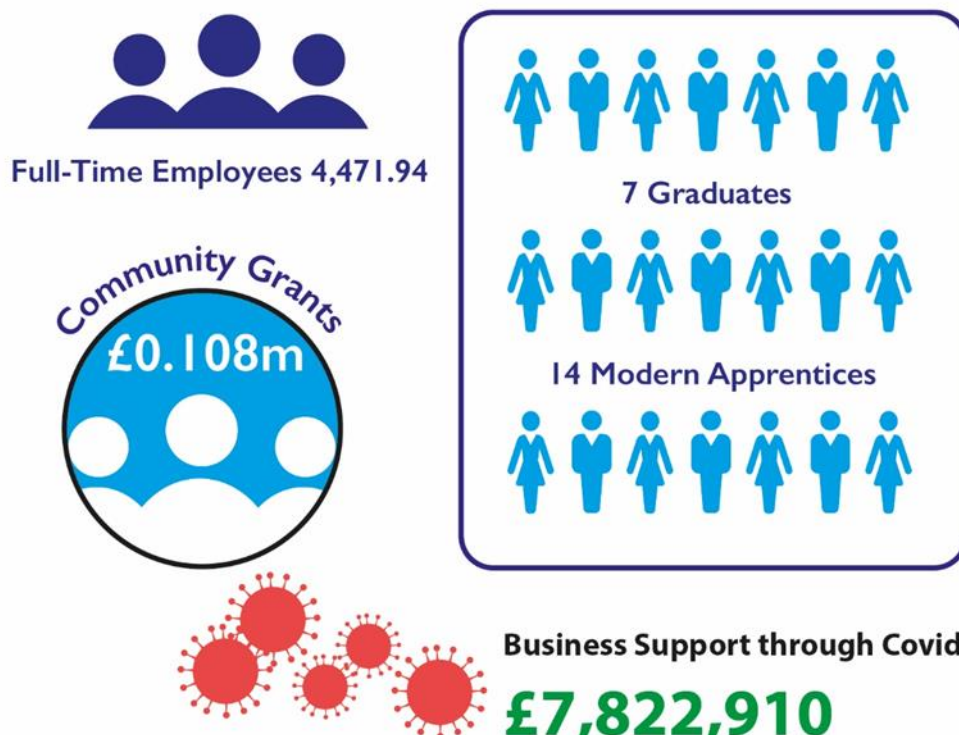
The Annual Accounts present the financial position and performance of the Council demonstrating the stewardship of the public funds that support the Council's vision and key priorities. The financial position of the wider Council group is also presented. The format and content of the Annual Accounts accord with the Code of Practice on Local Authority Accounting in the United Kingdom.

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.

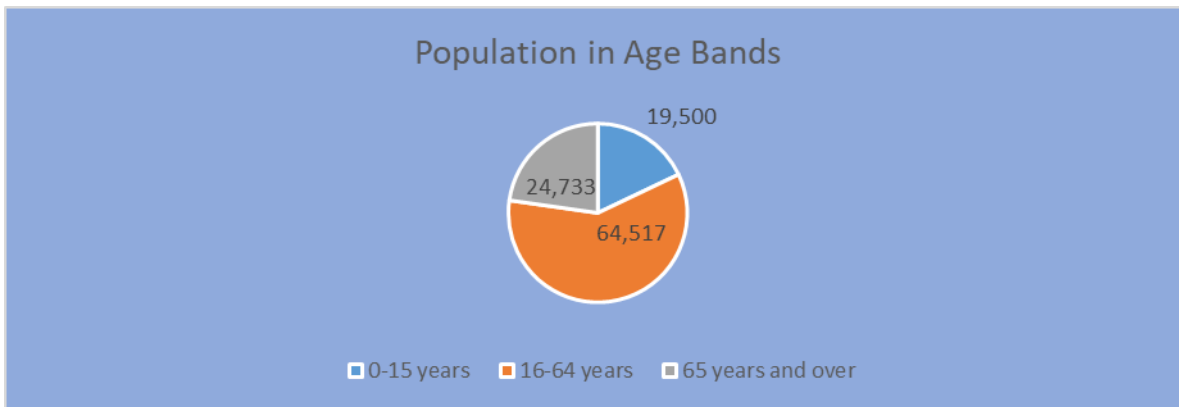
East Dunbartonshire is bounded by the Campsie Fells and Kilpatrick Hills and the Forth and Clyde Canal runs through the area, as does the line of the Antonine Wall. Milngavie is the starting point for the popular West Highland Way long distance footpath to Fort William. With great transport connections 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.

2021/22 East Dunbartonshire Council



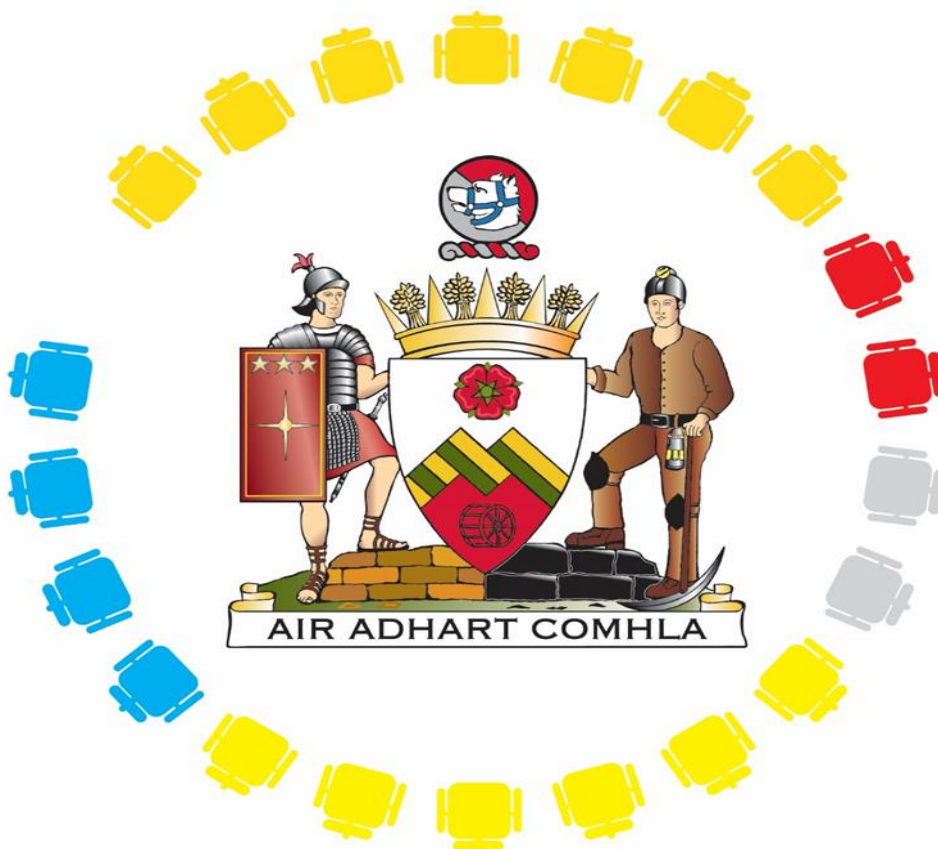
East Dunbartonshire covers an area of 77 square miles and provides an outstanding natural environment with several visitor attractions including the West Highland Way, Antonine Wall, Lillie Art Gallery and Campsie Fells. East Dunbartonshire has been regularly ranked as one of the best places to live in Scotland.

The population of East Dunbartonshire is approximately 108,750, 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 follows:



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 2022 was constituted by 21 members following the untimely death of Provost Alan Brown. The Council will return to 22 elected members following the scheduled Local Government elections in May 2022. The current political balance has also been affected by a Councillor leaving the Conservatives and becoming an Independent, the political balance at 31 March was 7 SNP, 6 Liberal Democrats, 4 Conservatives, 2 Labour and 2 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.



Councillors are people elected to represent their local community in the running of their local council and they have an important role in many of the major decisions that affect people's lives. They have many key roles

- Decision making - Councillors are responsible for ensuring the council has a clear direction and accountability and appropriate working arrangements in place to ensure that the Council achieves what it sets out to do
- Developing and reviewing policy - The development and review of the council's policies through their role in challenging and scrutinising the work of the council; role as a representative on local community groups constituency case work; membership of a political group, if you were elected on a political platform role with other councillors on policy or scrutiny committees
- 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 guidance.

Together these Elected Members constitute the Council with Officer Structures cascading from the Chief Executive, as the Head of Paid Service, to two Depute Chief Executives, one Chief Finance Officer, ten 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. 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. Significant events in prior years, such as the impact of continued 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 has often been referred to as unprecedented. 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 2021/22, worldwide events are such that the term unprecedented and considerations around austerity now seem mild by comparison.

a) Risks

The Council's Corporate Risk Register has long tracked the potential for a major emergency or similar event that may fundamentally challenge operations. These civil contingency risks are assessed as having the potential for the highest impact on Council operations, our communities and businesses. Combined with a low likelihood of such events occurring this risk remained managed, monitored and afforded an appropriate treatment strategy. Within the Council's wider Group and within our partners similar evaluations were made within their risk registers including those specific risks attached to pandemic flu within the Health & Social Care Partnership. Recognising that risk exposures change, and in line with good governance processes, Council and Partner risk registers remained under review during the course of the year. Although there has been no formal reporting of the Corporate Risk Register to Committee or Council during the year, plans are in place to present this to members later this calendar year.

The scale of the action taken to manage and mitigate the spread and impact of the novel coronavirus (known as Covid-19) was unprecedented. Covid-19 therefore remains a key risk facing the Council.

The Council's Covid-19 response has, and will continue to, present a number of material business and financial challenges. As well as directly dealing with the impact of the virus, protecting communities, and the ongoing implementation of revised and enhanced services, the Council continues to deliver core services remotely, through revised command and control arrangements. The consequences of Covid-19 are significant and wide reaching in terms of scale, scope and cost.

To date the UK Government has made additional funding available to enable the Scottish Government to respond to the pandemic. Significant funding has been directed through Councils in order to provide appropriate local responses aligned to specific policy initiatives. Despite such funding, there is a risk that significant additional pressures will be placed on the Council's already finite resources. Additional financial support from UK and Scottish Governments is critical to ensuring that the Council remains financially sustainable.

Towards the end of the financial year the pace at which funding provided increased significantly with the Council's anticipated deficit unwinding to the point that funding ran ahead of expenditure. Whilst this provides some resilience for the immediate future, this position is not expected to be sustained in the long term. Significant caution is advised when making reference to Council Reserves as they are subject to their own policy and strategy with much of this new funding being for specific purposes. They also represent a point in time with limited assurances on the sufficiency of future funding levels and the planned path to recovery yet to be fully formed. The development of an earmarked element of the General Fund set aside to accommodate Covid Recovery is a prudent way to manage the future cost implications of the Council's next steps. This therefore represents a timing difference between funds being set aside and their eventual use. To make reference to the increase in balances without acknowledging these wider implications would be to misrepresent the overall financial position of the Council and not account for the longer-term risks associated with Covid-19.

During the course of the year the Coronavirus Act on the 6 April 2020 extended reporting provisions for the 2021/22 financial year, which was a material consideration and included a number of significant requirements for the Council to apply. Provisions in relation to housing, vulnerable children and adults, justice, alcohol licencing and the functioning of public bodies were applied and this, along with a range of other resource prioritisation actions through Command and Control arrangements reshaped the focus of Council operations during the year. This has had the impact of causing significant variation in Council expenditure profiles established as part of the 2021/22 Budget, which was set during the pandemic. The provisions of the Act were temporary but proportionate to the threat faced. They were only intended to be in place as long as required to respond to the situation and have, and will continue to, change. Whilst the provisions of the Act are intended to be short lived there will be long term implications and the full extent of is only now beginning to emerge and be planned for over the medium to long term.

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. Given the backdrop of current events and Government advice, the regular cycle of Council meeting was stood down with arrangements similar to those provisions enacted during the summer recess brought into effect. Those duties that would normally require Council/Committee approval were delegated to the Chief Executive in the intervening period (in whose absence Depute Chief Executives) and in consultation with any other Officers deemed necessary.

The Council has continued to discharge its legal and statutory responsibilities during the course of the year. Such activities are reflected within these Accounts, which will also include reference to the immediate and potential future impact of Covid. A number of inherent uncertainties remain including the point at which each phase of the Scottish Government's 'route map through and out of the crisis' will be initiated. Correspondingly a number of accommodations will be required within the Council's strategy, business model and performance regime.

Covid will significantly impact our communities and businesses with its effects having the potential to reverberate for many years. 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

Whilst the Covid response remains the Council's key focus, other risks 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. Each of these risk registers is usually subject to regular scrutiny and updated to reflect evolving risk exposures within the Council, although this has been impacted in the short term by the Covid pandemic.

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.

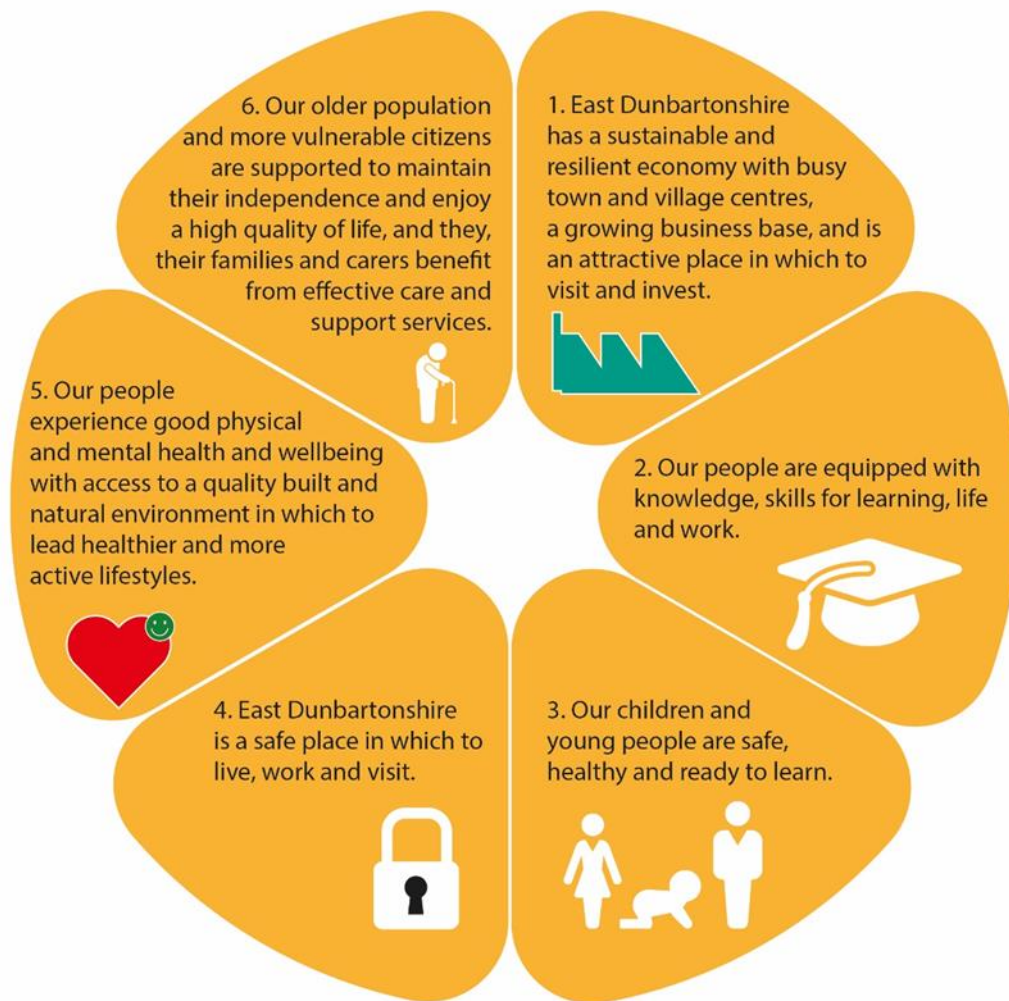
The need to manage risks relating to public sector austerity and reducing financial resources, within an environment of increasing demand for services, and driven by demographic change is one of the key longer-term challenges and risks for the Council.

Such pressures have required the significant and ongoing reshaping of service delivery with the Council taking this forward as part of the Transformation Programme: Your Services, Your Choices and associated Budget Reduction Strategy. 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 with further transformation being implemented to shape the future delivery of Council services. The nature, timing and extent of these is now likely to change, however the key Corporate Risks and areas of uncertainty remains as follows:



1. 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 ED CPP Local Outcomes Improvement Plan (LOIP) was prepared in 2017, with 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.

Whilst much has been achieved to date, the nature, timing and extent of the challenges continue to change and grow, in both size and complexity. Previous challenges resulting from the economic downturn and on-going austerity will be subsumed within a partnership Covid-19 response which will fundamentally affect our local communities with associated impact on partnership 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.

