Unaudited annual accounts for the year ended 31 March 2026



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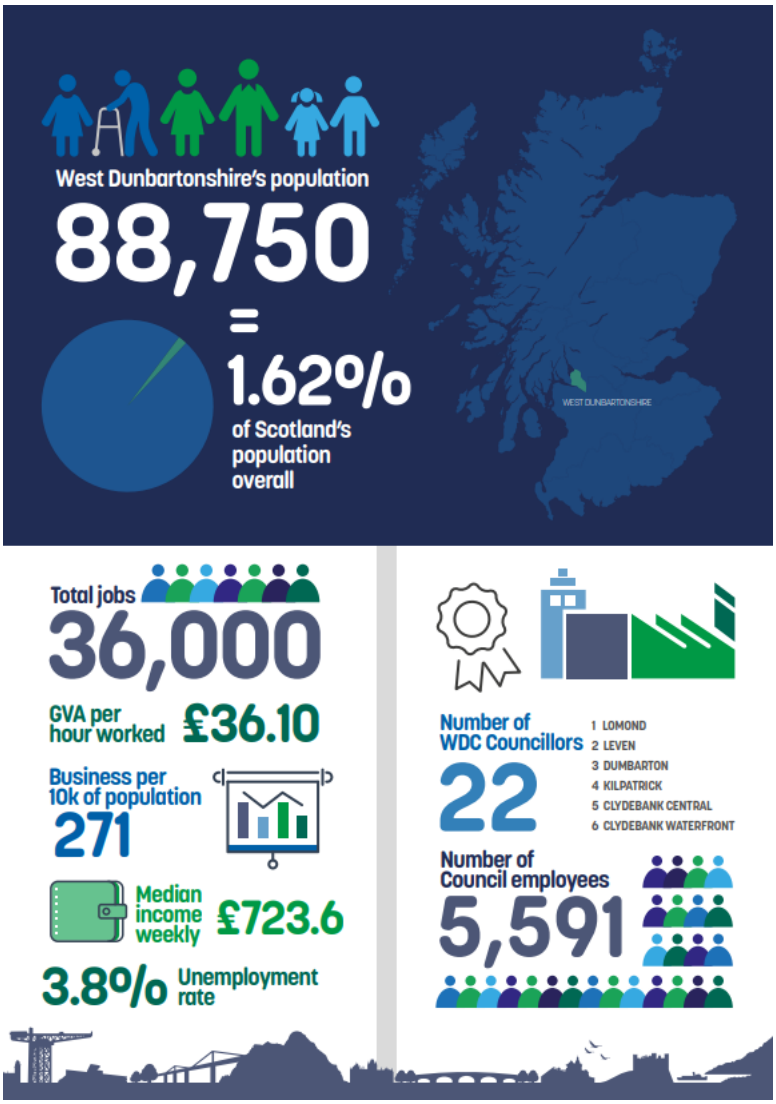
Management Commentary

Management Commentary

Introduction

Welcome to the Financial Statements for West Dunbartonshire Council (the Council) and its group for the year ended 31 March 2026. The Statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This Management Commentary will demonstrate the stewardship of public funds entrusted to the Council and outlines the key messages regarding the performance of the Council over the 2025/26 financial year as well as providing an indication of risks and issues which may impact upon the Council in the future.

Profile of West Dunbartonshire Council



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

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

The Council is led by 22 councillors, elected every five years to represent the residents within the area. Following the Local Government elections in March 2022 the Council has had a Labour administration with Councillor Martin Rooney as the Council Leader. The political make-up of the Council is eight Scottish Labour Party, seven Scottish National Party, six Independent and one West Dunbartonshire Community Party.

Management Commentary

The Council's senior management structure consists of the Chief Executive, seven Chief Officers, with the Integration Joint Board (referred to as Health and Social Care Partnership (HSCP)) managed at a senior level by a Chief Officer.



The Council also has:

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

The Strategic Plan, Vision and Priorities

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

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

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

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

Delivery Plans

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

Performance Reporting

Strategic Plan and Delivery Plans

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

The Strategic Plan progress report and Delivery Plan progress report set out 2024/25 performance in detail while the infographic based Annual Report 2024/25, provides an overview across a wide range of areas including the Strategic Plan, feedback from service users and residents, as well as budget and workforce information.

The graph below summarises 2024/25 Strategic Plan performance, highlighting the outturn of the Plan's 50 PIs against the targets set for that year.

Management Commentary



Performance in 2025/26

While the Strategic Plan year-end progress report for 2025/26 is not yet final (due September 2026), a mid-year report is available. This focuses on a sub-set of the Plan's 50 PIs where data is available quarterly or bi-annually. Delivery Plan mid-year progress reports for 2025/26 are also available for all seven strategic areas, with year-end reports due to be published in summer 2026.

Local Government Benchmarking Framework

All 32 Scottish councils measure a common set of PIs called the Local Government Benchmarking Framework (LGBF). This allows us to compare performance, identify best practice, learn from each other, and improve what we do. The framework comprises 109 cost, satisfaction and service indicators covering a wide range of council services.

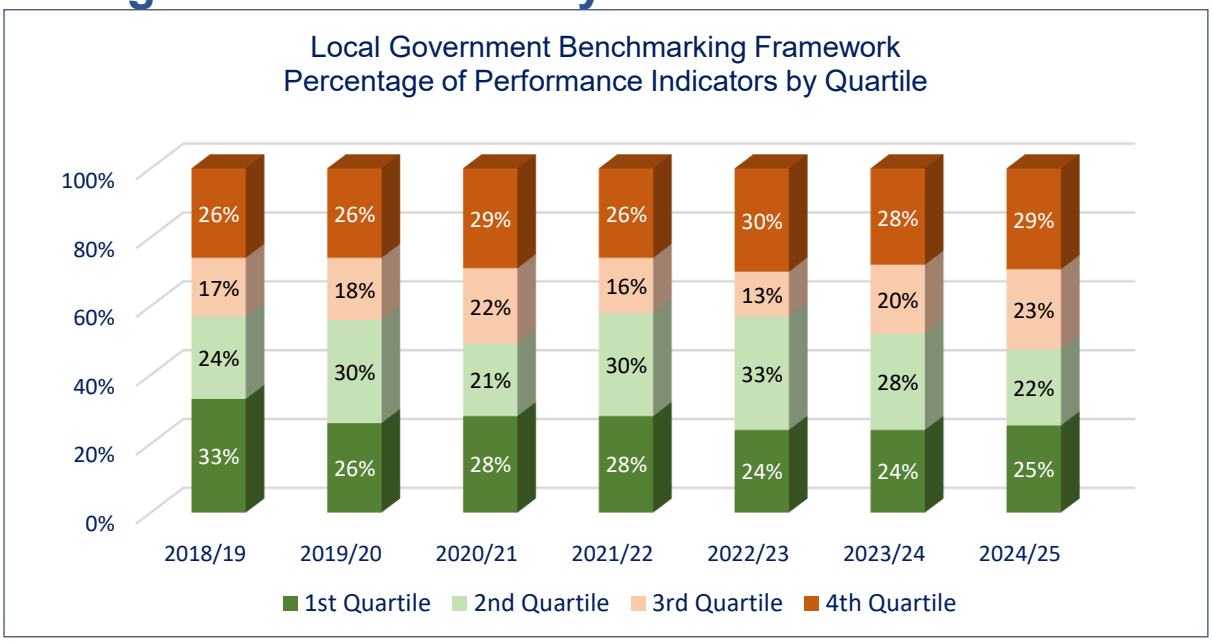
The table below provides a summary of our comparative performance in 2024/25, the most recent year for which data is available. Published in early 2026, it compares our performance against the previous year, the Scotland average, and our family group average (where the family group comprises a smaller group of similar councils in terms of characteristics such as deprivation, urban/rural, and population sparsity/density). It is based on all data available at the time of writing (May 2026):

Council's 2024/25 Performance compared to:	Better		Worse		Identical	
Previous year (Base: 96 PIs available)	52	54.2%	42	43.8%	2	2.1%
Scotland (Base: 99 PIs available)	46	46.5%	52	52.5%	1	1.0%
Family Group (Base: 99 PIs available)	47	47.5%	52	52.5%	0	0.0%
Change in Rank from 23/24 (Base: 96 PIs available)	41	42.7%	38	39.6%	17	17.7%

In terms of quartile distribution, of the 99 PIs for which a 2024/25 rank can be generated, 25 (25.3%) were ranked in quartile 1, 22 (22.2%) in quartile 2, 23 (23.2%) in quartile 3 and 29 (29.3%) in quartile 4.