In developing this response, during 2022, the Council and its partners plan to refresh its analysis of local needs, engaging widely across all communities. This will enable us to clearly identify those current specific issues post-pandemic that affect people and communities across East Dunbartonshire. 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, commencing summer 2022, with focus on our localities. This also aligns with current work on the review and refresh of the Locality (Place) Plans which have been subject to a community engagement and consultation exercise within our four most deprived areas, from December 2021 until March 2022. The development of the reviewed Locality Plans will inform the planned review and governance arrangements going forward to 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

In line with the Council's commitment to continuous improvement, over the 21/22 financial year enhancements were made to the performance pages on the Council website, allowing for a more user-friendly experience and making performance information easier to access. In addition to this, improvements have also been made to the presentation of data through the increased use of infographics and a case study focusing on performance is now published monthly on the Council website. Monthly HGIOS performance reporting was also approved to be taken forward over the 22/23 financial year, allowing for more timeous reporting and management of performance.

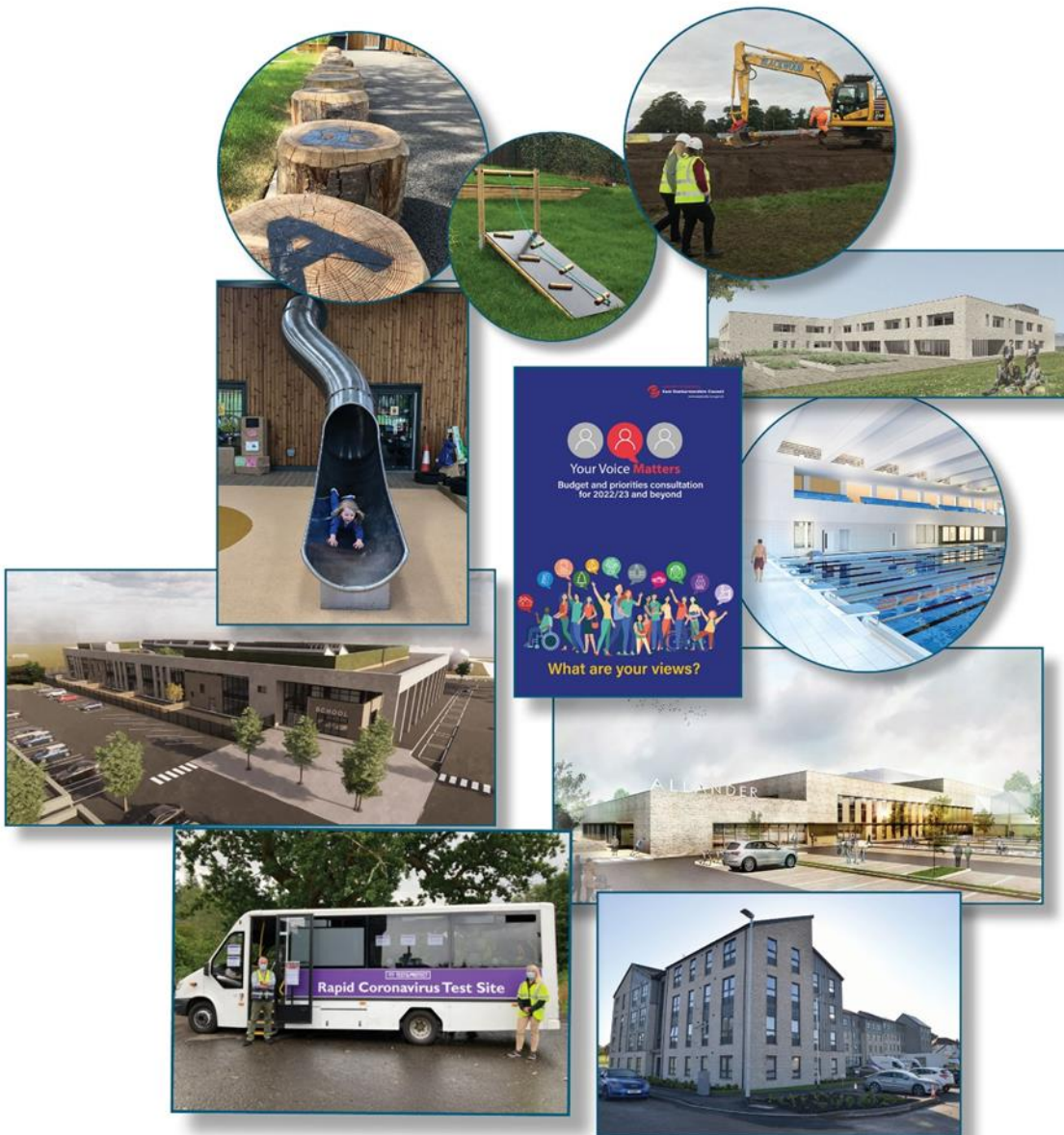
4. Key Achievements in 2021/22

Covid-19 continued to impact Council operations during 2021/22 and as the year progressed, service delivery was expanded whilst ensuring protection measures were in place for both our workforce and service users. In support of business throughout the pandemic, over £7.8 million in grants to businesses was processed by the Council to support the local economy. Council teams and facilities were also instrumental in delivering the vaccination programme and community testing programme locally, including facilitation of vaccination clinics, fixed testing sites and a community testing bus.

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.

Significant projects and developments completed and progressed during 2021/22 and key achievements for the Council include the following:

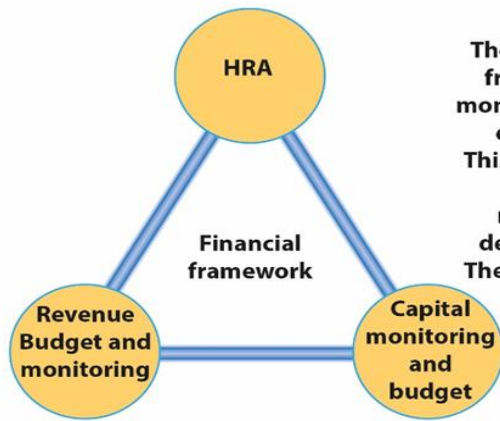
- Completion and opening of three new state of the art Early Years Centres – in Milngavie, Kirkintilloch and Bearsden, providing exceptional facilities to our youngest residents and supporting our commitment to 1140 hours.
- The flagship Tom Johnston House site development in Kirkintilloch was completed, delivering 82 new Council houses, with new tenants all now in place.
- Great progress on building the new £42.5 million Allander Leisure Centre, incorporating fantastic new adult day care facilities for the area.
- Significant progress on building of the new £34.9 million Additional Support Needs School in Kirkintilloch, which will deliver first class facilities for young people in the area and sporting facilities for the community.
- Construction of the £40.9 million replacement Boclair Academy is also well underway and will deliver future-proofed exceptional education facilities
- Commitment to invest £30 million to deliver three new primary school projects including a replacement new Balmuildy Primary in Bishopbriggs and a full refurbishment of both Bearsden Primary School and Milngavie Primary School.
- Continued recognition of outstanding education provision in East Dunbartonshire with Bishopbriggs Academy announced as State School of the Decade in Scotland in December 2021.
- Undertaking a Council-wide 'Your Voice Matters' consultation to inform the 2022/23 and future Council budgets.



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 & resources Committee for revenue and capital, HRA to Place, Neighbourhood and Corporate Assets Committee. There are also reports presented for risks, financial long term plans, treasury monitoring and reserves.



The Council has a robust financial reporting framework in place and a comprehensive monitoring pack is prepared and presented to every Policy and Resources Committee. This includes reports on the revenue budget, capital plan, financial risks, treasury monitoring, reserves and balances and delivery of any previously agreed savings. The financial framework is shown on the left.

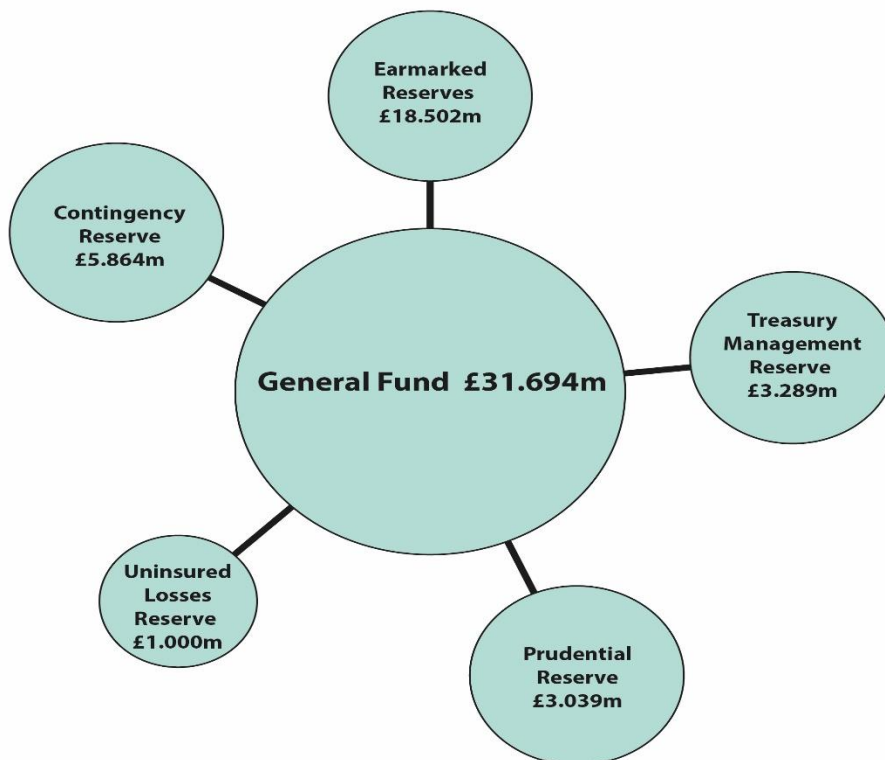
The Council recognises the potential impact of ongoing uncertainty and, in line with its Policy & Strategy on Reserves has returned the Prudential Reserve to pre-Covid levels reflecting current levels of uncertainty and risk. The Prudential Reserve for 2021/22 equates to £3.039m.

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. This equates to £5.864m and is line with East Dunbartonshire's Reserves Strategy.

The Council's Treasury Management Reserve has been retained at £3.289m in 2021/22 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 Councils Ear-marked reserves for 2021/22 are £18.502m, an increase £1.473m however £4.123m is held for Funding for Covid Recovery, £6.970m for the Council's budget gap and £5.032m for Corporate Cost of Change and Recovery.

Financial Performance for 2021/22

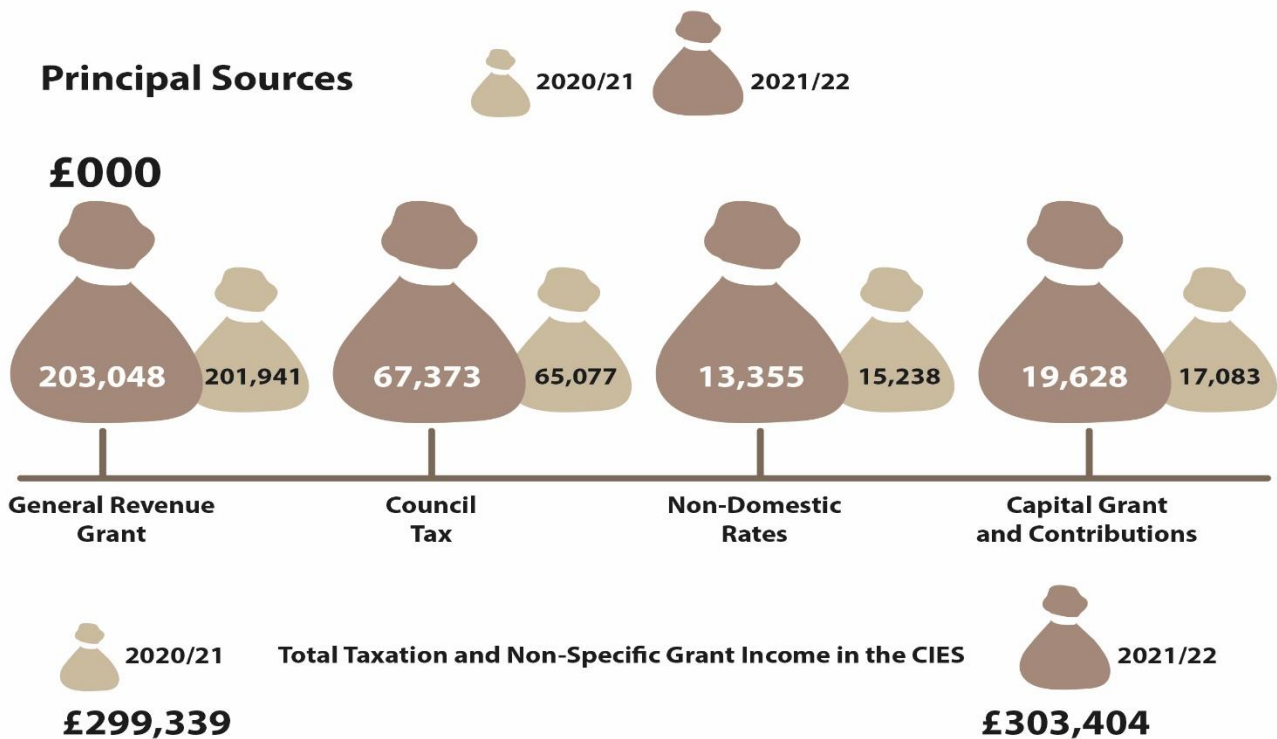


Principal Sources of Finance

As noted above the principal sources of finance are the General Revenue Grant, Council Tax income and Non-Domestic Rate Income. **Table 1** below 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 2021/22 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 £4.338 million of funding for the Covid-19 response was provided through GRG redeterminations in March 2022, some of which will need to be carried forward into 2022/23. 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 2021/22 was £13.355m (£15.238m in 2020/21). Further details are provided in the Non-Domestic Rates Income account.

General Fund Outturn

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	Final Variance	Amounts Not Included in Net Cost of Service per Management Commentary	HSCP Adjustments & Reserves, Rounding	Net Expenditure Chargeable to General Fund
	£'000	£'000	£'000	£'000	£'000	£'000
CEX, Dep CEX, Joint Boards & Misc	13,638	12,361	1,277		1	13,789
Covid-19	14,586	1,427	13,159			
Assets & Facilities	38,977	41,627	(2,650)	(10,395)		31,232
Roads & Transportation	7,730	7,476	254			7,476
Neighbourhood Services	11,671	12,475	(804)	(85)		12,390
General Fund Housing	595	976	(381)		271	1,247
Land, Planning & Development	1,028	1,069	(41)		(2)	1,067
Place & Community Planning	3,544	3,335	209		1	3,336
Education	116,218	114,279	1,939		(1)	114,278
Finance, Audit & Performance	4,188	3,816	372		5	3,821
Legal & Democratic Services	2,740	2,632	108		1	2,633
Organisational Transformation	4,466	4,346	120			4,346
Customer & Digital Services	7,843	7,936	(93)			7,936
HSCP	62,756	63,897	(1,141)		(1,415)	62,482
General Fund Net Expenditure	289,980	277,652	12,328	-10,480	(1,139)	266,033
Debt charges	12,175	10,611	1,564	10,480	1	21,092
Total GF Net Expenditure	302,155	288,263	13,892	0	(1,138)	287,125
General Revenue Grants & NDR	(218,440)	(216,403)	(2,037)			(216,403)
Council Tax Income	(65,887)	(67,373)	1,486			(67,373)
Application of HSCP Reserves	0	(1,141)	1,141	0	1,141	0
Application of Reserves	(7,456)	7,026	(14,482)			
Carry Forward from 2020/21	(10,372)	(10,372)	0			
Net (Surplus) / Deficit for Year	0	0	0	0	3	3,349
Balance 1 April 2021						35,043
Net Surplus / (Deficit) for Year						(3,349)
Balance 31 March 2022						31,694

Internal Reporting adjustments include:

Discretionary relief, principal and interest for PPP and finance leases and finance costs relating to financial instruments

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 highlights how the Council returned a net surplus for the year of £7.024m (after rounding) within the General Fund services, however this was offset by the use of funds carried forward from the previous financial year of £10.372m. The net effect of these 2 elements is the net deficit for the year of £3.348m. 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 whilst Council services counter the challenges of the Covid-19 pandemic. The Covid-19 crisis has placed the Council under extreme pressure to respond to the needs of residents, communities and businesses by providing services and support to an unprecedented extent. This has continued during 2021/22.

Within the Council's Services there are a number of notable variations between actual and budgeted net expenditure within Education and Assets and facilities but taken together, and excluding HSCP, debt charges and miscellaneous services, Council services have returned a balanced position with an overspend of £0.921m. However the net position (excluding the HSCP) reflects an underspend equivalent to £14.199m which was achieved through reduced debt charges, the close management of miscellaneous services and materially those Covid costs which were always anticipated to extend beyond the current year.

In addition, although Council Tax was frozen Council services still managed an in-year collection rates, increasing marginally to 97.45%. Table 2 helps the Council to "tell the story" of the Annual Accounts as a number of presentational changes now required by the 2021/22 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 2021/22, the Council faced significant financial pressures, the most significant being the continuation of the Covid-19 pandemic. The Council also provided support to businesses and individuals of £7.823 million on behalf of the Scottish Government. As the Council was mainly acting as an agent, this amount is in the Agency Services note but not the Council's main financial statements. The Movement in Reserves Statement shows an overall net decrease in the Council's total General Fund balance of £3.349m for the year, representing the movement in total balances from £35.043m in the prior year to £31.694m at the end of 2021/22. This is shown in **Table 2** with further analysis being reflected in **Table 3** below.

Table 3: Movement in Uncommitted Balances

General Fund Balances	Uncommitted Balances £000	Earmarked Balances £000	Total Balances £000
Balance B/Fwd 1 April 2021	(18,016)	(17,027)	(35,043)
Movement in year:			
Net Increase in Balances	(564)	(14,104)	(14,668)
Use of Balances	3,888	14,129	18,017
Balance C/Fwd 31 March 2022	(14,692)	(17,002)	(31,694)

During the course of the year, uncommitted balances have decreased by £3.324m. 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, increasing its Treasury Management Reserve in line with Loans Repayments 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.

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 £2.600m of capital expenditure (2020/21 £2.000m) and total income generated from council house and homeless rents of £14.773m (2020/21 £14.299m). The final outturn position was an increase in the surplus of £1.479m against a prior year balance of £8.942m. Further analysis is in **Table 4** below.

Table 4: Housing Revenue Account



Housing Revenue Account Balance	£000
Opening balance 1 April 2021	8,942
Movement in 2021/22:	
Adverse/(Positive) Variances	1,479
Closing balance 31 March 2022	10,421

Overall, the majority of operational costs showed favourable variances at the year end as a result of staffing vacancies, effective management processes and the reduction in debt charges from the Loans Fund. The closing surplus for the Housing Revenue Account (HRA) is £10.421m (2020/21 £8.942m). 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 six 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 £35.980m, creating an overall net asset of £423.6m. This includes the combined pension liability of these organisations similar to that of the Council. However, as there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

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 2021/22

The Council's priorities for General Services Capital Expenditure are set out within the 10 Year Capital Investment Plan, approved in March 2022. During the course of the year, the Council delivered a significant programme of capital works for the general fund with £68.937m of capital expenditure being applied; a figure that approximates to 91% of the revised budget of £76.133m after slippage into future years. This equates to an underspend of £27.405m before slippage, mainly due to the pandemic and the restrictions it imposed across the General Services Capital programme due to a general lack of resources, workforce and materials. Some of the most significant capital projects undertaken during the year are highlighted below.

Main Capital Projects



New
Boclair Academy -
£23,172m



Allander Leisure
Centre Replacement -
£19,264m



Additional Support
Needs (Asn) Project -
£11,103m



Roads & Footways -
£2,362m



Vehicle Procurement -
£2,653m

Actual external borrowing and long term liabilities are less than the capital financing requirement by £48.266m (£38.940m 2020/21), 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.

e) Borrowing

The operational boundary for external debt for the Council for 2021/22 was £337m (2020/21 £300m). The actual level of outstanding long and short-term debt, including PPP and leases at the year end totalled £330m (2020/21 £289m). At 31 March 2022, the Council had borrowing of £254m (2020/21 £210m), comprising long-term borrowing of £166m (2020/21 £147m), and short-term borrowing (repayable within 12 months) of £88m (2020/21 £63m). The short-term borrowing includes accrued interest on long-term loans of £1.85m (2020/21 £1.8m). The average interest rate for all loans was 2.873% (2020/21 3.218%). The Council paid £6.781m (2020/21 £6.822m) of interest and similar charges on external loans and received £0.102m (2020/21 £0.053m) of interest and investment income.

f) Balance Sheet as at 31 March 2022

The Balance Sheet sets out the total net worth of East Dunbartonshire Council at 31 March 2022. When comparing the net worth of the Council at the date of the last Balance Sheet on 31 March 2021 it can be seen that there has been an overall increase in the net worth of the authority of £62.073m in the past 12 months.

Table 7: Movement in Net Worth

Movement in Year	£000
Long-term Assets	30,835
Current Assets	(3,627)
Current Liabilities	(35,499)
Long-term Liabilities	70,354
Net Movement	62,063

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 to some extent by an increase in long-term borrowing

g) Pension

The impact of the Local Government Pension Scheme and Scottish Teachers' Superannuation Scheme on the Council's accounts has been disclosed in **Notes 27 and 28** to the accounts. As at 31 March 2022, the Council's Pension Fund had a net pension liability of £87m (2020/21 £171m). 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 2022, which is currently unfunded. This is a significant change on 2020/21. This was due to a significant return on scheme assets as stock markets continued to recover from the impact of the Covid-19 pandemic and actuarial gains arising from changes in financial assumptions. The Council continues to monitor and measure this pension liability and make changes to cash contributions as required as part of the regular assessment made by an independent actuary.

h) 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	2021/22 % or £	2020/21 % or £	Explanation
Reserves			
Uncommitted General Fund Reserves as a % of annual budgeted net expenditure	4.5%	6.3%	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	-26.8%	1.3%	Reflects slight decrease in the uncommitted resources available within the General Fund Balance.
Council Tax			
In-year Collection Rate	97.5%	96.7%	Demonstrates the Council's effectiveness in collection of local taxation.
Council Tax Income as a % of Overall Revenue Funding	23.7%	23.1%	Demonstrates the funds received from Council Tax as a % of overall funding requirement.
Financial Management			
Actual Outturn as a % of Budget	95.7%	92.9%	Demonstrates actual expenditure under budget improving the Council's financial position at the year end (excluding HSCP).
Actual Contribution to/(from) Uncommitted General Fund Balance	£4.824m	£0.225m	Demonstrates the Council's application of reserves to support Council decisions during the year.
Debt & Borrowing			
Capital Financing Requirement	£378.1m	£327.8m	This is the amount of unfunded capital expenditure.
External Debt Levels	£329.8m	£289.3m	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	4.8%	7.8%	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	21.0%	12.0%	Demonstrates how much of the housing revenue budget is tied up in supporting borrowing

5. 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 November 2021.

With additional information on future developments relating to Government policy, principles, borrowing, reserves and infrastructure investment the second iteration of the MTFA 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 Covid and the UK Government, Scottish Government and Council response. Work continues to address short-term budget pressures, how these will impact the medium term with longer-term financial strategies also requiring immediate attention. The Scottish Government has established its recovery priorities and these in turn will impact on Council priorities. Future funding must be able Local Government to focus and play its key part in longer-term recovery. Any future UK Spending review, fiscal event or emergency budget will have implications on the Council's budget. This has the potential to impact the following areas of high priority areas for the Council.

a) *Inclusive Economic Growth*

Since its update at the beginning of 2021, the Council has been working with its community partners in East Dunbartonshire's Economic Partnership (EDEP) to produce an Economic Recovery Plan. EDEP is a group of representatives from key agencies (including: Scottish Enterprise, Visit Scotland, the Federation of Small Businesses, East Dunbartonshire Chamber of Commerce, East Dunbartonshire Volunteer Association, Scottish Canals, Forestry and Land Scotland).

The actions in East Dunbartonshire's Economic Recovery Plan cover four priority areas: Business; People; Community; and Environment and it outlines the commitment of the Council and its Community Partners towards making plans for a better future, with emphasis on social, environmental and economic wellbeing. One of the actions in the Plan is to produce a Circular Economy Strategy, which will set up how the Council and partners can support the development of a more regenerative local economy, where waste is minimised and resources are used sustainably. In addition to the environmental benefits, developing a Circular Economy will also provide opportunities for local businesses and employment and help to retain wealth within local communities. Work on the Strategy commenced in 2021 with early engagement activities, including a business survey, and the actions for the Draft Strategy are being developed in collaboration with members of the East Dunbartonshire Economic Partnership, a Circular Economy Ambassador Group with a board of local stakeholders including representatives from the local business and social enterprise community, and with teams across the Council as part of the Net Zero Working Group.

East Dunbartonshire Council is in the progress of producing a new Local Development Plan (LDP2), a statutory document under the Planning (Scotland) Act, the purpose of which is to guide all planning decisions made in East Dunbartonshire. Following public consultation on the Proposed Local Development Plan 2, which ended in January 2021, officers have analysed all submissions and considered the issues raised. The outcomes of this process were considered and agreed by the Council's Place, Neighbourhood and Corporate Assets Committee on 27 May 2021. The proposed 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. The Scottish Government Examination into the Proposed Local Development Plan 2 is due to conclude by summer 2022 and its recommendations and any resultant modifications to the plan will be reported to Council for adoption, likely to be by the end of 2022.

The Council also continues to collaborate with seven other local authorities to deliver the actions set out in the Regional Economic Strategy 2017-2035, which include tackling poverty and barriers to economic activity across the City Region. East Dunbartonshire Council is also part of Glasgow City Deal and work is underway to deliver the local City Deal project, which will support the local economy and will include regeneration activities in Bishopbriggs town centre and improved road, public transport and active travel links.

At a more local level, the Council has started the process of reviewing its locality plans for Auchinairn, Hillhead/Harestanes, Lennoxton, and Twechar. These are prepared to meet the requirements of the Community Empowerment (Scotland) Act, 2015, to tackle inequalities at a local level for areas experiencing particular disadvantage. In addition, the Scottish Government issued regulations on the new process of Local Place Plans late in 2021, and guidance in January 2022. This is a way for communities, working with local authorities and other public sector organisations, to bring forward proposals that reflect national and local outcomes. The Council, as planning authority, is preparing to liaise with any community group who wishes to prepare a local place plan for their local area, after the Scottish Government regulations on local place plans are fully enacted, likely to be later in 2022.

b) *Child Poverty*

The Child Poverty (Scotland) Act 2017 sets ambitious income-based targets for reductions in child poverty across Scotland by 2030. East Dunbartonshire Council, in partnership with Greater Glasgow & Clyde Health Board have produced a report and action plan for 2021-22. The Act sets out four statutory, income-based targets (all After Housing Costs), to be achieved by 2030: Less than 10% of children are in relative poverty; less than 5% of children are in absolute poverty; less than 5% of children are in combined low income and material deprivation and less than 5% of children are in persistent poverty. Our report and action plan outline how we will contribute to these targets.

The Scottish Government recently published Tackling Child Poverty Delivery Plan 2022-26 advises relative child poverty in Scotland was 24% in 2017-18, with an estimated 230,000 children living in poverty in that year. Current projections suggest 17% of children will be living in relative poverty in 2023-24, approximately 170,000, one percentage point below the statutory target of 18%. East Dunbartonshire Community Planning partnership strategic group are monitoring impact of intervention at a local level and will collaboratively develop Year 5 Child Poverty Report and Action Plan. The actions are focussed on six priority family types that are more likely to be living in poverty: lone parent families (the large majority of which are headed by women); families which include a disabled

adult or child; larger families; minority ethnic families; families with a child under one year old; and, families where the mother is under 25 years of age.

c) Wellbeing

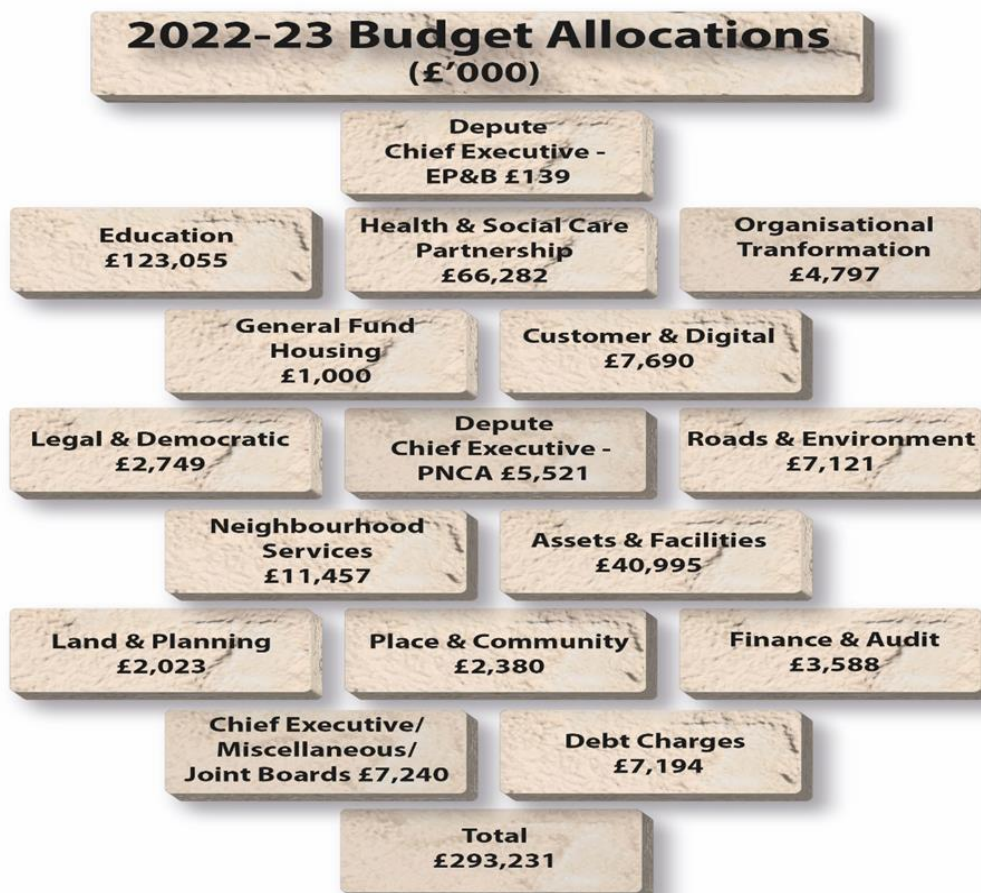
The Council continues to focus on employee health and well-being. At the start of the pandemic, the Council established an infrastructure to support the Covid-19 response, which included 7 day call monitoring reporting alongside the implementation of individual risk assessment process to support the continuation of essential services. Cases continue to be monitored over a 7 day period in providing timely responses to mitigate risks in relation to Covid-19, and supporting services to remain operational. The launch of the online reporting, which takes the reporting of Covid-19 absences away from the need for telephone contact for all cases, continues to bring efficiencies to this process, which in turn have allowed resources to be redirected to support HR case management. Advice and guidance to employees and managers on Covid-19 related issues and absences continue to be supported by the HR&OD and H&S teams in line with national guidelines, to ensure a safe working environment across the Council's workforce.

The safe return of staff to the workplace was of paramount importance, returning services to capacity following lock down and required actions to respond to the relaxation of Covid-19 restrictions. With further work being specified to enhance reporting of Covid-19 sicknesses 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.

We continue our commitment to ensuring a holistic approach to managing absence and well-being through line managers and the targeted provision of training. In June 2020, the Council achieved the Gold Award for Healthy Working Lives, and continue to retain this level. Building on this success, work continues to enhance the Employee Zone pages with updates and additions to the Wellbeing page to reflect Healthy Working Lives campaigns throughout the year.

d) Climate Change

Covered within sustainability below, the Climate Change (Scotland) Act 2009 requires public bodies to produce annual reports detailing measures being taken to address climate change.



The Councils 2022/23 budget has an assessed financial gap of £6.970m. 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 latest 2022/23 budget allocated across Executive Officers is shown above, 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. 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.

6. Other Significant Information

a) Sickness Absence

The average number of working days per employee lost through sickness absence for teachers was 5.36 days (2020/21 3.29 days). For all other local government employees the average was 12.02 days (2020/21 8.58 days).

b) Personal Data Incidents

The Council had thirty-nine recognised data protection breaches during 2021/22, three of which were 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 2022

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

d) Sustainability

During 2021/22, the Council continued to develop a Climate Action Plan for East Dunbartonshire, taking account of views received via internal stakeholder meetings and via the first public 'Climate Conversation', which concluded in spring 2021. The emerging document draws together and builds 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 Greenspace 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.

During 2021/22, work also continued on the emerging Local Heat and Energy Efficiency Strategy (LHEES), in conjunction with the Climate Action Plan. A second Scottish Government project was undertaken to help the Council complete the first stages of the recently issued national LHEES methodology. Plans for a national trial of heat decarbonisation technology were also finalised during 2021/22; working with Scottish Power Energy Networks and energy supplier E.ON, the Council will serve as one of three Scottish pilot areas for the 'Re-Heat' project, which offers particular benefits to households which are off-gas and fuel-poor.

Through this work, progress continues to be made in aligning 'green' agendas to social and economic priorities, to seek efficiencies and avoid future costs. Recent rises in fuel prices have underlined the importance of this approach, to reduce pressure on Council budgets and to support local residents affected by fuel poverty.

.....
Jamie Robertson CPFA
Chief Finance Officer
Date: 25 October 2022

.....
Gerry Cornes
Chief Executive
Date: 25 October 2022

.....
Councillor Gordan Low
Leader of the Council
Date: 25 October 2022

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 statement explains how East Dunbartonshire Council reviews the effectiveness of these arrangements and delivers good governance.

We again put in place some temporary variations in governance arrangements during the financial year to manage the impact of the coronavirus (COVID-19) pandemic. Further detail on these variations is provided below.

Impact of COVID-19 pandemic on governance arrangements

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

The COVID-19 pandemic continued to affect all Council services to some extent throughout 2021/22. From the start of the financial year, the Council supported delivery of first and second doses of the vaccinations alongside community testing. The year started with some restrictions still in place, closely followed in April 2021 by a number of retail businesses being permitted to reopen following a period of closure. The Trading Standards team provided support and advice on regulations throughout the year and the Council also provided financial assistance in the form of business grants to eligible affected businesses whilst they were required to close.