The graph below summarises our performance over the last six years, showing the percentage of indicators in each of the four quartiles, with the first quartile representing the top eight performing councils and the fourth quartile the bottom eight.

Management Commentary



Key Achievements 2025/26

Some key achievements in 2025/26 in relation to the Council's four strategic priorities are highlighted below:

Priority 1 – Our Communities are Resilient and Thriving

The Council:

- Opened and launched Clydebank Museum and Heritage Hub
- Processed 9,815 crisis grants and 2,902 community care grants
- Was awarded South of Scotland Regional Lead for Macmillan welfare rights services
- Enhanced community safety through the completion of a CCTV installation.
- Opened Faifley Community Campus bringing together two primary schools, an early years centre and a specialist support base within a single, integrated community campus
- Processed Clothing Grants to parents and carers of 3,764 school pupils, Discretionary Housing Payments to 4,112 vulnerable tenants, £22.3m in Housing Benefit payments and £10.1m in Council Tax Reduction payments.
- Progressed the delivery of the Glencairn House an ambitious heritage-led regeneration initiative to transform a historically significant building into a vibrant cultural and community hub.



Management Commentary



In relation to education the Council:

- Outperformed the national average in Broad General Education for attainment for children living in our most deprived areas.
- Increased attainment in Early Learning and Childcare Centres (ELC) achieving the highest levels of performance against our attainment benchmarks since 2017.
- Was recognised for the high quality of its Service Improvement Framework, identified by HM Inspectors as a model of best practice.
- Delivered positive His Majesty's Inspectorate (HMIE) school inspections at Our Lady and St Patrick's High School, Clydemuir Primary School and Choices School.
- Delivered positive Care Inspectorate early years inspections at Dalmuir ELC, Renton ELC, Lennox (Faifley) ELC, Villa Kindergarten, Gartocharn, Carousel (Dumbarton), Great Start and Ferryfield with Children's Hour, Brookland and Carleith ELC receiving positive inspections from HMIE.
- Adult satisfaction with local schools remains consistently higher in West Dunbartonshire than both the national average and comparator authorities.
- Made significant progress in attendance for care experienced children, with 45% increasing their attendance by an average of 10%.

Priority 2 – Our Environment Promotes a Greener Future

The Council:

- Introduced a prioritised waste project leading to significant reductions in waste sent to landfill.
- Completed Gruggies Burn design and completed contract negotiations to have a construction contract in place to deliver a £45m flood alleviation project.
- Developed a procurement strategy to establish the basis for the transition from internal combustion engines to electric powered vehicles.
- Secured £0.780m of funding to deliver energy efficiency in non-traditional properties in Clydebank.
- Provided training and employment opportunities for 10 modern apprentices and engaged with over 300 volunteers to carry out environmental improvement work



Management Commentary

Priority 3 – Our Economy is Strong and Flourishing

The Council:

- Undertook construction of the western underbridge at A82/A814 junction in partnership with Network Rail as part of the wider Exxon Project.
- Brought 45 empty homes back into circulation and completed projects to provide 65 new homes including both mainstream housing and sheltered accommodation.
- Was awarded the 2025 Glasgow Herald Affordable Housing Development of the Year for the Clydebank East Development.
- Supported the Malin Group and Strathclyde University to secure £20m funding for the Scottish Marine Technology Park
- Supported the Clydebank Neighbourhood Board in developing a Regeneration Plan outlining the main priorities for Clydebank to be delivered over the next 10 years with £20m of Pride in Place funding.





Priority 4 – Our Council is Inclusive and Adaptable

The Council:

- Delivered digital sessions to members of the local deaf community, the first initiative of its kind in Scotland.
- Established 'Near Me Hub' offering private digital access to NHS appointments from Clydebank Library.
- Opened Riverside Additional Support Needs Secondary School, providing a fully accessible, rights-based learning environment for young people with complex needs
- Had its website assessed by the Government Digital Service as meeting the required accessibility standards.
- Implemented the requirements of the new Disclosure Scotland Act.
- Installed fit for future bandwidth, introduced a suite of Artificial Intelligence tools and implemented a new cyber incident and response system.
- Trained 230 teaching and support staff on understanding autism, recognising and reducing anxiety, and building emotional resilience, enhancing capacity to meet a wider range of learner needs.
- Trained 50 secondary staff in Scottish Mental Health First Aid, increasing confidence and capability in supporting young people with mental health concerns.

Management Commentary

Council's 2025/26 Budgets

Revenue

The Council approved the 2025/26 revenue budget on 5 March 2025 based on band D Council tax of £1,559.86. The budget was set at £311.153m (as detailed in the table below) to be funded by Scottish Government Grant (£258.184m); Council tax (£45.426m), Central Government Grant (£1.486m), with a net contribution from reserves for the remaining (£6.057m).

Service	Budget (£,000)	% Budget
Resources	4,452	1.43%
Regulatory and Regeneration	4,406	1.42%
People and Technology	10,385	3.34%
Citizens, Culture and Faciliaties	14,553	4.68%
Education, Learning & Attainment	141,393	45.44%
Roads & Neighbourhoods	15,885	5.11%
Housing & Employability	2,920	0.94%
Health and Social Care Partnership	93,442	30.03%
Miscellaneous Services	4,612	1.48%
Loan charges	16,708	5.37%
Requisitions	2,397	0.77%
Total	**311,153**	**100.00%**

The budget was updated during the year for a number of variables, resulting in a final planned net expenditure of £313.821m. The year-end revenue budgetary position is set out on page 9 of this commentary.

Capital

On 5 March 2025, the Council also approved the revised capital plan with a planned General Services spend in 2025/26 of £73.780m. In-year additional projects increased the planned spend by £5.941m to £79.721m and completed, accelerated and reprofiled budgets for 2025/26 of £20.139m resulted in an overall 2025/26 capital programme of £59.582m. This investment is funded from a range of sources including government grants and ongoing council revenue. Major areas of investment are economic regeneration, school modernisation, roads and infrastructure and a range of other council assets.

Housing Revenue Account (HRA)

On 5 March 2025, the Council agreed an increase in Council house rents of 8.0% and approved the HRA budget and approved planned capital investment of £70.590m for 2025/26. The year-end revenue and capital budgetary position is set out on page 10 of this commentary.

Overview of Core Financial Statements

The Statement of Accounts contains the Financial Statements of the Council and its group for the year ended 31 March 2026. The Council operates two main Funds:

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

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

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

Management Commentary

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

Page	Statement	Statement Details
31	Comprehensive Income and Expenditure Statement (CIES)	Income and expenditure for all Council services.
32	Balance Sheet	A summary of the Council's assets and liabilities. It is a statement of the resources of the Council and the means by which they have been financed. It is also a snapshot of the Council's financial affairs at the close of the year expressed in accounting terms.
33	Movement in Reserves Statement	How the surplus/deficit on the Income and Expenditure Account for the year reconciles to the movement on the General Fund. Also highlights movement on all other reserves held on the Council's Balance Sheet. Further information on each of the reserves held and how they may be used is detailed within note 24.
34	Cash Flow Statement	Inflows and outflows of cash arising from transactions with third parties on revenue transactions and capital activities. Cash is defined for the purpose of the statement as cash-in-hand and deposits repayable on demand less overdrafts repayable on demand.
35-84	Notes to the Financial Statements	Further information and analysis of each statement, including the main accounting policies.
85	Housing Revenue Account	Income and expenditure for Council housing services for the year and includes the Statement of Movement on the HRA Balance