Secondary Pupils returned to face to face learning on 19th April 2021 and the Council continued working towards business as usual delivery of services throughout the summer and autumn of 2021. However, some of this progress was interrupted by the Omicron variant, resulting in a return to Civil Contingency Arrangements and operational command and control processes in December 2021 as cases spiked and COVID-19 emergency response and community support activities recommenced. The Omicron variant placed pressures on services as additional COVID-19 support services were re-implemented and staff absence rates were higher than normal.

Nonetheless, service delivery was predominately on a business as usual basis throughout the year; however, adjustments were required in response to COVID-19 risks. These required changes to service delivery impacted on staffing through the prioritisation of the essential COVID-19 response services such as business grants, support payments, vaccination & asymptomatic testing and any new ringfenced activities. By the year end, and where possible, services resumed on a business as usual basis, with some adjustments for example, to social care, to the numbers that can attend day care services as a result of risk assessments in place.

B. Governance Implications

As stated at A. above, Civil Contingency Arrangements continued to be applied in 2021/22 with Council strategies, resources, service provision and governance arrangements including risk management reporting cycles being appropriately flexed. The arrival of the second wave of the pandemic and the related Scottish Government announcement on Monday 4 January 2021 of enhanced 'Stay at Home' restrictions resulted in revisions being reintroduced, with the suspension of committees and boards until May 2021. Councils and Special Council meetings continued throughout 2021 as scheduled with a fuller resumption of committees commencing in August 2021 as a step towards the Council's COVID-19 recovery, with the inclusion of scrutiny panels and other meetings which had not taken place since March 2020.

However, the emergence of the Omicron variant in late 2021 and the subsequent pressures on services resulted in the cancellation of the Audit and Risk Management Committee and Policy & Resources Committees during January 2022. Furthermore, in March 2022 certain other committees were also cancelled, with this being accompanied by a return to Command and Control arrangements. The March 2022 committee meetings were

stood down due to the planned limitation in business as a result of the upcoming local government elections in May 2022. Nonetheless, Council has continued to meet throughout this period to consider any urgent business. 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.

A fuller return to committees commenced in June 2022 and it is hoped that 2022/23 will see a return to governance arrangements including a full committee cycle.

C. Financial Pressure & Funding Consequences

The Council's response to the coronavirus pandemic has, and will continue to, result in additional costs being incurred. Short term financial pressures have included those associated with: delaying the implementation of savings options, reduced organisational transformation activity, an enhanced system of business grants, resource pressures manifesting as staff overtime, and the costs of implementing new systems, processes and governance arrangements. Changes in Scottish Government policy have required a significant response from Local Government. Many of these new policies are aimed at welfare, hardship, wellbeing, communities, health and businesses and have fallen to Councils to deliver either singularly or in conjunction with others. Each new policy has required suitable changes to, or the establishment of new processes. Correspondingly, the scale of the Council's response has been significant with these new and revised processes requiring a balance to be found between providing a swift response to support recovery whilst adhering to the principles of Best Value and good governance, coupled with the minimisation of fraud and irregularity.

Expectations with regards to longer term impacts will be quantified through the refreshing of the Medium Term Financial Plan. The risks from COVID-19 appear to be lower than in 2021, although the longer-term impact of COVID-19 on Council services is still emerging. In addition, other economic and geopolitical risks contribute to a highly uncertain environment and financial pressures on the Council continue to represent a significant challenge.

D. Longer-term changes to priorities, programmes, strategies and plans

The pandemic has had profound health, social, and economic impacts of unprecedented scale, with some permanent implications for our society. COVID-19 has accelerated a change in public services and magnified a number of risks. The Council has responded to COVID-19 by changing how it works and what services and activities it provides. The Council intends to capitalise on those advances made because of COVID-19 and reflect on a number of lessons learned. Such lessons include how well joint working has shaped the response and how this will be continued into the future. This includes joint working both internally across Council services, with the HSCP and the EDLCT; and with our community planning partners, other public sector agencies, third sector organisations and the Scottish Government.

2022/23 will be hallmarked by the continuing focus on providing support as the period of recovery continues. Our communities have significant numbers of older and vulnerable people and we shall maintain our commitments to those elderly and vulnerable individuals who require our support through a range of care and other support services. East Dunbartonshire's local economy and businesses have been hard hit by the impact of the pandemic and the various restrictions and other measures introduced during lockdowns periods. Whilst we have ensured significant levels of financial support has been directed to businesses over the pandemic years, we will continue to work to assist our local businesses, many of which are the lifeblood of our local communities and town centres and will be key in seeing a return to normal community and town centre life.

The Council has commenced a strategic review of priorities and local outcomes to inform future COVID-19 Recovery Plans and future prioritisation of services and resources. This review includes lessons learned from the impact and response to COVID-19 and a review of Corporate Performance & Improvement. A review of 'Prioritising our Services, Prioritising our Resources' was carried out through a refreshed Budget Engagement Process. The outcomes of this engagement programme informed the budget planning process for 2022/23 and beyond. In addition, a review of the Local Outcome Improvement Plan will be undertaken in conjunction with the Community Planning Partnership to ensure that there is a continuing focus on the most important priorities for our local residents, communities and businesses.

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.

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 carried out a rigorous analysis of local needs and engaged widely across all our communities. This has enabled us to identify the specific issues that affect people and communities across East Dunbartonshire and helped us plan what we want to achieve over the decade and detail how we will expect to get there. As has been noted at section D. above, in response to the COVID-19 pandemic, Officers will work with community planning partners to review the current priorities and outcomes within the East Dunbartonshire Local Outcome Improvement Plan (LOIP). This will help to ensure that there is a continuing focus on the most important priorities for local residents, communities and businesses, with particular consideration of the impact of COVID-19 on local needs.

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. 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.

We have continued to enhance and strengthen our 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 Elected Member Portfolio Holders and the extent of delegations made to Committees and Officers, under the principle that decisions should be made at the lowest or most local level, consistent with the nature of the issues involved. The Council also has Financial Regulations and Standing Orders relating to contracts 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 within 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 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 2021/22, 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, Licencing and Covid-19 Business Grants.

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.

A revised Workforce Strategy approved by Council in June 2018 set out the long term Workforce and Succession Planning, outlining the basis on which Council would plan, resource, develop and support delivery of services in the future. Based on high-level principles around the pressures and challenges Council faces, the strategy is also set in the context of emerging technologies to deliver services. This strategy has been updated periodically based on the organisational context.

The Workforce Strategy continues to reflect the changing context and challenges faced by services. The strategy and its associated actions recognise the longer term planning required within services through Council's well established Early Career Programmes. The strategy and actions continue to support areas of expansion, redesign, demographic pressure and areas of skill development required for sustaining services in the future.

A review and refresh of the strategy will take place on the basis of the response by services to the COVID pandemic and the requirements in the short, medium and longer term for recovery. The strategy will reflect the response to COVID-19 with expansion of areas such as Cleaning, Quality Assurance in cleaning and Health & Safety. The strategy will also reflect upon the response to the pandemic that continues to be delivered by Council and any requirements for continued resourcing. The strategy will include a focus on the wellbeing of our workforce, an emphasis on the role of a trauma informed workforce and will include service delivery as a core theme throughout.

Integral to preparing for the future is the alignment of the Workforce Strategy and the Leadership Competency Map. It is important to recognise the foundations of emerging digital skills, innovation, adaptability and flexibility in future roles and the delivery of services for the future. The linkages across the workforce and digital capabilities continue to be emphasised through national programmes, skill development and the Council's own Transformation Programme.

The Council continues to engage actively in the Digital Partnership through the Local Government Digital Office, with participation in a number of workstreams, in recognition of the benefits of the partnership in setting and supporting the digital opportunities for the future.

The Council continues to ensure that the Workforce Strategy and Digital Strategy alignment enables longer term planning with the 'art of the possible' featuring prominently throughout. Understanding the gaps in our current and future resource requirements remains, with action planning in place to ensure these remain managed. This is a key enabler in supporting improvements in service delivery, structures, systems and overall performance through people and in support of Best Value.

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 for the Workforce Strategy with opportunities through collaboration and sharing. The Elected Member development programme continues to be progressed within an established rolling programme of Elected Member briefings and workshops for specific topics and developments, with training provided at the outset of the new Council term.

Commitments for 2022/23 include the revisiting of the Employee Survey which took place in in September 2019, concluding in October 2019, covering key themes around:

- Leadership
- Communication and Engagement
- Management
- Teamwork
- Wellbeing

The survey return rate was 32.3%. 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. The revisiting of the survey will allow for an expansion on smart working for the future as well as emphasis on wellbeing in light of COVID recovery.

5. *Informed & Transparent Decision Making*

The Council establishes its processes and controls so as 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, Strategic and Operational Risk Registers providing support and assurance that risk exposures are known and managed. In addition, the committee report template includes links to the LOIP 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.

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 of where there is direct significance to, and have 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.

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 undertaken in 2019, '20/20 Vision', which sought community input into budget and income generating priorities for 2020 and beyond. To ensure Best Value and that Council priorities remain well founded in a post-Covid environment, a further exercise was undertaken in August to November 2021 on the budget priorities for 2022/23. The outcomes of the budget engagement process was used to help inform decisions by Council on its priorities for 2022/23. 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* requires 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 directed East Dunbartonshire 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.

A self-assessment against the recently published CIPFA Financial Management Code had been planned for 2021/22 but has been delayed due to the COVID-19 response. This will be performed in 2022/23 and an action plan developed to enhance compliance.

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 within the Council who have responsibility for the development and maintenance of the governance environment, by the Audit & Risk Manager's Annual Report, and by comments made by the external auditors and other review agencies and inspectorates.

During 2021/22, 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 given the continued COVID-19 response 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 2021/22, 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.

Gas safety performance significantly improved in the year. In the first quarter there was a 99.9% compliance rate due to one property failing on its anniversary date. This was due to an inherent system issue which has now been mitigated by having robust measures in place to ensure there is no recurrence of this.

Based on Internal Audit work completed in 2021/22 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 2021/22 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 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 in the year, 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.'

We have also specifically considered the local audit team's cycle of reports including the Management Report and the Annual Audit Report. The most recent Audit Scotland Management Report reported on the following key issues: timeliness of completion of reconciliations, and timeliness of second Officer review of NDR and Council Tax Reliefs/Discounts. Audit Scotland's 2020/21 Annual Audit Report also highlighted a review of fully provided for debts and the use of Local Government Benchmarking Data as areas for improvement. Action plans have been agreed to address the issues raised, with responsible officers and target dates set, whilst acknowledging that the COVID-19 response has made short-term improvements challenging in some instances.

An additional piece of assurance was provided by an external review of the Council's Surveillance and CHIS policies and procedures by the Investigatory Powers Commissioner's Office, which concluded that suitably strong governance processes are in place in the Council to ensure compliance with relevant legislation and Codes of Practice.

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 will 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.

The Council has received funding from Glasgow City Region – City Deal, for the commencement of a City Deal capital project. 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 2021/22.

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) Reinstatement of governance arrangements

As part of the Council's COVID-19 recovery actions it is planned that in 2022/23 there will be a reinstatement of governance arrangements that have been fully or partly suspended at times during the pandemic. This includes the regular committee reports on performance and risk management, and the reintroduction of regular scrutiny panels.

b) 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 network lead, and the Accounts Commission. Specific engagement will be carried out with the Scottish Housing Regulator (SHR) in the area of Homelessness, which continues to be a nationwide topic of focus for the SHR in 2022/23. Part of the improvement actions with regards to Homelessness will include the return of the Service to face to face meetings in 2022 as part of the Covid-19 recovery plans.

We will address the actions identified in the Audit Scotland's 2021 Best Value Assurance Report including:

- updating the Corporate Risk Register and updating and extending the time horizon of the Medium Term Financial Plan from 3 to 5 years,
- improving the links between to Local Government Benchmarking Framework reports and business improvement plans,
- including a summary of progress against outcome performance indicators in the Local Outcomes Improvement Plan annual progress reports, and;
- Enhancing the presentation of performance information in the Performance and Governance section of the Council's website.

c) Internal Audit Work

Further to the completion of the internal audit work for 2021/22, 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 ICT cyber-security risks, the contractual status of social care providers and contract management. Progress is being made towards mitigating risks in these areas, although in some instances progress has been delayed by the pandemic response. However, these risks will continue to be kept under review, with auditors monitoring compliance with the agreed actions as part of a six monthly cycle, and progress being reported to the Audit & Risk Management Committee.

d) Best Value

The Council articulates its ongoing commitment to Best Value and continuous improvement a Strategic Planning and Performance Framework, which is intended to provide 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 Audit Scotland and reported to the Accounts Commission on an annual basis and a more detailed Best Value Assurance Report was published in September 2021. Whilst providing positive assurance over a number of areas, an action plan has been agreed to implement the areas identified by auditors for improvement.

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.

e) 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 pandemic which are being taken on board in our 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 2022/23 will be on a monthly basis via technical note and then biannually to relevant Strategic Committee, to ensure regular, effective scrutiny, which will be supplemented by scrutiny of performance that is undertaken via the Scrutiny Panels.

The 2020/21 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.

f) Scrutiny of Transformation

Transformation continues to be key to the Council achieving its outcomes. The Transformation Programme Board provides structured officer-level scrutiny chaired by the Depute Chief Executive. The Transformation programme is further scrutinised via the Policy & Resources Committee and through the Audit & Risk Management Committee and Scrutiny Panels. These arrangements have been subject to suspension due to the COVID-19 response and will be reinstated when circumstances allow. The Transformation programme will be refreshed to reflect the Council's COVID-19 recovery priorities and strategic planning for the organisation of the future, with an updated programme expected to be agreed in 2022/23.

g) 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 2021/22 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. Temporary arrangements have been put in place in response to the COVID-19 pandemic as a necessary measure to enable to the Council to meet its civil contingency responsibilities and to allow the prioritisation of services provided to the most vulnerable in the community. As steps towards reintroducing established governance arrangements are taken, the Council will continue to review its Corporate Governance arrangements and take any additional steps, as required, to enhance these arrangements. These steps will address the need for improvements and the internal audit team will monitor their implementation and operation as part of its 2022/23 programme of work.

.....
Gerry Cornes
Chief Executive
Date: 25 October 2022

.....
Councillor Gordan Low
Leader of the Council
Date: 25 October 2022

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* as modified by the *Coronavirus (Scotland) Act 2020*), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the *Local Government in Scotland Act 2003*).
- approve the Annual Accounts for signature.

I confirm that these accounts were approved for signature on 25 October 2022.

Signed on behalf of East Dunbartonshire Council

.....
Councillor Gordan Low
Leader of the Council
Date: 25 October 2022

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 2021/22 (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 2022.

.....
Jamie Robertson CPFA
Chief Finance Officer
Date: 25 October 2022

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 2021/22 the Regulations set the salary for the Leader as £37,213 (2020/21 £35,713) and the maximum salary for the Provost as £27,910 (2020/21 £26,785). The remuneration arrangements for the Joint Leaders of East Dunbartonshire Council rotated annually as agreed in report EPB/089/18/KMD to Council of 26 April 2018.

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 £255,826 for 2021/22 (2020/21 £245,513) 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.

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

Position Held	01/04/2021 to 31/03/2022
Joint Leaders of the Council	A Polson, V Moody
Provost	A Brown (to 13/11/21), G Pews (from 17/11/21)
Depute Provost	G Pews (to 16/12/21)
Convener:	
Audit & Risk Management	G Low
Education	J Goodall
Place, Neighbourhood & Corporate Assets	W Hendry
Policy & Resources Committee	V Moody
Chair - Planning Board	R O'Neil
Chair - Licensing Board	J Gibbons
Vice Convener:	
Audit & Risk Management	G Renwick
Education	G McGinnigle
Place, Neighbourhood & Corporate Assets	S Murray
Policy & Resources Committee	A Polson
Vice Chair - Planning Board	S Thornton

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 for 2021/22.

Excluding the Leader of the Council and the Provost, the additional remuneration paid to these Senior Councillors in 2021/22 totalled £255,826 (2020/21 £245,513).

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 2020/21	Councillor	Office held as at 31 March 2022	Salary and Allowances	Taxable Expenses	Total 2021/22
£			£	£	£
26,785	V Moody	Joint Leader of the Council, Convener	37,213	0	37,213
35,713	A Polson	Joint Leader of the Council, Vice Convener	27,910	0	27,910
26,785	A Brown	Provost (to 13/11/21)	17,358	0	17,358
22,445	G Pews	Depute Provost (to 16/12/21), Provost (from 17/12/21)	24,689	0	24,689
22,855	G Low	Main Opposition Leader, Convener	23,815	0	23,815
23,569	J Goodall	Convener	24,559	0	24,559
25,355	W Hendry	Convener	26,419	0	26,419
22,855	R O'Neil	Chair of Planning Board	23,815	0	23,815
19,609	J Gibbons	Chair of Licensing Board	20,433	0	20,433
19,609	G Renwick	Vice Convener	20,433	0	20,433
19,609	G McGinnigle	Vice Convener	20,433	0	20,433
23,213	S Murray	Vice Convener	24,188	0	24,188
19,609	S Thornton	Vice Chair of Planning Board	20,433	0	20,433
308,011	Total		311,698	0	311,698

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 as follows:

2020/21	2021/22
£	£
468,697	479,134
5,458	3,959
474,155	483,093
	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 to be paid by the Council of which the Convener or Vice-Convener is a member. The Council is also required to pay any pension contributions arising from that Councillor being a member of the Local Government Pension Scheme. Councillor Moody was Vice Convener of the Dunbartonshire and Argyll and Bute Valuation Joint Board 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 2022	Year to 31 March 2021	As at 31 March 2022		As at 31 March 2021	
		£	£	Pension £000	Lump Sum £000	Pension £000	Lump Sum £000
V Moody	Joint Leader, Convener	7,182	5,169	7	2	6	2
A Polson	Joint Leader, Vice Convener	5,387	6,893	2	0	2	0
A Brown	Provost (to 13/11/21)	3,350	5,169	0	0	2	0
G Pews	Depute Provost, Provost (from 17/12/21)	4,765	4,332	2	0	1	0
G Low	Convener	4,596	4,411	6	2	5	2
J Goodall	Convener	4,740	4,549	2	0	2	0
R O'Neil	Chair of Planning Board	4,596	4,411	2	0	2	0
J Gibbons	Chair of Licensing Board	3,944	3,785	5	1	5	1
G Renwick	Vice Convener	3,944	3,785	5	1	4	1
G McGinnigle	Vice Convener	3,944	3,785	2	0	1	0
S Murray	Vice Convener	4,668	4,480	2	0	2	0
Total		51,116	50,769	35	6	32	6

Note: Membership of the pension scheme is not compulsory.

Councillors' pension benefits are based on career average pay and are provided through the Local Government Pension Scheme (LGPS). The Councillors' salaries for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total revalued pay is then divided by the period of membership to calculate the career average pay. This 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 basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; 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 relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment. The 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 Local Authority Services 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.

Other remuneration includes the fees payable by the Scotland Office and the Scottish Government for the conduct of elections and referendums. It also includes the pay settlement (if applicable) agreed by COSLA during November and early December 2021. The settlement covered the period 1st April 2021 to 31st of March 2022 and was backdated for three months from January to March 2021. The social care payment awarded to health and social care employees in recognition of their effort during the pandemic has also been included (if applicable).

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. As part of the temporary governance measures taken as part of the Covid pandemic response, the Chief Finance Officer reports to the Depute Chief Executive, Education, People and Business. 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)
- Executive Officer – Finance & Audit, Chief Finance Officer [Section 95 Officer]

Other Chief Officials

- Executive Officer - Education [Chief Education Officer]
- Executive Officer – Social Work [Chief Social Work Officer]
- Executive Officer - Legal & Democratic Services [Monitoring Officer]

Remuneration of Senior Employees

2020/21 Salary, Fees & Allowances			2021/22 Salary, Fees & Allowances	2021/22 Annual Salary
£			£	£
135,288	G Cornes	Chief Executive	137,815	136,088
109,344	A Davie	Depute Chief Executive, EPB	111,871	110,144
109,344	T Glen	Depute Chief Executive, PNCA (1)	64,109	110,144
103,107	J MacDonald	Executive Officer Education (2)	29,583	103,855
n/a	G Bremner	Interim Chief Education Officer (3)	83,191	95,187
103,107	C Sinclair	Chief Social Work Officer	104,539	103,855
103,107	J Robertson	Chief Financial Officer	104,539	103,855
103,107	K Donnelly	Chief Monitoring Officer	104,839	103,855
766,404	Totals		740,486	866,983

(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 2020/21 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 2022	Year to 31 March 2021	As at 31 March 2022		As at 31 March 2021	
		£	£	Pension	Lump Sum	Pension	Lump Sum
G Cornes	Chief Executive	26,593	26,111	73	121	70	120
A Davie	Depute Chief Exec, EPB	21,296	21,103	30	10	30	10
T Glen	Depute Chief Exec, PNCA (1)	12,373	21,103	52	0	52	0
G Bremner	Interim Chief Education Officer (2)	19,134	n/a	26	77	n/a	n/a
C Sinclair	Chief Social Work Officer	20,080	18,676	8	0	6	0
J Robertson	Chief Finance Officer	20,080	19,900	31	25	31	25
K Donnelly	Monitoring Officer	20,080	19,900	12	0	12	0
Total		139,636	126,793	232	233	201	155

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

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 2021/22 whole time pay are as follows:	Contribution rate
On earnings up to and including £22,300	5.50%
On earnings above £22,301 and up to £27,300	7.25%
On earnings above £27,301 and up to £37,400	8.50%
On earnings above £37,401 and up to £49,900	9.50%
On earnings of £49,901 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 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 do include senior employees whose remuneration for the year exceeds that shown in the table in Section 4 as they were only in a senior position for part of the year (those in an acting position).

Remuneration	No. of Employees	
	2021/22	2020/21
£50,000 - £54,999	173	183
£55,000 - £59,999	71	64
£60,000 - £64,999	44	41
£65,000 - £69,999	18	15
£70,000 - £74,999	4	5
£75,000 - £79,999	2	2
£80,000 - £84,999	3	2
£85,000 - £89,999	0	2
£90,000 - £94,999	12	11
£95,000 - £99,999	1	0
£100,000 - £104,999	2	2
Total Employees	330	327

8. Exit Packages

The table overleaf 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	2021/22		2020/21	
	Number	Cost	Number	Cost
£0 - £20,000	3	£ 21,150	1	£ 6,000
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	0	0	0
£60,001 +	0	0	0	0
Total	3	21,150	1	6,000

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 whose remuneration 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.

	2021/22				2020/21
	Salary, Fees & Allowances	Expenses	Other Remuneration	Total Remuneration	Total Remuneration
	£	£	£	£	£
M Grant - General Manager	86,229	0	0	86,229	85,296

	Year to 31 March 2022	Year to 31 March 2021	As at 31 March 2022		As at 31 March 2021	
	£	£	Pension	Lump Sum	Pension	Lump Sum
	£	£	£000	£000	£000	£000
M Grant - General Manager	16,642	16,462	43	69	41	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 have been audited by Audit Scotland. The other sections of the report have been reviewed by Audit Scotland 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 for 2021/22 is available on the Council's website.

.....
Gerry Cornes
Chief Executive
 Date: 25 October 2022

.....
Councillor Gordan Low
Leader of the Council
 Date: 25 October 2022

Principal Financial Statements of Single Entity

The Annual Accounts summarise the Council's transactions for the year, its year end position at 31 March 2022 and its cash flows. The Annual Accounts are prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2021/22* (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 39 to 82)
- **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 89 to 98)

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

2020/21			2021/22			
Gross Expend.	Gross Income	Net Expend. or (Income)	Gross Expend.	Gross Income	Net Expend. or (Income)	Notes
£000	£000	£000	£000	£000	£000	
Service Revenue Accounts:						
18,640	(10)	18,630	14,344	(1,424)	12,920	
30,525	(2,249)	28,276	43,742	(2,926)	40,816	
14,867	(1,273)	13,594	15,482	(1,259)	14,223	
13,550	(546)	13,004	15,297	(817)	14,480	
3,283	(2,269)	1,014	3,542	(2,213)	1,329	
2,191	(1,069)	1,122	2,380	(921)	1,459	
5,283	(690)	4,593	5,667	(1,121)	4,546	
133,397	(13,673)	119,724	160,657	(18,138)	142,519	
19,018	(15,236)	3,782	18,332	(14,071)	4,261	
3,042	(348)	2,694	4,008	(551)	3,457	
4,485	(148)	4,337	5,495	(129)	5,366	
9,656	(560)	9,096	11,136	(704)	10,432	
148,098	(87,196)	60,902	153,262	(84,976)	68,286	
19,040	(14,547)	4,493	19,708	(14,947)	4,761	
425,075	(139,814)	285,261	473,052	(144,197)	328,855	EFA
	123	(Gains) / Loss on Disposal of Non-current Assets			374	
	123	Other Operating (Income) or Expenditure (2)			374	
	14,471	Interest Payable and Similar Charges			14,268	
	3,313	Pension Interest Cost/Expected Return on Pension Assets			3,625	28
	(53)	Interest Receivable and Similar Income			(102)	16
	17,731	Financing and Investment (Income) and Expenditure (3)			17,791	
	(65,077)	Council Tax			(67,373)	
	(15,238)	Non-Domestic Rates			(13,355)	
	(201,941)	General Revenue Grant			(203,048)	
	(17,083)	Recognised Capital Grants / Contributions			(19,628)	
	(299,339)	Taxation and Non-Specific Grant Income (4)			(303,404)	
	3,776	(Surplus) or Deficit on the Provision of Services (5)			43,616	3
		{{(1) + (2) + (3) + (4)}				
		Items that will not be reclassified to the (Surplus) or Deficit on the Provision of				
	(1,036)	(Surplus) or Deficit on the Revaluation of Property, Plant and Equipment assets			2,151	22c
	26,531	Actuarial (Gains) or Losses on Pensions Assets and Liabilities			(107,830)	28
	25,495	Other Comprehensive (Income) and Expenditure (6)			(105,679)	
	29,271	Total Comprehensive (Income) and Expenditure {(5) + (6)}			(62,063)	

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	£000
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 at 31 March 2020	23,443	6,483	6,001	817	36,744	318,042	354,786
Movement in reserves during 2020/21:							
Total Comprehensive Income and (Expenditure)	(1,495)	(2,281)	0	0	(3,776)	(25,495)	(29,271)
Restated adjustments between accounting basis and funding basis under regulations (Note 7)	13,095	4,740	307	0	18,142	(18,142)	0
Transfers to and from Other Statutory Reserves (Note 8)	0	0	0	0	0	0	0
Increase or (Decrease) in 2020/21	11,600	2,459	307	0	14,366	(43,637)	(29,271)
Balance at 31 March 2021 carried forward	35,043	8,942	6,308	817	51,110	274,405	325,515

Balance Sheet

31 March 2021		31 March 2022	
£000		£000	Notes
777,286	Property, Plant and Equipment	807,454	9
3,796	Heritage Assets	3,808	10
1,408	Intangible Assets	2,001	11
67	Long-term Debtors	129	18
782,557	Long-term Assets	813,392	
0	Current Intangible Assets	0	
710	Assets Held for Sale	1,513	12
702	Inventories	697	
40,618	Short-term Debtors	38,026	18
21,104	Cash and Cash Equivalents	19,271	
63,134	Current Assets	59,507	
(63,218)	Short-term Borrowing	(87,778)	16
(3,031)	Other Short-term Liabilities (PPP Contract)	(3,318)	15
(85)	Other Short-term Liabilities (Finance Leases)	(95)	26
(42,363)	Short-term Creditors	(52,127)	19
(57)	Provisions	(49)	20
(8,904)	Short-term Grants & Receipts in Advance	(9,790)	19
(117,658)	Current Liabilities	(153,157)	
(146,642)	Long-term Borrowing	(165,698)	16
(73,309)	Other Long-term Liabilities (PPP contract)	(69,991)	15
(3,009)	Other Long-term Liabilities (Finance Leases)	(2,914)	26
(171,215)	Other Long-term Liabilities (Pensions)	(87,095)	28
(360)	Provisions	(276)	20
(7,983)	Long-term Grants & Receipts in Advance	(6,190)	19
(402,518)	Long-term Liabilities	(332,164)	
325,515	Net Assets	387,578	
51,110	Usable Reserves	47,564	21
274,405	Unusable Reserves	340,014	22
325,515	Total Reserves	387,578	

The unaudited annual accounts were issued on 23 June 2022 and the annual accounts were authorised for issue on 25 October 2022.

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Jamie Robertson CPFA
Chief Finance Officer
 Date: 25 October 2022

Cash Flow Statement

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

2020/21	Cashflow Categories	2021/22		Notes
		£000	£000	
3,776	Net (Surplus) or Deficit on the Provision of Services		43,616	<i>CIES</i>
	Adjust for Non-Cash Movements			
(34,219)	Depreciation and Impairment	(34,169)		
(94)	Revaluations	(15,178)		
(612)	Amortisation	(663)		
(3,178)	(Increase)/Decrease in Impairment for Bad Debts	2,030		
22,220	Increase/(Decrease) in Debtors	(3,702)		
(3,935)	(Increase)/Decrease in Creditors	(22,826)		
82	Increase/(Decrease) in Inventories	(5)		
(10,684)	Movement in Pension Liability	(23,711)		
(677)	Carrying Amount of Non-Current Assets Sold	(1,137)		
99	Other Non-Cash Transactions	90		
(30,998)		(99,271)		
	Adjust for Items in Net Surplus or Deficit that are Investing and Financing Activities			
0	Proceeds from Short-term and Long-term Investments	0		
247	Proceeds from Sale of PPE and Intangible Assets	440		
17,083	Other Financing and Investment Activities	19,628		
17,330		20,068		
(9,892)	Net Cash Flows from Operating Activities		(35,587)	
	Investing Activities			
42,201	Purchase of PPE and Intangible Assets	91,513		
(687)	Sale of PPE and Intangible Assets	(1,145)		
(21,890)	Other Receipts from Investing Activities	(12,449)		
19,624		77,919		
	Financing Activities			
(141,814)	Cash Receipts from Short-term and Long-term Borrowing	(135,069)		
2,928	Reducing Liabilities on Finance Leases and PPP	3,116		
130,145	Repayment of Short-term and Long-term Borrowing	91,454		
(8,741)		(40,499)		
991	Net (Increase) / Decrease in Cash and Cash Equivalents		1,833	
(22,095)	Cash and Cash Equivalents at 1 April		(21,104)	
(21,104)	Cash and Cash Equivalents at 31 March		(19,271)	
31 March 2021	Cash and Cash Equivalent		31 March 2022	
£000			£000	
(18)	Cash Held by Officers		(17)	
6,052	Bank Current Accounts		(242)	
(27,138)	Short-term Deposits (Temporary Investments)		(19,012)	
(21,104)	Total Cash and Cash Equivalents		(19,271)	
2020/21	Cash Flow Statement: Interest Paid and Received		2021/22	
£000			£000	
(53)	Interest Received		(102)	<i>CIES</i>
14,471	Interest Paid		14,268	<i>CIES</i>

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.

2020/21				2021/22		
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
19,774	1,144	18,630	Chief Exec. / Depute Ch. Ex.s / Joint Brds / Misc.	13,789	869	12,920
24,755	(3,521)	28,276	Assets & Facilities	31,232	(9,584)	40,816
7,739	(5,856)	13,595	Roads & Transportation	7,476	(6,746)	14,222
11,108	(1,895)	13,003	Neighbourhood Services	12,390	(2,090)	14,480
944	(70)	1,014	Housing	1,247	(82)	1,329
938	(184)	1,122	Land, Planning & Development	1,067	(392)	1,459
3,632	(961)	4,593	Place & Community Planning	3,336	(1,210)	4,546
106,040	(13,684)	119,724	Education	114,278	(28,241)	142,519
3,562	(220)	3,782	Finance, Audit & Performance	3,820	(441)	4,261
2,362	(332)	2,694	Legal & Democratic Services	2,633	(824)	3,457
3,903	(434)	4,337	Organisational Transformation	4,346	(1,020)	5,366
7,512	(1,584)	9,096	Customer & Digital Services	7,936	(2,496)	10,432
57,518	(3,384)	60,902	Social Work	62,482	(5,804)	68,286
249,787	(30,981)	280,768	General Fund (Management Commentary Table 2)	266,032	(58,061)	324,093
(5,339)	(9,832)	4,493	Housing Revenue Account	(4,677)	(9,439)	4,762
244,448	(40,813)	285,261	Net Cost of Services	261,355	(67,500)	328,855
(258,508)	22,977	(281,485)	Other Income and Expenditure	(259,485)	25,754	(285,239)
(14,060)	(17,836)	3,776	(Surplus) or Deficit	1,870	(41,746)	43,616
(29,926)			Opening General Fund and HRA Balance	(43,985)		
(14,059)			Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	1,870		
0			Transfers to / from Other Statutory Reserves	1		
(43,985)			Closing General Fund and HRA Balance at 31 March (MIRS)	(42,114)		

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				
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)		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)

- 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				
2020/21	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.	(2,220)	3,364	0	1,144
Assets & Facilities	(1,635)	(1,886)	0	(3,521)
Roads & Transportation	(5,159)	(697)	0	(5,856)
Neighbourhood Services	(1,314)	(581)	0	(1,895)
Housing	(3)	(67)	0	(70)
Land, Planning & Development	(1)	(183)	0	(184)
Place & Community Planning	(663)	(298)	0	(961)
Education	(10,420)	(2,643)	(621)	(13,684)
Finance, Audit & Performance	0	(220)	0	(220)
Legal & Democratic Services	(14)	(318)	0	(332)
Organisational Transformation	0	(434)	0	(434)
Customer & Digital Services	(786)	(798)	0	(1,584)
Social Work	(867)	(2,461)	(56)	(3,384)
Housing Revenue Account	(9,683)	(149)	0	(9,832)
Net Cost of Services	(32,765)	(7,371)	(677)	(40,813)
Other Income and Expenditure	26,290	(3,313)	0	22,977
Difference between General Fund (surplus) or deficit and Comprehensive Income and Expenditure Statement (surplus) or deficit	(6,475)	(10,684)	(677)	(17,836)

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:

2020/21 £000	Category	2021/22 £000
Expenditure		
165,856	Employee benefits expenses	192,214
27,122	Employer's superannuation	28,987
199,476	Other services expenses	206,126
34,925	Depreciation, amortisation, impairment	50,011
14,471	Interest payments	14,268
123	Gain on the disposal of assets	374
441,973	Total expenditure	491,980
Income		
(110,081)	Fees, charges, and other service income	(112,162)
(53)	Interest and Investment income	(102)
(80,316)	Income from council tax, non-domestic rates, district rate income	(80,728)
(247,747)	Government grants and contributions	(255,372)
(438,197)	Total income	(448,364)
3,776	(Surplus) or Deficit on the Provision of Services	43,616

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 30(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 further clarity is provided.