2025/26 Financial Performance

Revenue: Outturn against Budget

General Fund

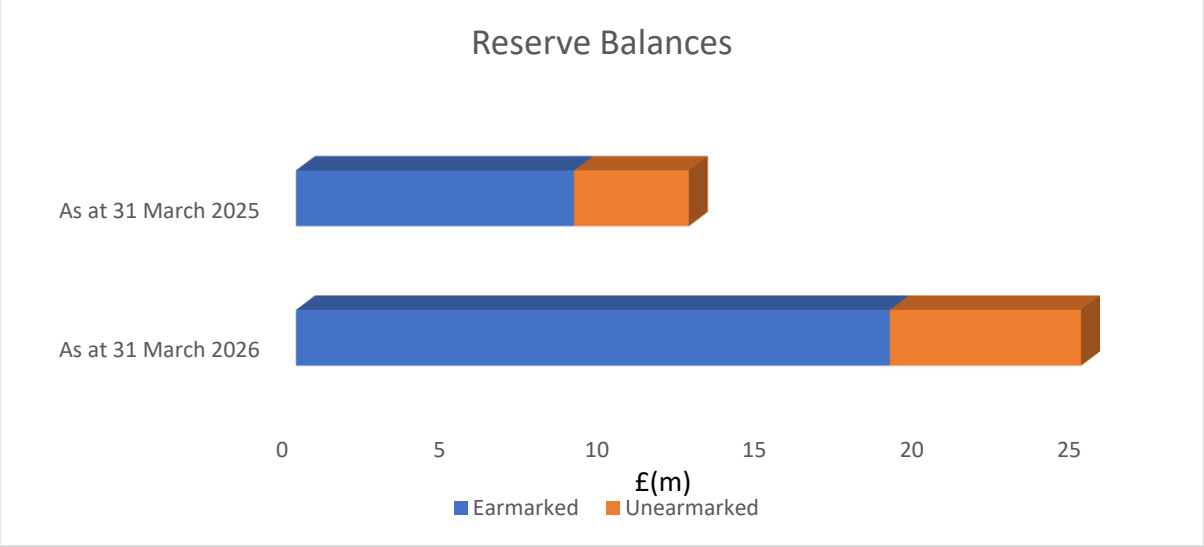
This account covers the day-to-day operational income and expenditure for each service of the Council and is reported in line with the Council's Chief Officers. Income from council tax, non-domestic rates, capital, and revenue support grants was £350.927m with a net expenditure on services for the year of £315.870m (shown on page 31 – Net Cost of Services).

The Council's financial performance is presented in the Comprehensive Income and Expenditure Statements (CIES) on page 31, which shows a deficit on the provision of service of £14.462m (represented by a £0.952m deficit on the General Fund and a £13.510m deficit in the HRA). This statement is prepared using International Financial Reporting Standards as interpreted by the Code. However, it does not reflect the true cost or the amount to be funded from taxation and government grant income. Note 6 details the accounting adjustments required to reflect performance against the use of reserves and statutory funds. The adjustments remove the impact of non-cash items such as depreciation, revaluation and replace these with the actual cost of debt repayment. Consequently, the general fund balance has increased by £12.652m, against a planned use of reserves during 2025/26 budget setting of £1.063m. The table below shows a summary of the movements that contributed to the final position.

Management Commentary

	Revised Budget £'000	Actual £'000	Variance £'000	£'000
Total General Services Reserves Held at 1 April 2025				**(12,272)**
Resources	4,880	6,544	1,664	
Regulatory and Regeneration	5,213	4,893	(320)	
People & Technology	10,460	10,135	(325)	
Citizens, Culture and Facilities	18,776	19,029	253	
Education, Learning and Attainment	138,396	138,842	446	
Roads and Neighbourhood	18,125	18,099	(26)	
Housing and Employability	908	(227)	(1,135)	
Miscellaneous Services	7,920	8,646	726	
Health and Social Care Partnership	94,103	94,103	0	
Loan charges	16,708	11,657	(5,051)	
Transfer to Reserves	4,294	(3,470)	(7,764)	
Requisitions	2,491	2,434	(57)	
Non GAE Allocation	(8,453)	(7,701)	752	
Net Expenditure	**313,821**	**302,984**	**(10,837)**	
Council Tax	(45,426)	(45,949)	(523)	
Revenue Support Grant/NDR	(260,328)	(260,945)	(617)	
Central Government Funding	(1,672)	(2,347)	(675)	
use of Resevres	(6,395)	(6,395)	0	
Revenue Budget Outturn Position	**6,395**	**(6,257)**	**(12,652)**	**(12,652)**
Closing Useable Reserves Balance				**(24,924)**

As a result of the overall surplus, the General Fund reserves increased from £12.272m to £24.924m. The graph below shows how the useable reserves of the Council are made up, including the £18.847m earmarked to support future budget strategy which are detailed in Note 7.



The Council has a policy of holding a minimum of £5.469m uncommitted balance (2.5% of the Council's budgeted net annual running costs). As at 31 March 2026 the Council had £6.077m of free reserves (2.85% of actual running costs) which is above the prudential target. The use of reserves is reviewed as part of the budget setting each year.

Provisions

The Council has provisions totalling £0.618m on the Balance Sheet as detailed in Note 20 to the Accounts.

Management Commentary

Cash Flow Statement

The Council's cash flow statement shows a increase of cash and cash equivalents of £19.190m during 2025/26 (Note 18) mainly as a result of timing differences for reprofiling of debt.

Housing Revenue Account (HRA)

By law the Council maintains a separate account for the running and management of its housing stock and had 10,581 housing units at 31 March 2026 (2025: 10,547). The movement in year is as follows:

Opening House Number	**10,547**
Disposals	(78)
buy Backs	36
New Builds	76
Closing House Number	**10,581**

The account reported a surplus for the year of £0.511m. In line with the prudential reserves policy (2% of expenditure), the target reserves level for the HRA for 2025/26 was £1.160m. Taking account of the £0.511m in-year surplus and the brought forward balance from the previous year of £0.611m, the reserves balance available to the HRA for future use is £1.122m. The reserves balance is therefore £0.038m below the prudential target. The Council aims to increase HRA reserves over the medium term so that reserves are maintained at or above target.

The HRA's budget performance for the year is summarised in the following table. The table also highlights how the in-year deficit affects the overall reserves balance held for future use. Further information is noted on page 85.

	Budget	Spend against Budget	Variance	
	£'000	£'000	£'000	£'000
Total HRA Reserves Held at 1st April 2025				(611)
Total Expenditure	56,780	58,500	1,720	
Total Income	(56,780)	(59,011)	(2,231)	
Contribution to Reserves				(511)
Total HRA Reserves Held at 31 March 2026				**(1,122)**

The net budgetary position shown in the HRA Statement can be reconciled to the surplus reported in the HRA Income and Expenditure Statement (page 85) as set out below:

	2025-26	
	£'000	£'000
(Surplus)/Deficit for the year on HRA services		13,511
HRA Movement in Reserves		
Adjustment to the revenue resource	(27,456)	
Adjustment between Revenue and Capital resources	13,434	
Transfer (to)/from other Statutory reserves	0	
Movement in HRA revenue		(14,022)
Adjust for earmarked funds:		
Use of earmarked sums		511
Net HRA budgetary control position 2025-26		**0**
HRA Reserves as at 1 April 2025		(611)
Use of earmarked sums		(511)
HRA reserve as at 31 March 2026		**(1,122)**

Balance Sheet

The Balance Sheet on page 32 summarises the Council's assets and liabilities as at 31 March 2026. Explanatory notes are provided in the accompanying notes to the accounts. The net worth of the Council has decreased by £37.824m from £367.053m as at 31 March 2025 to £329.229m as at 31 March 2026. The major changes are set out in the table below.