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. The total extent of any claims, resultant liability and the impact of the redress scheme on these is unknown and so cannot be fully evaluated at this stage.

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.

The Council provided a letter of comfort to East Dunbartonshire Leisure and Culture Trust to confirm the council's commitment to the ongoing financial sustainability of the Trust and to do all it reasonably can to support the Trust given the impact of the Covid pandemic. The Council committed to working together with the Trust to minimise any losses and access external funding to mitigate the impact. It is not possible to quantify the impact, if any, on the Council.

5. Events After the Balance Sheet Date

Between 31 March 2022 and the date of submission of the accounts there were no changes to the figures that require to be reflected in the financial statements or notes.

6. External Audit Costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice in financial year 2021/22 were £0.269m (2020/21 £0.263m).

The appointed auditors, Audit Scotland, 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 2021/22 and 2020/21 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 loans (but not any payment of interest on loans), 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:

2021/22	Usable Reserves			Movements in Unusable Reserves
	General Fund	Housing Revenue Account	Capital Fund	
	£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	(34,169)
Charges for Impairment of Assets Held for Sale	0	0	0	0
Revaluation losses on Property, Plant and Equipment	15,850	0	0	(15,850)
Revaluation losses on Assets Held for Sale	(672)	0	0	672
Amortisation of Intangible Assets	650	13	0	(663)
Capital grants and contributions applied	(16,332)	(3,296)	0	19,628
Capital/Other funds applied to fund capital expenditure	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	(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	9,932
Capital expenditure charged against the General Fund and HRA balances	0	(2,600)	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)	323	440
Use of the Capital Receipts Reserve to finance new capital expenditure.	0	0	0	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	(156)	(36)	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	(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	(4)
Total Adjustments	36,958	4,789	(1,677)	(40,070)

* CIES - Comprehensive Income and Expenditure Statement

Note 7 continued:

2020/21	Usable Reserves			Movements in Unusable Reserves
	General Fund	Housing Revenue Account	Capital Funds	
	£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	22,549	11,670	0	34,219
Charges for Impairment of Assets Held for Sale	0	0	0	0
Revaluation losses on Property, Plant and Equipment	92	0	0	92
Revaluation losses on Assets Held for Sale	2	0	0	2
Amortisation of Intangible Assets	599	13	0	612
Capital grants and contributions applied	(13,373)	(3,710)	0	(17,083)
Capital/Other funds applied to fund capital expenditure	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	392	285	0	677
Insertion of items not debited or credited to the CIES:				
Statutory provision for the financing of capital investment	(7,573)	(1,566)	0	(9,139)
Capital expenditure charged against the General Fund and HRA balances	(160)	(2,000)	0	(2,160)
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES.	(443)	(111)	307	(247)
Use of the Capital Receipts Reserve to finance new capital expenditure.	0	0	0	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	(156)	(36)	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	10,489	195	0	10,684
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.	677	0	0	677
Total Adjustments	13,095	4,740	307	18,142

* 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 2021/22.

	General Fund	Housing Revenue Account	Other Statutory	
			Capital Funds	Other Statutory Funds
	£000	£000	£000	£000
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 2020/21	(1)	0	0	1
2020/21 TRANSFER				
Transfer of HRA funds to General Fund	0	0	0	0
Transfer of funds to Central Energy Efficiency Fund	0	0	0	0
Total Transfers 2019/20	0	0	0	0

9. Property, Plant and Equipment

a) *Effects of Changes in Estimates*

In 2021/22, 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 fair value, is revalued at least every 5 years. During 2021/22, 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 fair values are:

- The definition of fair value as determined by the International Valuation Standards Council is “the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties”. This is consistent with the concept of market value, and to level 1 within the IFRS13 hierarchy.
- 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 fair value, due to the specialist nature of the property and the fact the asset is rarely sold, the Council may need to estimate fair value using a *depreciated replacement cost* (DRC) approach. The fair 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 fair value with additional special assumptions for each of the respective methods.
- Historic cost is used as a proxy for fair 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)	31/03/2018	31/03/2023
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 2021/22

	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 2021	36,711		4,467	44,111	421,893	294,270	1,489	802,941	159,176
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	(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	313,173	1,321	816,203	123,656
Accumulated Depreciation and Impairment									
At 1 April 2021	(404)		0	(31,506)	(49,747)	(93,662)	(565)	(175,884)	(18,828)
Depreciation charge		(5,096)		(3,017)	(14,554)	(9,567)	(45)	(32,279)	(4,708)
Depreciation written out to the Revaluation Reserve					37,079		40	37,119	23,536
Depreciation written out to the Surplus/Deficit on the Provision of Services					11,539			11,539	
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)	(105,041)	(565)	(158,978)	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

(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 30 Accounting Policies.

Movements in 2020/21

	Assets Under Construction	Infrastructure Assets Restated (2)	Community Assets	Vehicles, Plant, Furniture and Equipment	Other Land and Buildings Restated	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 2020	18,112		4,467	43,168	416,655	283,172	1,538	767,112	159,176
Additions	25,231	2,640	0	2,515	5,807	4,050	10	40,253	0
Donations	0	0	0	0	0	0	0	0	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	0	0	(272)	0	8	(264)	0
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	(297)	0	(35)	(332)	0
Derecognition - Disposals	0	0	0	(734)	0	(178)	0	(912)	0
Derecognition - Other	0	0	0	0	0	(244)	(32)	(276)	0
Assets reclassified (to)/from Held for Sale	(6,632)	6,632	0	0	0	0	0	0	0
Other reclassifications	0	(6,632)	0	(838)	0	7,470	0	0	0
Other movements in cost or valuation	0	0	0	0	0	0	0	0	0
At 31 March 2021	36,711		4,467	44,111	421,893	294,270	1,489	805,581	159,176
Accumulated Depreciation and Impairment									
At 1 April 2020	(404)		0	(29,029)	(36,625)	(82,384)	(565)	(149,007)	(14,120)
Depreciation charge	0	(5,038)	0	(3,311)	(14,603)	(9,318)	(57)	(32,327)	(4,708)
Depreciation written out to the Revaluation Reserve	0	0	0	0	1,243	0	44	1,287	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0	0	238	0	2	240	0
Impairment (losses)/reversals recognised in the Surplus/ Deficit on the Provision of Services	0	0	0	0	0	(1,892)	0	(1,892)	0
Derecognition - Disposals	0	0	0	628	0	17	0	645	0
Derecognition - Other	0	0	0	0	0	121	11	132	0
Other reclassifications	0	0	0	206	0	(206)	0	0	0
At 31 March 2021	(404)		0	(31,506)	(49,747)	(93,662)	(565)	(180,922)	(18,828)
Net Book Value									
At 31 March 2021	36,307	150,229	4,467	12,605	372,146	200,608	924	777,286	140,348
At 31 March 2020	17,708	152,639	4,467	14,139	380,018	200,788	973	770,732	145,056

(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 30** 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 2022	220,661	1,386	4,798	2,969	123,656	353,470
As at 31 March 2021 Restated	222,192	1,485	5,023	3,098	140,348	372,146

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.

f) Capital Commitments

As at 31 March 2022, the Council has commitments on capital contracts for the construction or enhancement of property, plant and equipment for housing and non-housing projects in 2021/22 and future years, with contracted costs of £43.211m (2020/21 £64.150m) for the main commitments. The fulfilment of these contracts will be impacted

by the response to the Covid pandemic and will be closely monitored by the Council. For 2021/22 the major contract commitments are:

Projects	£000
Housing - Phase 3 Lairdsland & The Loaning	2,811
Housing - Blacklands Place	3,579
Additional Support Needs School, Kirkintilloch	16,500
Boclair Academy	11,400
Allander Leisure Centre	12,500
Total	46,790

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	£000	£000	£000	£000
1 April 2021	3,042	178	576	3,796
Revaluations (to RRA)	12	0	0	12
31 March 2022	3,054	178	576	3,808
Cost or Valuation				
1 April 2020	3,029	178	576	3,783
Revaluations (to RRA)	13	0	0	13
31 March 2021	3,042	178	576	3,796

Archives - In keeping with Council policy (**Note 30 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 30 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 £0.663m in 2021/22 (2020/21 £0.612m) has been charged across various services and included in the Net Expenditure of Services within the Comprehensive Income and Expenditure Statement.

2020/21	Movement in Intangible Assets	2021/22
£000		£000
Balance at start of year:		
6,150	Gross carrying amounts	7,039
(5,020)	Accumulated amortisation	(5,632)
1,130	Net carrying amount at 1 April	1,407
890	Purchases	1,257
(612)	Amortisation for the year	(663)
1,408	Net carrying amount at end of year	2,001
Comprising:		
7,040	Gross carrying amounts	8,296
(5,632)	Accumulated amortisation	(6,295)
1,408	Total	2,001

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

12. Assets Held for Sale (Current)

2020/21	Transactions	2021/22
£000		£000
977	Balance outstanding at start of year	710
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
(2)	Revaluation gains/(losses) reflected in Surplus or Deficit on Provision of Services	672
0	Impairment (losses) / reversal reflected in Surplus or Deficit on Provision of Services	0
Assets declassified as held for sale:		
0	- Property, Plant and Equipment	264
(265)	Assets sold	(133)
710	Balance outstanding at year end	1,513

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.

2020/21	Capital Financing Elements	2021/22
£000		£000
315,270	Opening Capital Financing Requirement	327,784
	Capital Investment:	
40,253	Property, Plant and Equipment	83,619
890	Intangible Assets	1,257
41,143	Total Capital Investment	84,876
	Sources of Finance:	
247	Capital Receipts	440
17,083	Government Grants and Other Contributions	19,628
0	Contribution from Capital Funds	2,000
2,160	Capital from Current Revenue	2,600
19,490	Total Capital Receipts, Grants & Other Contributions	24,668
5,785	Loans Fund Principal Repayments	6,816
3,354	PPP / Finance Lease Principal Repayments	3,116
28,629	Total Sources of Finance	34,600
327,784	Closing Capital Financing Requirement	378,060
12,514	Movement in Year	50,276
	Explained by:	
12,089	Increase/(decrease) in underlying need to borrow (supported by Government)	50,276
425	Assets acquired under PPP contracts / Finance leases	0
12,514	Increase / (decrease) in Capital Financing Requirement	50,276

14. Impairment Losses

During 2021/22, the Council incurred net impairment losses of £1.890m (2020/21 £1.892m) which were charged to the Comprehensive Income and Expenditure Statement. This is comprised £1.890m for Council Dwellings (2020/21 £1.892m).

15. Schools Public Private Partnership

2021/22 was the twelfth 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 2022:	Payments for Services (incl. lifecycle maintenance)	Repayment of Liability	Finance Interest	Total
	£000	£000	£000	£000
Payable within 1 year	5,870	3,318	7,308	16,496
Payable within 2 to 5 years	34,387	9,158	25,804	69,349
Payable within 6 to 10 years	46,528	16,390	31,861	94,779
Payable within 11 to 15 years	43,966	29,263	31,415	104,644
Payable within 16 to 20 years	19,321	15,180	10,345	44,846
Total	150,072	73,309	106,733	330,114

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 fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

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

2020/21	Liabilities	2021/22
£000		£000
79,561	Balance outstanding at start of year	76,340
(3,221)	Payments during the year	(3,031)
76,340	Balance outstanding at year-end	73,309

Included in Balance Sheet

3,031	Current (Short-term Liability)	3,318
73,309	Non-Current (Long-term Liability)	69,991
76,340	Total	73,309

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**.

16. Financial Instruments

a) Categories of Financial Instruments

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

31 March 2021		Assets and Liabilities	31 March 2022	
Long-term	Current		Long-term	Current
£000	£000		£000	£000
		Financial Assets:		
0	0	Investments: Loans and Receivables	0	0
67	40,618	Debtors: Loans and Receivables	129	38,026
		Financial Liabilities:		
		Borrowings		
146,642	63,218	Financial liabilities at amortised cost	165,698	87,778
		Other Long-term Liabilities		
76,318	3,116	PPP and finance lease liabilities	72,905	3,413
		Creditors		
7,983	51,267	Financial liabilities at amortised cost	6,190	61,917

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

b) Income, Expense, Gains and Losses

2020/21			Category	2021/22		
Financial Liabilities at Amortised Cost	Financial Assets: Loans and Receivables	Total		Financial Liabilities at Amortised Cost	Financial Assets: Loans and Receivables	Total
£000	£000	£000		£000	£000	£000
(6,822)	0	(6,822)	Interest Expense	(6,781)	0	(6,781)
(6,822)	0	(6,822)	Total expense in Surplus or Deficit on Provision of Services	(6,781)	0	(6,781)
0	53	53	Interest income	0	102	102
0	53	53	Total income in Surplus or Deficit on Provision of Services	0	102	102
(6,822)	53	(6,769)	Net gain / (loss) for the year	(6,781)	102	(6,679)

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 2021/22.

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 2022.
- 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 2022 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 2021		Fair Value of Financial Assets	31 March 2022	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
0	0	Financial assets	0	0
40,685	40,685	Debtors	38,155	38,155

The Council holds collateral as security against certain lending and debt due. This takes the form of mortgages on dwelling houses for loans as "lender of last resort" to assist owners to buy their homes. The fair value of the collateral is £0.360m (2020/21 £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 2021		Fair Value of Financial Liabilities	31 March 2022	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
209,860	309,449	Financial liabilities - borrowing	253,476	291,082
79,434	125,419	PPP and finance lease liabilities	76,318	106,791
59,250	59,250	Creditors	68,107	68,107

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

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 2021/22, 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 2022 totalling £27.000m (2020/21 £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 £27.000m 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 2021	Assets	31 March 2022		
		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	27,000	0.0%	0
6,743	Customers (trade debtors excl. Council Tax)	8,273	35.46%	2,934

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 £8.273m (2020/21 £6.743m) was due from sundry debtor income billed to customers and housing benefit overpayments as shown in the table above. However, only £3.034m (2019/20 £3.241m) of this debt can be classed as past its due date for payment. 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 2021	Timescale	31 March 2022
£000		£000
900	Less than three months	4,199
310	Three to six months	462
516	Six months to one year	719
3,195	More than one year	2,893
4,921	Total	8,273

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 £2.9m for 2021/22 (2020/21 £3.3m), based on an assessment of sundry debtors and the Council's history of collectability within various categories of customers.

HRA Housing rent arrears of £2.978m (2020/21 £2.073m) existed at the year end. The Council has processes in place to pursue these arrears and has an impairment allowance of £2.704m (2020/21 £1.645m) 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 market loans 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 loans are due to mature within any financial year through a combination of prudent planning of new loans 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:

31 March 2021	Timescale	31 March 2022
£000		£000
63,218	Less than one year	87,778
928	Between one and two years	2,370
5,370	Between two and five years	4,000
13,341	Between five and 10 years	16,232
19,640	Between 10 and 15 years	19,732
9,845	Between 15 and 20 years	7,845
2,000	Between 20 and 25 years	3,000
11,319	Between 25 and 30 years	8,319
84,200	Over 30 years	104,200
209,861	Total	253,476
Analysed as:		
63,218	Current	87,778
146,643	Non-Current	165,698
209,861	Total	253,476

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 2022, with all other variables held constant.