Management Commentary

	31 March 2025 £'000	31 March 2026 £'000	Movement £'000	Main Reason
Long-term Assets	1,284,685	1,275,052	(9,633)	Movement as a result of the revaluation and indexation of non-current assets and capital expenditure offset by in year depreciation.
Current Assets	77,682	110,966	33,284	Increase in cash and cash equivalents due to timing of repayment of debt, an increase in assets held for sale as a result of more land assets being actively marketed and an increase in short term debtors due to timing differences.
Current Liabilities	(401,895)	(416,921)	(15,026	Increase in short-term borrowing in year to support the GS and HRA capital programme.
Long-term Liabilities	(593,419)	(639,868)	(46,449)	Increase in long-term borrowing to support HRA and GS capital programme.
Total	**(367,053)**	**(329,229)**	**(37,824)**	

Pension Assets and Liabilities

The net asset arising from the Council's involvement in the defined benefit scheme totals £530.495m as at 31 March 2026. However, this has been limited to nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions. As the Council cannot withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to nil.

The Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward. The increase in the pension asset is mainly as a result of strong investment returns and an increase in discount rate resulting in lowering the value placed on the obligations as at 31 March 2026, partially offset by future pension, and salary decrease assumptions. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and future income to meet future pension liabilities.

Non-Current Assets

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

The Council requires to assess the value of assets held based on current market conditions. During 2025/26 particular assets have increased in value by £10.575m however, at the same time, impairment and downward revaluations have reduced the value of other Council assets by £67.945m, resulting in a net decrease in value of £57.370m. These movements adjust either the revaluation reserve in the Balance Sheet or are included within the Net Cost of Service within the Income and Expenditure Statement, depending on the history of the asset.

Borrowing

The Council's 2025/26 Treasury Strategy was agreed by the Council on 26 March 2025. The Council raised new long-term loans of £190.000m (2024/25 £115.000m) and short-term loans of £332.500m (2024/25 £336.600m) and repaid naturally maturing debt of £453.472m (2024/25 £380.452m).

The total outstanding long-term debt (excluding PPP debt and ROU asset liability) as at 31 March 2026 was £521.476m (2024/25 £467.240m) including £248.622m (2024/25 £216.581m) for the Council's housing stock. The total outstanding

Management Commentary

short-term debt was £348.607m (2024/25 £334.350m), including £165.737m (2024/25 £154.463m) for the housing stock.

The interest and expenses rate charged by the Council's loans fund was 4.39% (4.64% in 2024/25).

Capital Finance

The Council is able to regulate its own capital spending limits within the framework recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Scottish Government. The necessary treasury indicators and safeguards have been approved by Council. The Council's Treasury Management Strategy and Capital Strategy are approved at Council. Details of the capital expenditure and financing are shown in Note 11. Total gross capital expenditure amounted to £98.366m with the split between £50.216m for General Services and £48.150m for the HRA. The main capital projects progressed during 2025/26 were:

General Services	HRA
Dumbarton Town Centre - Levelling Up Fund	Buyback & New Build Programme
Exxon City Deal	Window/Door renewals
Faifley Campus	Kitchen & Bathroom Upgrades
	Heating Upgrades
	Environmental Sensor Programme
	Roof Renewals
	Energy Compliance Works
	CCTV Upgrades

During 2025/26, the Council had budgeted capital expenditure of £115.129m with an actual in year spend of £98.366m. The unspent amount £16.763m includes overspends, underspends and reprofiling, as noted within the table below. The total reprofiling on planned spend was £10.264m – 8.92% (2024/25 6.02%) of the overall capital budget.

Service	Budget £'000	Actual Spend £'000	Variance £'000	Overspend £'000	Underspend £'000	Reprofiling £'000
Corporate Services	3,408	5,232	1,824	1,761	0	64
Education	10,322	10,083	(239)	28	0	(267)
Infrastructure, Regeneration & Development	44,531	33,650	(10,881)	79	(969)	(9,991)
Miscellaneous Services	1,321	1,251	(70)	0	0	(70)
General Services Total	**59,582**	**50,216**	**(9,366)**	**1,868**	**(969)**	**(10,264)**
HRA	55,547	48,150	(7,397)	7,548	(14,945)	0
Total	**115,129**	**98,366**	**(16,763)**	**9,416**	**(15,914)**	**(10,264)**

The majority of reprofiling has occurred within a number of larger capital projects and is mainly due to the timing of starting individual projects, for various reasons, not all within Council control, and the delayed spend on these projects moved into capital budgets for 2026/27 onwards. The most significant reprofiling was experienced against the following projects:

General Services	
Gruggies Burn Flood Prevention Scheme	Further design underway following value engineering. It is anticipated this budget will be utilised in 2026/27.
Vehicle Replacement	Delay due to the vehicle build time associated with the specialist vehicles and the delivery lead time from the date of supply order placement.
Exxon City Deal	Project underway and progressing well, however, spend not in line with original projection due to delays to works on site and defect completion on Network Rail works

Management Commentary

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

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

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

Group Accounts

Local authorities are required to prepare group accounts in addition to their own Financial Statements where they have material interest in other organisations. The group accounts on pages 91 to 98 consolidate the Council's Financial Statements, the Common Good and Trust Funds and four other entities (including two further subsidiaries – West Dunbartonshire Leisure Trust and Clydebank Property Company). The effect of combining these entities on the Group Balance Sheet is to increase reserves and net assets by £19.918m creating an overall net asset of £349.147m. As there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

The Financial Outlook, Key Risks and the Future

In setting the 2026/27 budget on 4 March 2026, the Council faced a number of significant financial pressures resulting from historic real term reductions in government funding, inflationary pressures, in particular the impact of bank interest rates, service demand increases and local government pay awards not being fully funded.

The 4 March 2026 Council meeting also approved the updated General Fund capital plan, the 2026/27 HRA revenue budget and the updated 5-year HRA capital plan. The capital plans include funding for several projects over the next five years and the revenue impact of these investments is built into future revenue plans.

Following the setting of the budget in March 2026, budget projections identified expected budget gaps in the mid-range scenario of £10.905m in 2027/28 rising cumulatively to £44.028m in 2030/31. At a Council meeting on 17 June 2026 a further Financial Update was presented which adjusted these gaps to reflect changes to budget assumptions and cost pressures and extended the projection to 2031/32. This resulted in amended estimated mid-range scenario budget gaps of £10.005m in 2027/28 rising cumulatively to £52.161m in 2031/32.

Alongside the announcement of the Scottish budget on 13 January 2026, the Scottish Government also released its three-year spending review. This document outlines multi-year spending plans for various Scottish Government portfolios spanning from 2026/27 to 2028/29. It illustrates that Local Government funding, in cash terms, is expected to decrease slightly over the three-year period which will require councils to absorb the financial pressures brought about by inflationary increases. If the Council continues to receive real term funding cuts, there will continue to be a need to review the manner in which services are delivered and the level they are delivered at.

Management of Risk

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

- the unknown position from Scottish Government on future funding levels particularly given the ongoing decline in Council population, historic real term reductions in local government funding and the most recent Scottish Government Spending Review
- changing demands and needs for Council services (particularly in relation to older people)
- continued inflationary pressures and interest rates which impact on the cost of service delivery and the delivery of capital programmes
- ongoing discussions with the Scottish Government about the provision of funding in relation to maintaining teacher numbers and reduced class contact time

Management Commentary

- the impact of pay award negotiations and the extent to which responsibility for funding these is shared by the Scottish Government.

The Annual Governance Statement, shown on pages 19 to 23, details the arrangements the Council has put in place for the proper governance of the Council's affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvement actions to the governance framework identified from the Council's ongoing review of these arrangements.

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

The Future

In recognition of the scale of the current financial challenge the Council will continue to identify service redesign and business transformation options, and these will be reported to appropriate committees during 2026/27. Further work will be done to identify saving options to be considered by Council when determining the 2027/28 budget in March 2027.

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

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

The Exxon project continues to progress, with planning approval granted in January 2024. Construction will continue through 2026/27 in line with the approved programme, supported by dedicated governance through the Exxon Project Board. A key milestone was achieved in 2025 with the construction of the western under-bridge at the A82/A814 Glasgow Road junction, delivered in partnership with Network Rail. Enabling works were completed in advance of the successful installation beneath the main railway line during the Christmas 2025 period.