31 March 2021	Area of Impact	31 March 2022
£000		£000
	Impact on taxpayer	
(270)	Increase on interest receivable on variable rate lending	(270)
(270)	Net effect on Comprehensive Income and Expenditure Statement	(270)
	Other presentational changes	
44,199	Decrease in the "fair value" of fixed rate borrowing (no impact on the Surplus or Deficit in the Comprehensive Income and Expenditure Statement)	44,481

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

31 March 2021		Categories	31 March 2022		
Current	Long-term		Current		Long-term
£000	£000		£000	£000	£000
28,845	0	Central government bodies		22,324	
1,303	0	Other local authorities		834	
710	0	NHS bodies		186	
338	0	Public corporations and trading funds		202	
		External to general government:			
1,476		Council Tax	1,936		
1,572		Non-Domestic Rates	1,100		
6,374	67	Other Debtors	11,444		129
9,422	67	Total external to general govt.		14,480	129
40,618	67	Total		38,026	129

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 2021			Categories	31 March 2022		
Current		Long-term		Current		Long-term
Creditors	Receipts in Advance	Creditors	Creditors	Receipts in Advance	Creditors	
£000	£000	£000	£000	£000	£000	
(5,663)	(7,492)	0	(9,574)	(8,583)		
(1,672)	(312)	0	(2,989)	(33)		
(70)	(176)	0	(4)	0		
(335)	0	0	(206)	0		
(34,623)	(924)	(7,983)	(39,354)	(1,174)	(6,190)	
(42,363)	(8,904)	(7,983)	(52,127)	(9,790)	(6,190)	

20. Provisions

	Current Provisions			Long term Provisions	
	Equal Pay	Municipal Bank	Total	Insurance	Total
Notes	(1)	(2)		(3)	
	£000	£000	£000	£000	£000
Balance at 1 April 2021	8	49	57	360	360
Additional provisions made in 2021/22	0	0	0	0	0
Amounts used in 2021/22	0	0	0	(16)	(16)
Unused amounts reversed in 2021/22	(8)	0	(8)	(68)	(68)
Balance at 31 March 2022	0	49	49	276	276

Notes:

- 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 2021	Usable Reserves	31 March 2022
£000		£000
35,043	General Fund Balance	31,694
8,942	HRA Balance	10,421
1,000	Capital Fund - HRA	1,000
5,308	Capital Fund	3,631
249	Central Energy Efficiency Fund	250
568	Vehicle Renewal & Repair Fund	568
51,110	Total Usable Reserves	47,564

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 31/03/2020	Transfers Out 2020/21	Transfers In 2020/21	Balance at 31/03/2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31/03/2022
	£000	£000	£000	£000	£000	£000	£000
External funding carried forward to complete projects	51	(51)	90	90	(90)	0	0
Service Commitments to ongoing projects	822	(822)	1,303	1,303	(1,303)	1,968	1,968
Job Evaluation - OP	234	0	0	234	0	0	234
Job Evaluation - SOM (Trust)	25	0	0	25	0	0	25
Winter Contingency	150	0	0	150	0	0	150
EU Exit	50	0	0	50	(50)	0	0
Funding for Covid Recovery	0	0	9,082	9,082	(9,082)	0	0
Discretionary Fund Grants	0	0	0	0	0	177	177
Summer School Meal Payments Shortfall	0	0	0	0	0	94	94
Business Support and Low Income Households	0	0	0	0	0	1,630	1,630
Child Bridging Payments	0	0	0	0	0	417	417
Self Isolation Support Grants	0	0	0	0	0	305	305
Cost of Living Support	0	0	0	0	0	1,500	1,500
Commitment to Costs of Change and Recovery	2,489	0	0	2,489	0	2,543	5,032
Commitment to budget pressures	1,831	(1,831)	3,604	3,604	(3,604)	6,970	6,970
Total Earmarked Reserves	5,652	(2,704)	14,079	17,027	(14,129)	15,604	18,502
Prudential Reserve	8,077	0	0	8,077	(5,038)	0	3,039
Treasury Management Reserve	3,234	0	56	3,290	(1)	0	3,289
Contingency Reserve	5,130	0	169	5,299	0	565	5,864
Uninsured Losses Reserve	1,350	0	0	1,350	(350)	0	1,000
Total Non-Earmarked Reserves	17,791	0	225	18,016	(5,389)	565	13,192
Total General Fund Balance	23,443	(2,704)	14,304	35,043	(19,518)	16,169	31,694

22. Unusable Reserves

31 March 2021	Unusable Reserves	31 March 2022
£000		£000
(2,396)	Financial Instruments Adjustment Account	(2,205)
312,603	Capital Adjustment Account	301,762
142,812	Revaluation Reserve	134,955
(171,215)	Pensions Reserve	(87,095)
(7,399)	Employee Statutory Adjustment Account	(7,403)
274,405	Total Unusable Reserves	340,014

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 loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

31 March 2021	Financial Instruments Adjustment Account	31 March 2022
£000		£000
(2,588)	Balance at 1 April	(2,396)
192	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	191
(2,396)	Balance at 31 March	(2,205)

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 fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and 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 2021	Capital Adjustment Account	31 March 2022
£000		£000
314,045	Balance at 1 April	312,603
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement (CIES):	
(34,219)	Charges for depreciation and impairment of assets	(34,169)
(94)	Valuation movements on Property, Plant and Equipment	(15,178)
(612)	Amortisation of intangible assets	(663)
(677)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,137)
(35,602)		(51,147)
5,531	Adjusting amounts written out of the Revaluation Reserve	5,706
(30,071)	Net written out amount of the cost of non-current assets consumed in the year	(45,441)
	Capital financing applied in the year:	
247	Use of the Capital Receipts Reserve to finance new capital expenditure	440
17,083	Capital grants and contributions credited to the CIES that have been applied to capital financing	19,628
0	Use of the Capital/Other funds to finance capital expenditure	2,000
9,139	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	9,932
2,160	Capital expenditure charged against the General Fund and HRA balance (CFCR)	2,600
28,629		34,600
312,603	Balance at 31 March	301,762

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 2021	Revaluation Reserve	31 March 2022
£000		£000
147,307	Balance at 1 April	142,812
1,036	Revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services	(2,151)
(5,380)	Difference between fair value depreciation and historical cost depreciation	(4,974)
(151)	Accumulated gains on assets sold or scrapped	(732)
142,812	Balance at 31 March	134,955

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 debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2021	Pensions Reserve	31 March 2022
£000		£000
(134,000)	Balance at 1 April	(171,215)
(26,530)	Actuarial gains or (losses) on pension assets and liabilities	107,831
(27,195)	Reversal of items relating to net charges for retirement benefits charged to Surplus or Deficit on the Provision of Services in the CIES	(41,191)
16,510	Employer's pension contributions paid to Strathclyde Pension Fund	17,480
(171,215)	Balance at 31 March	(87,095)

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 2021	Employee Statutory Adjustment Account	31 March 2022
£000		£000
(6,722)	Balance at 1 April	(7,399)
6,722	Settlement or cancellation of accrual made at the end of the preceding year	7,399
(7,399)	Amounts accrued at the end of the current year	<u>(7,403)</u>
(677)	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	(4)
(7,399)	Balance at 31 March	(7,403)

23. Grant Income

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

2020/21	Credited to Services (within Net Cost of Services in the CIES)	2021/22
£000		£000
12,133	Education	15,257
28,190	Social Work	20,493
14,456	Housing Benefits	13,089
1,005	Other	1,560
55,784	Total	50,399

£0.537 million of the grant funding for Social Work was provided for the response to the Covid pandemic (2020/21 £7.974 million).

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 2021/22 is shown in the Remuneration Report.

Services to the value of £4.988m (2020/21 £1.598m), 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 £0.055m (2020/21 £0.402m) 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 2021/22 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:

2020/21 Net Expenditure	Entities	2021/22 Net Expenditure
£000		£000
4,347	East Dunbartonshire Leisure and Culture Trust	6,239
347	Mugdock Country Park Joint Management Committee	333
4,694	Total	6,572

The Integration Joint Board (East Dunbartonshire Health & Social Care Partnership) managed services to a value of £82.823m (2020/21 £79.077m) 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:

2020/21 Net Expenditure	Associated Bodies	2021/22 Net Expenditure
£000		£000
2,793	Strathclyde Partnership for Transport	3,682
227	Strathclyde Concessionary Travel Joint Board	229
687	Dunbartonshire and Argyll and Bute Valuation Joint Board	697
163	SEEMIS LLP	159
81	Scotland Excel	84
72	Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee (Clyde Plan)	52
75	Glasgow and Clyde Valley Cabinet (City Deal)	76
20	Gateway Shared Services (Continuing Education Gateway)	20
12,285	Hub West Scotland Limited	6,488
16,403		11,487

25. Agency Services

Agency income includes income received from the Scottish Government to provide funding to businesses and individuals affected by the Covid pandemic. As the Council acted as an agent of the Scottish Government in this, the income and expenditure is not recorded in the Council's income and expenditure but is shown on the balance sheet.

2020/21		2021/22
£000		£000
21,894	Scottish Government - for response to Covid 19 pandemic including provision of grants to businesses and hardship payments	7,823
749	East Dunbartonshire Leisure and Culture Trust - for provision of miscellaneous corporate support services, facilities management, property and grounds maintenance, refuse collection, fleet management and pest control	698
311	Scottish Water - in return for billing and collection of water charges	311
22,954	Total	8,832

26. 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 2021/22 was £1.053m (£1.079m 2020/21) 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 2021	Timescale	31 March 2022
£000		£000
(1,088)	Not later than one year	(1,271)
(1,544)	Later than one year and not later than five years	(1,381)
(1,260)	Later than five years	(963)
(3,892)	Total	(3,615)

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 2021	Timescale	31 March 2022
£000		£000
85	Not later than one year	95
341	Later than one year and not later than five years	361
2,668	Later than five years	2,554
3,094	Total	3,010

Operating Leases

The Council leases vehicles on a variety of lease terms that are accounted for as operating leases. The rentals payable in 2021/22 were £0.144m (2020/21 £0.124m) 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 2021	Timescale	31 March 2022
£000		£000
154	Not later than one year	53
77	Later than one year and not later than five years	37
231	Total	90

The Council leases land and buildings that are also accounted for as operating leases. The rentals payable in 2021/22 were £0.130m 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 2021	Timescale	31 March 2022
£000		£000
68	Not later than one year	122
125	Later than one year and not later than five years	164
1,165	More than 5 years	1,100
1,358	Total	1,386

27. 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 2021/22, the Council was due to pay £14.221m 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 2020/21 were £13.677m and 23.0%. The Council paid over £11.849m to the Scottish Government in respect of 2021/22 contributions (2020/21 £12.514m), leaving a balance of £2.371m to be paid over at the balance sheet date (2020/21 £1.163m).

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 2021/22 or 2020/21.

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

28. 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.

2020/21	Comprehensive Income and Expenditure Statement	2021/22
	£000 Cost of Services:	£000
23,881	Current service cost	37,566
0	Past service costs (incl. curtailments)	0
0	(Gain)/loss from settlements	0
	Financing and Investment Income and Expenditure	
3,313	Net interest expense	3,625
27,194	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	41,191
	Other Post-employment Benefits charged to Other Comprehensive Income and Expenditure	
(136,942)	Expected return on scheme assets	(42,109)
(7,859)	Actuarial (gains) and losses arising on changes in demographic assumptions	(5,528)
180,816	Actuarial (gains) and losses arising on changes in financial assumptions	(60,968)
(9,484)	Other (if applicable)	774
26,531		(107,831)
53,725	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(66,640)

2020/21 Movement in Reserves Statement		2021/22
		£000
(27,194)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(41,191)
16,510	Employers' contributions payable to scheme	17,480
(10,684)	Amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations	(23,711)

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 2021	31 March 2022
	£000	£000
Fair Value of Employer Assets	740,697	797,160
Present Value of Defined Benefit Liability*	(911,912)	(884,255)
Net liability arising from defined benefit obligation	(171,215)	(87,095)

*Unfunded liabilities included in the figure for present value of liabilities:

Unfunded liabilities for Pension Fund	43,426	40,051
Teachers' unfunded pensions	26,173	24,106
Unfunded liabilities prior to 1996 local government reorganisation	6,197	5,289
	75,796	69,446

The liabilities show the underlying commitments that the authority has in the long run to pay post-employment benefits. The total liability of £87.095m has had an impact on the net worth of the authority, resulting in an increase of £84.120 million in the balance sheet position.

Statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- the 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 2020.
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

There has been a decrease of £84.120m in the deficit at the balance sheet date. The most significant changes that had an impact on this during the year was a significant increase on return on the assets held by the pension scheme and actuarial gains arising from changes in the financial assumptions.

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

2020/21	Scheme Liabilities	2021/22
£000		£000
736,207	Opening Balance at 1 April	911,912
23,881	Current Service Cost	37,566
17,141	Interest Cost	18,434
4,071	Contributions by Scheme Participants	4,362
	Remeasurement (gains) and losses:	
(7,859)	Change in demographic assumptions	(5,528)
180,816	Change in financial assumptions	(60,968)
(19,787)	Other experience	774
0	Past Service Costs / (Gains)	0
0	Liabilities extinguished on Settlement	0
(3,527)	Estimated Unfunded Benefits Paid	(3,429)
(19,031)	Estimated Benefits Paid	(18,868)
911,912	Closing Balance at 31 March	884,255

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

2020/21	Scheme Assets	2021/22
£000		£000
602,207	Opening Balance at 1 April	740,697
13,828	Interest Income on Plan Assets	14,809
	Remeasurement gain / (loss):	
126,639	Expected Rate of Return on Pension Fund Assets	42,109
4,071	Contributions by Scheme Participants	4,362
12,983	Contributions by the Employer	14,051
3,527	Contributions re Unfunded Benefits	3,429
	Assets distributed on Settlement	
(3,527)	Unfunded Benefits Paid	(3,429)
(19,031)	Benefits Paid	(18,868)
740,697	Closing Balance at 31 March	797,160

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 2021.

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

2020/21	Fair Value of Scheme Assets	2021/22
£000		£000
12,435	Cash and Cash Equivalents	20,284
	Equities Securities:	
42,649	Consumer	37,344
42,251	Manufacturing	35,127
7,737	Energy and Utilities	8,296
26,219	Financial Institutions	21,954
20,663	Health and Care	26,638
34,273	Information Technology	46,289
0	Debt Securities: Corporate Bonds (non investment grade)	0
132,482	Private Equity	156,055
60,012	Real Estate: UK Property	67,227
	Investment Funds and Unit Trusts	
259,062	Equity	295,176
100,177	Bonds	80,512
314	Commodities	274
0	Infrastructure	700
2,291	Other	1,284
	Derivatives	
0	Foreign Exchange	0
133	Other	0
740,698	Total	797,160
31 March 2021	Pension Fund assets by Category	31 March 2022
77%	Equities	79%
14%	Bonds	10%
8%	Property	8%
0%	Cash	3%
1%	Debt	0%
100%		100%

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 obligation 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 liability 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 2022. 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 2021	Longevity at 65 for current pensioners (years):	31 March 2022
19.8	Men	19.6
22.6	Women	22.4
31 March 2021	Longevity at 65 for future pensioners (years):	31 March 2022
21.2	Men	21.0
24.7	Women	24.5
31 March 2021	Financial assumptions	31 March 2022
3.6%	Rate of increase in employee earnings	3.9%
2.9%	Rate of increase in pensions / inflation	3.2%
2.0%	Rate for discounting scheme liabilities	2.7%

h) **Sensitivity Analysis**

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

Sensitivities at 31 March 2022	Approximate % Increase to Employer Obligation	Approximate Monetary Amount £'000
0.1% decrease in Real Discount Rate	2%	16,312
0.1% increase in the Salary Increase rate	0%	1,893
0.1% increase in the Pension Increase rate	2%	14,284

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 2018.

The pension expense for the period to 31 March 2022 and the projected pension expense for the year to 31 March 2023 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 2022 is £14.051m (£12.983m to 31 March 2022).

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.

29. 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*.

30. Accounting Policies

a) General Principles

The Annual Accounts summarise the Council's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. 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 2021/22*, 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 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.
- 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; and
- 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:

- Property, plant and equipment assets that are operational, and therefore providing service potential for the authority are measured for their service potential at existing use value, existing use value – social housing, or depreciated replacement cost, and not fair value. 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

The financial assets of the Council comprise entirely of Loans and Receivables, which are assets that have fixed or determinable payments but are not quoted in an active market.

Loans and receivables 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, and
- 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 fair 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.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is 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, in line with *IFRS 13*:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)

- all other assets – fair 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 fair value because of the specialist nature of an asset (e.g. schools), depreciated replacement cost (DRC) is used as an estimate of fair value.

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair 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	6

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 fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES). Gains in fair 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.

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 2021/22.

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.

31. 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 given the large amount of funding provided by the Scottish Government through the Council to businesses and individuals affected by the Covid pandemic and is shown in the Agency Services note.

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 can not 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 can not 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.

Impact of Covid Pandemic

Advice has been sought where considered appropriate and consideration has been given to the impact of the pandemic on pension valuations, asset valuations, accrual estimations and credit issues in preparing the Financial Statements.

32. 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 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Estimation of the fair values and 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 £0.5m for every year that useful lives had to be reduced.
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which 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 £84.1 million in 2021/22 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% (£26.5m to £44.2m)
Collection Levels of Arrears	At 31 March 2022 the Council had a balance of sundry debtors (including Housing Benefit overpayments) of £8.3m. A review of significant balances suggested that an impairment allowance of £2.9m was appropriate. However, if the current economic conditions were to change significantly this level of allowance might not be sufficient.	If collection rates were to deteriorate a 10% increase in the impairment allowance would require an additional £0.29m.

33. 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 2022/23 Code:

1. Annual Improvements to IFRS Standards 2018-2020
2. Amendment to IAS16 prohibiting deducting from the cost of property, plant and equipment amounts received from selling items produced while the asset is under construction.

None are expected to have a material impact on the Council's 2021/22 or 2022/23 financial statements.

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.