In addition, the Scottish Marine Technology Park at a former oil storage site in Old Kilpatrick was awarded grant funding of £4.23m of Investment Zone funding through Glasgow City Region in March 2026. This funding award has the potential to accelerate the regeneration of this second strategic site on the banks of the River Clyde and contribute to the sustainable economic growth of the area.

Local Regeneration Fund (formerly known as Levelling Up Fund) – The Local Regeneration Fund is a capital fund to address systemic weaknesses in the economies of the UK's towns and cities. The first round was announced at the 2020 Spending Review with an aim to support communities in realising this vision. The Council were successful, as part of round 1, in securing £19.9m for three interlinked regeneration projects in Dumbarton town centre. These include the re-use of the listed Glencairn House (construction complete) as a town centre library and museum, the redevelopment of the largely vacant and run-down Artizan Centre (underway) and Connecting Dumbarton (complete) which will improve walking and cycling routes in the town centre. The funding programme runs to March 2028, but many of the positive regeneration outcomes will be longer term.

Pride in Place Fund (formerly known as Plan for Neighbourhoods Fund) – Clydebank was selected by the UK Government as part of the Government's broader Pride in Place programme to receive £20m of Pride in Place Fund. The first tranche of funding was released in April 2026, with the remainder expected over a 10-year period and split into 75% capital funding and 25% revenue funding. In line with UK Government guidance, a Clydebank Neighbourhood Board has been established with an independent Chair to develop a Regeneration Plan and direct the use of the Fund in partnership with the Council. The funding will be spent on locally identified priorities, with the aim to achieve strategic objectives of thriving places, stronger communities and taking back control. The Regeneration Plan developed in partnership with the local community and the Council, was formally approved by the UK Government in March 2026. It identifies a list of interventions which contribute towards realising the strategic objectives of the programme and regenerating Clydebank. The Council is the accountable body for the funding.

Management Commentary

Net Zero Collaboration – The Council and Glasgow City Council (GCC) have agreed to work collaboratively on their shared Net Zero objectives and toward meeting targets, set by the Scottish Government, related to the 'Climate Change (Scotland) Act 2009' and 'Climate Change (Emissions Reductions Targets) (Scotland) Act 2019'. A WDC/GCC Collaboration Board has been formed to oversee progress.

The stated mission is: '*To bring together officers from both West Dunbartonshire Council and Glasgow City Council to collaborate on projects to support both Council's collective ambition of becoming net-zero and supporting the national ambition of being net zero emissions by 2045'.*

To achieve the mission we will consider opportunities to collaborate on land-use, securing climate investment and share lessons learned on exemplar projects to inform future projects. By acting on areas of common interest and opportunity within the net zero agenda we will elevate and add value to benefits for both councils.

Governance has been developed to ensure development and delivery of initiatives are progressed in line with the anticipated outcomes and spirit of the agreement. The Project Board have regular meetings to review and analysis business cases and progress within each of the key themes.

The Gruggies Burn Flood Alleviation Scheme: The Council is progressing the Gruggies Burn Flood Alleviation Scheme following the award of Scottish Government funding. The overall project budget is estimated at £48 million with the Scottish Government funding 80% of the approved contract value. The remaining 20% and any additional costs will be met in full by the Council.

Gruggies Burn is an open watercourse approximately one mile in length, extending from the confluence of the Garshake Burn and Overtoun Burn to its outfall into the River Clyde estuary. The burn includes steep, fast-flowing culverted sections, four road crossings, one footpath crossing, and a tidally influenced outfall. As a result, it has two principal historic flood pathways: fluvial flooding and tidal flooding which can result in flooding of a number of properties in the Dumbarton East area, including Castlegreen Street, Glasgow Road, Buchanan Street, and surrounding streets.

Construction is expected to commence on site in autumn 2026, with early works planned during the summer period. Once complete, the scheme will significantly reduce flood risk for 631 properties in the area.

Other Information

Asset Management

The Council has a significant investment embedded in assets, comprising offices, schools, vehicles, houses, ICT infrastructure and equipment. It is important these are managed in an efficient and effective manner. The Council has an overarching Corporate Asset Framework and Property Asset Plan 2023-2028 which was approved by Committee in February 2023. In addition, there are service specific Asset Plans covering Open Spaces, Roads Structures, Housing and Vehicle, Fleet and Plant which were all approved at the relevant service committees and will undergo refreshes in future years. We continue to identify any areas of over provision or inefficient value within the Council's assets in line with the Property and Land Disposal Strategy 2021-2026.

Equality and Diversity

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

Information on the Council's Equality Outcomes and Mainstreaming Plan 2025-2029 can be found on the Council website at Equality Scheme

Consultation and Communication with Workforce

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

Management Commentary

Carbon Emissions and Energy Consumption

The Council approved a Climate Change Strategy in November 2020 which has set an overall target to reduce carbon emissions to 'net zero' by 2045 which will align with Scottish Government targets. This includes two interim targets of a 61% reduction by 2030/31 (versus 2012/13 baseline) and 87% reduction by 2040/41 (versus 2012/13 baseline). The Climate Change Strategy will be updated by the end of this financial year, carbon emission targets for 2030/31 and 2040/41 are unlikely to change significantly.

The carbon emission data for 2024/25, reported in November 2025, shows significant positive progress. The value of 18,235 tonnes of carbon emissions from Council operations represents a 33.8% reduction on the previous year, 44.7% reduction on 2012/13 baseline and 5.7% ahead of projected target for 2024/25. The main reduction is from the Council's waste emissions, which is a result of shifting a significant amount of waste from landfill to incineration through the Net Zero Cooperation Agreement with Glasgow City Council.

Annual progress of the Climate Change Action Plan is monitored through annual reporting to the Council's Infrastructure, Regeneration & Economic Development (IRED) Committee and additionally monitored as part of the Regulatory and Regeneration Services Delivery Plan twice per year to Corporate Services and IRED Committees. Furthermore, progress is monitored via the Climate Change Action Group and reported to the senior management team on a quarterly basis.

Remuneration Report

This report presents information on the remuneration of senior elected members and senior officers within the Council (pages 24 to 30).

Financial Performance Indicators

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

2024/25 Outturn	General Services Performance		2025/26 Target	2025/26 Outturn
£0.68	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£3.00	£5.34
14.10%	Council tax as a percentage of overall funding	Demonstrates the amount of budget raised through council tax	n/a	14.78%
93.80%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	93.50%	93.60%
£39.909m	Amount of income from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	n/a	£44.582m
61%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the GS has, in comparison to the agreed minimum	100%	111%
1.82%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves	3.00%	2.85%
£-2.908m	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£2.626m
101.04%	Revenue budget compared to actual outturn at year end - including top up of provisions	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	96.55%

Management Commentary

2024/25 Outturn	Prudence And Affordability – Capital		2025/26 Target	2025/26 Outturn
7.25%	Ratio of financing costs to net revenue stream (excluding PPP) – General Services	Demonstrates how much of the General Fund revenue budget is used to support previous capital investment	12.96%	7.27%
50.37%	Ratio of financing costs to net revenue stream – HRA	Demonstrates how much of the HRA revenue budget is used to support previous capital investment	53.00%	48.13%
£871.164m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£891.537m	£871.164m
£886.622m	External Debt Levels (including PPP and leases)	The amount of external debt held by the Council. Increases due to funding of the capital programme	£947.408m	£923.501m

2024/25 Outturn	Housing Performance		2025/26 Target	2025/26 Outturn
57%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the HRA has, in comparison to the agreed minimum	100%	97%
1.15%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2.00%	1.94%
£(0.358)m	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£0.511m
100.00%	Revenue budget compared to actual outturn at year end	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	99.10%

Where to find more information

In This Publication - An explanation of the Financial Statements and their purpose are shown at the top of each page. The accounting policies and a glossary of terms can be found at the end of this publication, and these provide an explanation of the main guidelines and terms used.

On Our Website - Further information about the Council can be obtained on the Council's website (West Dunbartonshire Council https://www.west-dunbarton.gov.uk/) or from Finance Services, 16 Church Street, Dumbarton, G82 1QL.

Conclusion

The financial results show the Council had a more positive outturn in 2025/26 than in 2024/25, with the general fund position improving due to a combination of one-off benefits during the year and close management of service budgets. This has enabled the Council to rebuild reserve levels. However, the financial outlook remains challenging, with continued real term funding pressures placing strain on front-line service delivery. The Council's Financial Statements continue to be reported on a going concern basis.

Acknowledgement

The production of the Annual Financial Statements is very much a team effort and we wish to record our thanks to both Finance staff and to colleagues in all services whose efforts have contributed to the completion of these Statements of Accounts.

Councillor Martin Rooney
Leader of the Council
Date: 17 June 2026

Peter Hessett
Chief Executive
Date: 17 June 2026

Laurence Slavin
Chief Officer - Resources
Date: 17 June 2026

Statement of Responsibilities

The Council's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Officer – Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014 and so far as is compatible with legislation in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signing.

I confirm that these Annual Accounts were authorised for issue on 17 June 2026.

Signed on behalf of West Dunbartonshire Council

Councillor Martin Rooney
Leader of the Council

The Chief Officer - Resources Responsibilities

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

In preparing the Annual Accounts, the Chief Officer - Resources has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Officer – Resources has also:

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

I certify that the financial statements give a true and fair view of the financial position of the local authority and its group at the reporting date and the transactions of the local authority and its group for the year ended 31 March 2026.

Laurence Slavin
Chief Officer - Resources

Annual Governance Statement

Annual Governance Statement

Executive Summary

Subject to the sections below, and on the basis of the assurances provided, we consider the governance arrangements operating during 2025/26 to be fit for purpose in that they are operating effectively and support the achievement of West Dunbartonshire Council's strategic priorities. Areas for improvement that will be actioned in 2026/27 are outlined in the sections below.

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

This statement has been prepared in accordance with Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) Addendum 2025.

There were no significant governance issues or failures identified by the Council's governance review in the year 2025/26 or between 31 March 2026 and the date of signing. Actions in support of improvements to the governance arrangements in 2026/27 include actions in response to internal and external audit, and those actions outlined at the relevant sections below. The Council is committed to ensuring that governance arrangements remain fit for purpose and effective in 2026/27 and beyond.

Martin Rooney	**Peter Hessett**	**Laurence Slavin**
Leader of the Council	**Chief Executive**	**Chief Officer – Resources**
Date:	**Date:**	**Date:**

Our Assessment of Effectiveness

The Council has a responsibility to review, at least annually, the effectiveness of its governance framework including the system of internal control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team which has responsibility for the development, implementation and maintenance of the governance environment, the Council's Chief Internal Auditor's annual report; and reports from the external auditors and other review agencies and inspectorates. Further detail on how the overall opinion is determined is provided in the sections below.

Local Code

The Council has approved and adopted a Local Code of Corporate Governance (the Local Code), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: "Delivering Good Governance in Local Government". The Local Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. The Council's current Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. The main features of our governance arrangements are described in the Local Code which is available from the Council website at: http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf.

This statement explains how the Council expects to comply with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for the Annual Governance Statement. An assessment of the Council's compliance with the Code of Good Governance is supported by a process of self-assessment and assurance certification by Chief Officers and the outcome of this assessment was reported to Council on 17 June 2026. Each Chief Officer was presented with a self-assessment checklist to complete and return as evidence of review of the seven key areas of the Council's governance framework which provided assurance for their service areas.

Annual Governance Statement

Our assessment has concluded that each of the core arrangements for the local code are operating effectively. Where points for improvement have been identified these are detailed in the relevant section below.

Best Value Assurance

Governance arrangements are in place and are aligned to support the Council's delivery of strategic priorities and to meet its responsibilities for best value.

External assurance is provided over best value arrangements and is overseen by the Accounts Commission. This work is integrated into annual audit reporting to build local audit knowledge and reduce the scrutiny burden on councils. External audit also conduct thematic reviews as directed by the Accounts Commission.

For 2024/25 this work focused on Transformation: how councils are redesigning and delivering more efficient services to achieve planned outcomes. The Council's appointed external auditors completed their work in this during 2025/26 with a report presented to Audit Committee in February 2026. The report recognised the Council's commitment to service improvement and modernisation and made two recommendations for improvement. In response, two actions have been agreed – the first being that the Council will carry out a review of its current Transformation reporting by March 2027. The second action has already been completed – the Council has reviewed capacity to support the delivery of transformation and put in place funding to secure additional capacity for future reviews.

Internal Audit Conclusion

The Internal Audit service undertakes an annual programme of work, approved by the Audit Committee, based on a strategic risk assessment. The Chief Internal Auditor provides an annual independent opinion on the adequacy and effectiveness of the system of internal control.

The annual report and assurance statement prepared by the Chief Internal Auditor concluded that the overall control environment opinion was "Generally Satisfactory with some improvement needed" such that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's system of internal control. In reaching this conclusion, the Chief Internal Auditor noted risks raised by Internal Audit in 2025/26 relating to relating to Housing Repairs and Maintenance. Individually, these risks do not significantly impair the Council's systems of internal control. Furthermore, management have reported progress and detailed plans to mitigating these risks. The remaining risks will continue to be kept under review, with auditors monitoring compliance with the agreed actions as part of regular follow-up updates which will be reported to the Audit Committee.

External Assurance Providers

Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations from Forvis Mazars the external auditor, Inspectorates and the Internal Audit section to the Corporate Management Team, the relevant service Committee of the Council and, where appropriate, the Audit Committee.
In October 2025, External Auditors issued their Annual Audit Report for the year ended 31 March 2024, setting out the expectation of an unqualified opinion on the truth and fairness of the state of the Council's affairs as presented in its 2023/24 accounts would be provided. Forvis Mazars made recommendations for improvement with regards to internal controls in its Annual Audit Report. These recommendations have been accepted and an action plan agreed with management.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, and culture and values by which the Council is directed and controlled and through which it accounts to and engages with communities. It enables the Council to monitor the achievement of the strategic objectives set out in the Strategic Plan and whether they have led to the delivery of appropriate and value for money services.
The Council has a system of internal control to manage risk to a reasonable level. Internal controls cannot fully eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives

Annual Governance Statement

- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage the risks efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2026 and up to the date of the approval of the Statement of Accounts.

Scope of responsibility

The Council is responsible for and committed to ensuring its business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. This statement explains how West Dunbartonshire Council has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for an Annual Governance Statement.

In discharging this responsibility, the Council's Elected Members and Corporate Management Team are responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Council has established an arms-length external organisation: West Dunbartonshire Leisure Trust – to deliver leisure services more effectively on the Council's behalf, which reports regularly to Elected Members.

From 1 July 2015 the West Dunbartonshire Health and Social Care Partnership was established to continue the development of the integration of social care and health services between the Council and NHS Greater Glasgow and Clyde.

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

Compliance with Best Practice

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

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

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

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

Where our Governance Needs to Improve

The following main issues and areas for improvement during 2025/26 have been identified through the self-assessment exercise carried out by Chief Officers against key aspects of the Code of Good Governance. These will be monitored as part of the next annual review in 2026/27.

Annual Governance Statement

Improvement Area identified in 2025/26	Responsible Officer
Financial Regulations were approved by Council in 2023. Finance are currently undertaking a review and a revised version will be presented to Council in August 2026.	Chief Officer, Resources
Action is being taken to strengthen the induction checklist process by ensuring signed off by employee and manager/team leader.	Chief Officer, Education
Work to consolidate approaches across service areas with regards to the Corporate Complaints Process is underway. Training is planned for central officers.	Chief Officer, Education

How we have improved our governance arrangements in 2025/26

The table below provides an update on improvements implemented in the year 2025/26. In addition to these actions, improvements have been implemented in 2025/26 as a result of recommendations from Forvis Mazars the external auditor, Inspectorates and Internal Audit.