2020/21	Housing Revenue Account	2021/22	
£000		£000	£000
	Income		
(14,299)	Dwelling Rents	(14,773)	
(84)	Non Dwelling Rents	(9)	
(164)	Other Income	(165)	
(14,547)	Total Income		(14,947)
	Expenditure		
2,876	Repairs and Maintenance	3,472	
3,631	Supervision and Management	3,874	
11,683	Depreciation, impairment and revaluation of non-current assets	11,729	
371	Movement in the allowance for bad debtors	(53)	
423	Other Expenditure	634	
18,984	Total Expenditure		19,656
4,437	Net Expenditure		4,709
56	HRA services share of Corporate and Democratic Core		53
4,493	Net Cost of HRA Services as included in the whole authority		4,762
	Comprehensive Income and Expenditure Statement		
0	HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services		0
4,493	Net Cost of HRA Services		4,762
	HRA share of the operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement:		
174	(Gain) or Loss on sale of HRA non-current assets		451
1,286	Interest payable and similar charges		1,358
(8)	Interest and investment income		(15)
46	Pension interest cost and expected return on pension assets		50
(3,710)	Capital Grants and Contributions		(3,296)
2,281	(Surplus) or deficit for the year on HRA services		3,310

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.

2020/21		2021/22	
£000		£000	£000
(6,483)	Balance on the HRA at end of the previous reporting period		(8,942)
2,281	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		3,310
	Adjustments between accounting basis and funding basis under statute:		
(11,683)	Depreciation, impairment and revaluation of non-current assets	(11,729)	
(174)	Gain or loss on sale of HRA non-current assets	(451)	
36	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	36	
(195)	Net charges made for retirement benefits in accordance with IAS19	(360)	
1,566	Loans fund principal	1,819	
2,000	Capital expenditure funded by the HRA	2,600	
3,710	Capital Grants and Contributions	3,296	
(4,740)	Total Adjustments between accounting basis and funding basis under statute:		(4,789)
(2,459)	Net decrease or (increase) before transfers to or from reserves		(1,479)
0	Transfers to or (from) earmarked reserves		0
(2,459)	(Increase) or decrease in year on the HRA		(1,479)
(8,942)	Balance on the HRA at the end of the current reporting period		(10,421)

Notes to the Housing Revenue Account

1. Number and Type of Dwelling

Dwellings		Opening Number	Changes in Year	Closing Number
Houses	Bungalow	7	0	7
	Semi-Detached	678	1	679
	Detached House	7	0	7
	Terraced House	1,084	18	1,102
Total Houses		1,776	19	1,795
Flats	Maisonette	99	1	100
	Four in a Block	725	12	737
	Tenement Flat	1,013	73	1,086
	Homeless: 8 apartment	1	0	1
	Homeless: 6 apartment	1	0	1
	Homeless: 2 apartment	3	0	3
Total Flats		1,842	86	1,928
Grand Total		3,618	105	3,723

In 2021/22 there were 105 new properties (97 new build and 8 open market purchases).

2. Arrears and Impairment Loss Allowance

2020/21		2021/22
£000		£000
	Arrears as at 31 March	
966	Former Tenants	817
1107	Current Tenants	1099
2,073	Total	1,916
	Impairment Loss Allowance as at 31 March:	
1,645	Total provision in respect of uncollectable rents	1,478

3. Void Rent Loss

Rent loss in relation to housing and garages was £0.212m in 2021/22 (£0.269m 2020/21).

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

2020/21		2021/22
	£000	£000
79,518	Gross Council Tax levied and contribution in lieu	80,105
	Less:	
(5,114)	Council Tax Reduction Scheme	(4,858)
(7,604)	Other discounts and reductions	(7,635)
(1,768)	Write-off of uncollectable debts and allowance for impairment	(1,040)
203	Prior year adjustments	962
(158)	Transfer to Reserve	(161)
65,077	Net Council Tax Income Transferred to General Fund	67,373

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	1,109	3,724	8,484	8,690	10,668	7,315	7,130	664	47,784
Exemptions	0	(94)	(176)	(255)	(162)	(182)	(85)	(86)	(5)	(1,045)
Chargeable Dwellings	0	1,015	3,548	8,229	8,528	10,486	7,230	7,044	659	46,739
Disabled Reductions		(1)	(9)	(45)	(48)	(91)	(78)	(54)	(4)	(330)
Effectively Chargeable	1	9	45	48	91	78	54	4	0	330
Adjusted Chargeable Dwellings	1	1,023	3,584	8,232	8,571	10,473	7,206	6,994	655	46,739
Discounts (50% or reduced)		(9)	(56)	(68)	(73)	(63)	(33)	(32)	(2)	(336)
Single Discount (25%)		(666)	(2,037)	(3,783)	(3,127)	(2,982)	(1,582)	(1,159)	(69)	(15,405)
Total Equivalent Dwellings	1	852	3,047	7,252	7,753	9,696	6,794	6,688	637	42,720
Ratio to Band D	<u>200</u> 360	<u>240</u> 360	<u>280</u> 360	<u>320</u> 360	<u>360</u> 360	<u>473</u> 360	<u>585</u> 360	<u>705</u> 360	<u>882</u> 360	--
Band D Equivalents	1	568	2,370	6,446	7,753	12,740	11,040	13,098	1,560	55,576
										Contributions in lieu
										0
										Total
										55,576
										Provision for bad debts
										(795)
										Council Tax Base
										54,781

The numbers in the above table reflect the position as at March 2022.

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 2021/22 was £1,309 (2020/21 £1,309).

	A	B	C	D	E	F	G	H
Annual Charge	£873	£1,018	£1,164	£1,309	£1,720	£2,127	£2,563	£3,207

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

2020/21		2021/22
£000		£000
34,047	Gross Rates levied and contributions in lieu	33,094
	Less:	
(20,654)	Reliefs and other deductions	(14,741)
0	Payment of Interest	0
(395)	Write-offs of uncollectable debts and allowance for impairment	(249)
12,998	Net Non-Domestic Rates Income	18,104
(1,706)	Prior year adjustment	(1,117)
0	Non domestic rates income retained by the authority	0
11,292	Contribution to national non domestic rate pool	16,987
(15,238)	Distribution from national non domestic rate pool (CIES)	(13,355)
(3,946)	Net contribution to/(from) national non domestic rate pool	3,632

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 2021/22 was 49.0p (2020/21 49.8p).

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 2021

	Number of Subjects	Rateable Value
		£000
Industrial	501	8,493
Commercial	1,483	36,178
Others	594	21,804
Formula Valued (public undertakings)	12	83
Total	2,590	66,558

e) Movement in Rateable Values in 2021/22

2020/21		2021/22
£000		£000
67,409	Rateable Values at 1 April	66,558
(851)	Running Roll (full Rateable Value)	(711)
66,558	Rateable Values at 31 March	65,847
(1,081)	Less: Wholly Exempt	(1,081)
65,477	Net Rateable Values at 31 March	64,766

2017 was a revaluation year, and new rateable values applied with effect from 1 April 2017. The next revaluation is due in 2022.

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*

2020/21		2021/22		
Total	Income and Expenditure	Charitable Trusts (CTs)		Total
		EDC CTs	Other 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*

2020/21		2021/22		
Total	Balance Sheet	Charitable Trusts (CTs)		Total
		EDC CTs	Other 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 £0.975m at 31 March 2022 (£0.953m at 31 March 2021). 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

2020/21		Common Good	2021/22	
General	T Crosbie		General	T Crosbie
£000	£000		£000	£000
0	(173)	Income in year	0	(47)
0	15	Expenditure in year	0	25
0	(158)	(Surplus)/Deficit	0	(22)

b) Balance Sheet

2020/21		Common Good	2021/22	
General	T Crosbie		General	T Crosbie
£000	£000		£000	£000
Assets:				
0	765	External Investments	0	785
223	180	Internal Investments	223	183
0	8	Debtors	0	7
223	953	Total Assets	223	975
0	0	Less Current Liabilities	0	0
223	953	Net Assets / (Liabilities)	223	975
Represented by:				
223	797	Capital balance at 31 March	223	816
0	156	Revenue balance at 31 March	0	159
223	953	Total Balance at 31 March	223	975

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. The land and buildings are, therefore, 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 2021/22* 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 2022.
- **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 2022; 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 entities that have been included in the group accounts as associates are Strathclyde Partnership for Transport, Strathclyde Concessionary Travel Scheme Joint Committee and 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 2022. 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 2022 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 three associates have also been consolidated at their financial year ends of 31 March 2022 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 each entity. In 2021/22 that share was as follows:

- Strathclyde Partnership for Transport – In 2021/22 the Council contributed 4.85% of budgeted operating costs (4.86% in 2020/21);
- Strathclyde Concessionary Travel Scheme Joint Committee – In 2021/22 the Council contributed 5.63% of estimated operating costs (5.62% in 2020/21);
- Dunbartonshire and Argyll and Bute Valuation Joint Board – In 2021/22 the Council contributed 24.38% of estimated operating costs (24.95% in 2020/21)

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

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 2021	51,110	18,436	69,546	274,405	3,565	277,970	347,516
Movement in reserves during 2021/22:							
Total Comprehensive Income and (Expenditure)	(43,616)	7,484	(36,132)	105,679	6,495	112,174	76,042
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)	7,484	3,938	65,609	6,495	72,104	76,042
Balance at 31 March 2022 carried forward	47,564	25,920	73,484	340,014	10,060	350,074	423,558
Balance at 1 April 2020	36,744	11,163	47,907	318,042	8,218	326,260	374,167
Movement in reserves during 2020/21:							
Total Comprehensive Income and (Expenditure)	(3,776)	7,293	3,517	(25,495)	(4,637)	(30,132)	(26,615)
Adjustments between accounting basis and funding basis under regulations *	18,142	0	18,142	(18,142)	0	(18,142)	0
Transfers to/from Other Statutory Reserves	0	0	0	0	0	0	0
Increase or (Decrease) in the year	14,366	7,293	21,659	(43,637)	(4,637)	(48,274)	(26,615)
Balance at 31 March 2021 carried forward	51,110	18,456	69,566	274,405	3,581	277,986	347,552

Group Reserves changed on 1 April 2021 to reflect the changed basis of allocation for associates (SPT, Concessionary Fares, VJB)

Group Balance Sheet

The Group Balance Sheet shows as at 31 March 2022 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 2021		31 March 2022
£000		£000
777,307	Property, Plant and Equipment	807,466
3,796	Heritage Assets	3,808
1,408	Intangible Assets	2,001
28,097	Investments in Associates & Joint Ventures	37,708
67	Long-term Debtors	129
810,675	Long-term Assets	851,112
0	Current Intangible Assets	0
0	Short-term Investments	0
710	Assets Held for Sale	1,513
714	Inventories	707
40,901	Short-term Debtors	38,150
24,788	Cash and Cash Equivalents	23,468
67,113	Current Assets	63,838
(41,159)	Short-term Borrowing	(87,778)
(3,031)	Other Short-term Liabilities (PPP contract)	(3,318)
(85)	Other Short-term Liabilities (Finance Leases)	(95)
(64,832)	Short-term Creditors	(52,752)
(57)	Provisions	(49)
(8,904)	Short-term Grants & Receipts in Advance	(9,790)
(118,068)	Current Liabilities	(153,782)
(146,642)	Long-term Borrowing	(165,698)
(273)	Liabilities in Associates	0
(73,309)	Other Long-term Liabilities (PPP contract)	(69,991)
(3,009)	Other Long-term Liabilities (Finance Leases)	(2,914)
(180,592)	Other Long-term Liabilities (Pensions)	(92,541)
(360)	Provisions	(276)
(7,983)	Long-term Grants & Receipts in Advance	(6,190)
(412,168)	Long-term Liabilities	(337,610)
347,552	Net Assets	423,558
69,566	Usable Reserves	73,484
277,986	Unusable Reserves	350,074
347,552	Total Reserves	423,558

The unaudited annual accounts were issued on 23 June 2022 and the annual accounts were authorised for issue on 25 October 2022.

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Jamie Robertson CPFA
Chief Finance Officer
Date: 25 October 2022

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.

2020/21 Restated		2021/22
£000		£000
(2,817)	Net (Surplus) or Deficit on the Provision of Services	37,797
(24,505)	Adjust for Non-Cash Movements	(93,965)
17,374	Adjust for Items in Net Surplus or Deficit that are Investing and Financing Activities	20,068
(9,948)	Net Cash Flows from Operating Activities	(36,100)
19,624	Investing Activities	77,919
(8,741)	Financing Activities	(40,499)
935	Net (Increase) / Decrease in Cash and Cash Equivalents	1,320
(25,723)	Cash and Cash Equivalents at 1 April	(24,788)
(24,788)	Cash and Cash Equivalents at 31 March	(23,468)
31 March 2021	Cash and Cash Equivalents	31 March 2022
£000		£000
(18)	Cash Held by Officers	(17)
3,579	Bank Current Accounts	(3,206)
(28,349)	Short-term Deposits (Temporary Investments)	(20,245)
(24,788)	Total Cash and Cash Equivalents	(23,468)

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 each 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

For one of the Subsidiaries and one of the Associates, the Council's share of net worth is a net liability. For East Dunbartonshire Leisure & Culture Trust and Dunbartonshire and Argyll & Bute Valuation Joint Board the net liability is a direct result of the requirement to fully account for pension liabilities. Both have prepared their accounts on a 'going concern' basis. Statutory arrangements are in place with the other constituent authorities for the funding of the Valuation Joint Board. The Council's Group Accounts have been prepared on a going concern basis as there is no reason to suggest that future funding will not be available for 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: Strathclyde Partnership for Transport and 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 three Associates. The accounting period end for all entities is 31 March 2022.

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

2020/21			Group Bodies	Consolidation Basis	2021/22		
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	4,623	(6,998)	ED Leisure & Culture Trust	Voting Rights	100.0	(4,037)	(2,961)
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	(158)	1,176	EDC Common Good	Trustees	100.0	(22)	1,198
Joint Ventures							
50.0	(6,020)	6,422	ED Health & Social Care Partner.	Voting Rights	50.0	(7,073)	13,495
Associates:							
4.86	(732)	21,442	Strathclyde Partner. for Transport	Requisition	4.85	(1,998)	23,440
5.62	(154)	195	Strathclyde Conc. Travel C'ttee	Requisition	5.63	(64)	259
24.95	(206)	(271)	Dunbartonshire and Argyll and Bute Valuation Joint Board	Requisition	24.38	(785)	514
	(2,647)	22,001	Total Consolidated Group Entities			(13,979)	35,980
	29,271	325,515	East Dunbartonshire Council			(62,063)	387,578
	26,624	347,516	Group Financial Statements			(76,042)	423,558

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 2022 was £2.977m (31 March 2021 £6.998m) 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%:

2020/21 East Dunbartonshire Leisure and Culture Trust		2021/22
£000		£000
9,070	Turnover	10,119
-4,623	Profit or (loss) before tax	4,037
0	Taxation	0
-4,623	Profit or (loss) after tax	4,037
21	Long term assets	12
3,470	Current assets	4,025
-1,112	Current liabilities	-1,553
-9,377	Long term liabilities	-5,446

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 2022 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 2022, the total net book value of the Park’s buildings and equipment was £0.606m 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 2021/22, the Partnership managed services worth £82.823m 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*

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 2021/22, the Council contributed £1.735m (2020/21 £1.723m) to the Partnership’s estimated 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 2021/22, the Council contributed £0.229m (2020/21 £0.227m) to the Joint Committee’s estimated operating costs, which represents the Council’s agreed share of costs for the year (5.63%). Accounts for the Joint Committee are published separately and can be obtained from Strathclyde Partnership for Transport at the address given above.

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 2021/22 the Council contributed £0.697m (2020/21 £0.687m) to the Board’s estimated operating costs, which represents the Council’s 24.38% 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.

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 £0.084m (2.2%) to the consortium in 2021/22 (2020/21 £0.081m, 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 £0.052m (12.5%) in 2021/22 (2020/21 £0.072m, 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 £0.159m for services in 2021/22 (2020/21 £0.163m) and was entitled to a membership percentage of 2.46% in 2021/22 (2020/21 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 £0.076m (5.90%) in 2021/22 (2020/21 £0.075m, 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 £35.945m (£22.037m 2020/21). 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:

2020/21	Total Comprehensive (Income) and Expenditure	2021/22
£000		£000
4,623	East Dunbartonshire Leisure & Culture Trust	(4,037)
(158)	Common Good and Trust Funds	(22)
(6,020)	Integration Joint Board	(7,073)
(733)	Strathclyde Partnership for Transport	(1,998)
(153)	Strathclyde Concessionary Travel Scheme Joint Board	(64)
(215)	Dunbartonshire and Argyll and Bute Valuation Joint Board	(785)
(2,656)	Total for Consolidated Group Entities	(13,979)
29,271	East Dunbartonshire Council single entity accounts	(62,063)
26,615	Total for Group Comprehensive Income & Expenditure Statement	(76,042)

Independent Auditor's Report

Independent auditor's report to the members of East Dunbartonshire Council and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Dunbartonshire Council and its group for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the council-only and group Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets and Cash Flow Statements, the council-only Housing Revenue Account, Council Tax Income Account, 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 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the council and its group as at 31 March 2022 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is 6 years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Chief Finance Officer and 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

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the council and its group is complying with that framework;
- identifying which laws and regulations are significant in the context of the council and its group;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on other requirements

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

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

Other information

The Chief Finance Officer is responsible for 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.

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

of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight FCA
Audit Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

25 October 2022