Improvement Area identified by 2023/24 and/or 2024/25 Exercises	Update
Embedding Be the Best Conversations within all service teams.	**Substantially complete. Some further work required to ensure embedded across all services and a consistent approach is applied.** Chief Officer Citizen, Culture and Facilities Chief Officer, Education
Business Classification Scheme will be rolled out to relevant service areas in relation to electronic records.	**Closed - this action is superseded by the Microsoft 365 project action below.**
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	**In progress** Data Protection/Information Governance Officer
Improvements have been recognised in terms of how global share is organised in relation to how we structure our data on the shared drive and comply with document retention timescales. Preparation for move to Microsoft 365 in session 2025/26.	**In progress** Chief Officer, Education
Process for reporting on the status of external audit actions regularly to Audit Committee will be developed and implemented.	**Outstanding** Will be completed in 2026/27 Chief Officer, Resources
Guidance for keeping school funds has been updated, following audit. Work with establishments this session to ensure compliance with guidance	**In progress** Chief Officer, Education
Work is required in some services to review and update business continuity planning documentation.	**In progress** Chief Officer Housing Chief Officer Roads & Neighbourhood Chief Officer Regulatory & Regeneration Chief Officer, HSCP
There are different induction and performance appraisal processes across HSCP services reflecting the differences in organisations. Work is ongoing to review and improve the induction process.	**In progress** Chief Officer, HSCP
Weekly, monthly and quarterly management information is supplied to all HSCP managers and relevant governance forums however it is recognised these reports could be further developed to improve the quality of the data and	**In progress** Chief Officer, HSCP

Annual Governance Statement

Improvement Area identified by 2023/24 and/or 2024/25 Exercises	Update
ensure the provision of robust management information across the HSCP.	
In relation to self-evaluation, it is recognised that the HSCP would benefit from a more structured approach to self-evaluation.	**In progress** Chief Officer, HSCP
In relation to staff training and development, it is recognised this is an area for improvement with clarity of input from partners to be achieved.	**In progress** Chief Officer, HSCP
Succession planning is recognised as an area of improvement for the HSCP and positive steps have been taken to address this across the HSCP.	**In progress** Chief Officer, HSCP
Key business continuity plans are in place. Work is ongoing to develop business impact analysis documentation across the HSCP.	**In progress** Chief Officer, HSCP
Levels of procurement compliance remain consistent but it is recognised that further work is required to strengthen procurement and commissioning arrangements within the HSCP to ensure costs and risks are managed appropriately.	**In progress** Chief Officer, HSCP
Improvement actions arising from external inspection are monitored by the HSCP Board however further work is required in this area.	**Complete**
Financial procedures are being developed for Area Resource Group to ensure risk focused decision-making underpins all agreed packages of care/placements to care homes and an escalation pathway to ensure Chief Officer sign off where there is potential for emergency care packages to breach regulations.	**Complete**

Future Governance Considerations

2026/27 will see the extension of a collaborative arrangement with Inverclyde Council to also include East Dunbartonshire Council. This will involve the sharing of a Chief Internal Auditor post between the three Councils. The expected benefits of the change are increased resilience, demonstrating compliance with the legal requirement to review the Internal Audit services for efficiency, sharing of audit approaches across the three Council teams and standardisation of approach leading to efficiencies and improvements in the quality of audit work.

The Council continues to recognise the need to exercise strong management arrangements to manage the financial pressures common to all Local Authorities that are expected to continue into 2026/27 and beyond.

Remuneration Report

Remuneration Report

Introduction

The Council is required under statute to provide information on the remuneration of each senior elected member and senior officer and any other officer not otherwise included whose remuneration is over £0.150m per annum. All information disclosed in the tables 1-8 of the Remuneration Report is subject to audit. The other sections are reviewed by external audit to ensure that they are consistent with the Financial Statements.

Remuneration – Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (SSI No. 2025/36). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as the Leader of the Council, the Civic Head (Provost), Senior Councillors and Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure. The regulations stipulate that in addition to the Leader of the Council and the Provost, the Council can appoint a maximum of ten Senior Councillors. The level of remuneration paid to the Leader of the Council, Provost and Senior Councillors is detailed in Table 1.

The salary to be paid to the Leader of the Council is set out in the Regulations. For 2025/26 the salary for the Leader of the Council was £50,063 per annum (2024/25: £42,698). and for the Provost (£37,458) per annum (2024/25 £32,024).

In terms of the same regulations, the Scottish government permits West Dunbartonshire Council to nominate up to ten Senior Councillors at any one time (in addition to the leader of the Council and the Provost whose salaries in aggregate must not exceed a specified amount, currently £317,646 per annum (£266,843 in 2024/25) and whose salaries individually must not exceed £37,458 (2024/25 £21,235 to £26,686). The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits.

During 2022/23, the Council agreed the appointment of a Council Leader, Provost and 10 Senior Councillors and the remuneration due to be paid to the 10 Senior Councillors each paid a salary of £31,289 per annum (2024/25 £26,685).The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme. The pension entitlements for the year to 31 March 2026 are shown in Table 6 on pages 29.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was agreed at a meeting of the full Council on 25 September 2024. The report to Council can be found at appointment of councillors and the Register of Members Allowances can be found at : Councillors Allowances

Remuneration Report

Table 1: Remuneration of Senior Councillors

2024/25 Total Remuneration	Senior Members	Responsibility	2025/26 Salary, Fees and Allowances	Taxable Expenses	Total Remuneration
41,982	Martin Rooney	Leader of the Council Convenor of Community Planning Board Convenor of Cultural Committee Convenor of Recruitment & Individual Performance	50,063	-	50,063
10,675	Douglas McAllister	Provost until 28/8/24	-	-	-
29,857	Karen Murray Conaghan	Provost	37,432	-	37,432
26,494	Gurpreet Singh Johal	Convenor of Housing and Community Services Committee Convenor Appeals Committee from 20/03/26	31,192	-	31,192
23,577	Daniel Lennie	Convenor Corporate Services Committee until 31/8/24	-	-	-
26,502	David McBride	Depute Leader Convenor of Infrastructure, Roads and Economic Development Committee Convenor of Joint Consultative Committee	31,289	-	31,289
23,753	Michelle McGinty	Convenor HSCP Audit and Performance Committee from 20/03/2026 Convenor Educational Services Committee from 20/03/26	25,899	-	25,899
26,686	John Millar	Convenor of Licensing Board	31,289	-	31,289
26,502	Lawrence O'Neill	Convenor of Planning Committee Convernor of Local Review Body Convenor of Licensing Committee	31,289	-	31,289
26,494	Clare Steel	Convenor Educational Services Committee until 20/03/26	30,945	-	30,945
24,094	Hazel Sorrell	Depute Provost Convenor of Tendering Committee	31,192	-	31,192
24,463	Gordon Scanlon	Leader of the Opposition Convenor of Audit Committee	31,278	-	31,278
19,766	Fiona Hennebry	Convenor Appeals Committee until 20/03/26 Convenor HSCP Audit and Performance Committee until 20/03/26	30,945	-	30,945
8,659	William Rooney	Convenor Corporate Services Committee	31,192	-	31,192

Note: The term *Senior Councillor* means a Leader of the Council, the Civic Head or a Senior Councillor, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).
Salaries, allowances and expenses in 2025/26 have only been included for Senior Councillors.

Senior Councillors' remuneration in the tables above does not include non-taxable expenses. The values in the table above relate to the actual payments made during 2025/26 which differ slightly from those stated on page 26 due to timing differences in regards to payroll. There is no compensation/loss of office payments within the period and there were no benefits or bonuses paid during the year.

Councillors' remuneration

Councillors' payments are made in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and The Local Government (Allowances and Expenses) (Scotland) Regulations 2007.
The total amount of councillors' remuneration paid by the Council during the year was:

Table 2: Councillors Total Remuneration

2024/25	Members Allowance	2025/26
£		£
532,219	Salaries	648,694
10,084	Expenses	9,910
542,303	**Total Allowances**	**658,604**

Remuneration Report

The annual return of councillors' salaries and expenses for 2025/26 is available for any member of the public to view at all Council libraries and public offices during normal working hours. It is also available on the Council's website at: Councillors Allowances.

Remuneration - Senior Employees and senior Employees of Subsidiaries

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular IR 11-25 sets the amount of salary for the Chief Officials of the Council for the period 1 April 2025 to 31 March 2026. The post of Chief Officer Health and Social Care Partnership is a joint post between the Council and NHS Greater Glasgow and Clyde.

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

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

Table 3: Senior Officers Remuneration

Total Remuneration 2024/25 £	Name	Position at 31 March 2024	Salary, Fees & Allowances 2025/26 £	Total Remuneration 2025/26 £
Remuneration of Senior Employees				
157,897	Peter Hessett	Chief Executive	162,932	162,932
102,670	Lesley James	Head of Children's Healthcare & Criminal Justice - Chief Social Work Officer	105,909	105,909
111,522	Laura Mason	Chief Officer - Education, Learning & Attainment (until 07/08/25) *	41,327	41,327
0	Gillian Hamilton	Chief Officer - Education, Learning & Attainment (from 30/09/25) *	55,098	55,098
112,084	Laurence Slavin	Chief Officer - Resources - S95 Officer	115,654	115,654
113,452	Alan Douglas	Chief Officer - Regulatory & Regeneration *	112,095	112,095
111,844	Victoria Rogers	Chief Officer - People & Technology	115,654	115,654
111,564	Gail MacFarlane	Chief Officer - Roads & Neighbourhood	115,654	115,654
111,564	Peter Barry	Chief Officer - Housing & Employability	115,654	115,654
111,564	Amanda Graham	Chief Officer - Citizen, Culture & Facilities	115,654	115,654
Remuneration of Senior Employees of Subsidairies				
90,237	John Anderson	General Manager of West Dunbartonshire Leisure	93,107	93,107

*Note: The FTE salary for these posts is £115,654.

Details of the post of Chief Officer HSCP are included in the remuneration report of the Integration Joint Board.

Remuneration of Employees receiving more than £50,000

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

Remuneration Report

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

2024-25 Number of Officers	Range	2025-26 Number of Officers
214	£50,000 - £54,999	391
75	£55,000 - £59,999	112
88	£60,000 - £64,999	86
54	£65,000 - £69,999	45
29	£70,000 - £74,999	36
45	£75,000 - £79,999	24
16	£80,000 - £84,999	38
2	£85,000 - £89,999	10
2	£90,000 - £94,999	1
1	£95,000 - £99,999	0
5	£100,000 - £104,999	1
1	£105,000 - £109,999	5
8	£110,000 - £114,999	2
0	£115,000 - £119,999	6
1	£120,000 - £124,999	0
0	£125,000 - £129,999	0
0	£130,000 - £134,999	0
1	£135,000 - £139,999	1
0	£140,000 - £144,999	0
0	£145,000-£149,500	0
1	£150,000-£154,999	0
0	£155,000-£159,999	0
0	£160,000-£164,999	1
543	Total	759

Pension Benefits

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

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

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

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

Remuneration Report

Table 5: Pension Contribution Rates

Contribution rate 2024/25		Contribution rate 2025/26
	The tiers and members contribution rates for 2025/26 (2024/25 whole time pay:	
	Local Government employees	
5.50%	On earnings up to and including £27,500 (£27,000)	5.50%
7.25%	On earnings above £27,501 (£27,001) and up to £33,600 (£33,000)	7.25%
8.50%	On earnings above £33,601 (£33,001) and up to £46,100 (£45,300)	8.50%
9.50%	On earnings above £46,101 (£45,301) and up to £61,400 (£60,400)	9.50%
12.00%	On earnings above £61,401 (£60,401)	12.00%
	The tiers and members contribution rates for 2025/26 (2024/25) actual pay:	
	Teachers	
7.35%	On earnings up to and including £34,689 (£34,286)	7.35%
8.88%	On earnings above £34,870 (£34,287) and up to £46,940 (£46,155)	8.88%
9.90%	On earnings above £46,941 (£46,156) and up to £55,659 (£54,728)	9.90%
10.61%	On earnings above £55,660 (£54,729) and up to £67,975 (£67,975)	10.61%
11.73%	On earnings above £67,976 (£67,976) and up to £92,693 (£92,693)	11.73%
12.14%	On earnings above £92,694 (£92,694)	12.14%

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

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

The value of benefits Table 6 has been provided by the Strathclyde Pension Fund Office and is calculated on the basis of the age at which the person will first become entitled to a full pension on retirement without reduction on account of its payment at that date: without exercising any option to commute pension entitlement into a lump sum: and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service, and not just their current appointment.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total public sector service, and not just their current appointment. The pension entitlements for the year to 31 March 2026 together with the contribution made by the Council to each person's pension during the year is shown in Table 6 for Senior Councillors and Table 7 for Senior Officers. The tables contain information for those persons who were Senior Officers or Senior Councillors in 2025/26. Senior councillors omitted from the table below are not members of the Local Government Pension Scheme.

Remuneration Report

Table 6: Pension Benefits for Senior Councillors

Name	Position at 31/03/25	In-year pension contributions For year to 31 March 2026 £	For year to 31 March 2025 £	Accrued pension benefits As at 31 March 2026 £'000	Difference from 31 March 2025 £'000
Martin Rooney	Leader of Council Convenor of Recruitment & Individual Performance Management Committee Convenor of Cultural Committee Convenor of Community Planning Board	3,254	2,728	16	1
Douglas McAllister	Provost until 28/8/24	0	693	0	-4
Karen Conaghan	provost	2,440	1,941	5	1
Gurpreet Singh Johal	Convenor of Housing and Community Services Committee Convenor Appeals Committee from 20/3/26	2,033	1,722	2	0
Daniel Lennie	Convenor of Corporate Services Committee until 31/8/2024	0	1,533	0	
David McBride	Depute Leader Convenor of Infrastructure, Roads and Economic Development Committee Convenor of Joint Consultative Committee	2,034	1,723	21	10
Michelle McGinty	Convenor of Educational Services Committee from 20/03/26 Convenor Health & Social Care Partnership Audit and Performance Committee 20/3/26	1,688	1,544	2	0
John Millar	Convenor of Licensing Board	2,034	1,735	5	1
Lawrence O'Neill	Convenor of Planning Committee Convernor of Local Review Body Convenor of Licensing Committee	2,034	1,723	6	-
Clare Steel	Convenor Educational Services Committee until 20/3/26 Convenor of Local Negotiating Committee for Teachers until 13/3/26	2,016	1,722	2	-
Hazel Sorrell	Depute Provost Convenor of Tendering Committee	2,033	1,566	2	1
Gordon Scanlon	Leader of the Opposition Convenor of Audit& Performance Committee	2,033	1,590	2	1
Fiona Hennebry*	Convenor of the Appeals Committee from 20/03/26 Convenor of West Dunbartonshire Health & Social Care Partnership Board (IJB) until 20/03/26	-	357	0	0
William Rooney	Convenor of Corporate Services Committee	2,033	563	1	1

*Councillors' Hennebry opted out of the Local Government pension Scheme in 2025/26
Councillor Lennie was not a senior councillor in 2025/26

Table 7 Pension Benefits for Senior Officers

Senior Members	Responsibility	In Year Pension Contributions For Year to 31 March 2026 £000	For Year to 31 March 2025 £000	Accrued Pension Benefits As at 31 March 2026 £000	Difference from 31 March 2025 £000
Peter Hessett	Chief Executive	10,619	10,002	178	17
Lesley James	Head of Children's Healthcare and Criminal Justice - Chief Social Work Officer	6,935	6,674	95	5
Laura Mason	Chief Officer - Education, Learning and Attainment (until 7/8/25)	2,686	7,249	164	(6)
Gillian Hamilton	Chief Officer - Education, Learning and Attainment (from 30/9/25)	3,620	0	1	1
Laurence Slavin	Chief Officer - Resources - Section 95 Officer	7,536	7,252	55	4
Alan Douglas	Chief Officer - Regulatory and Regeneration	7,296	7,252	130	(3)
Victoria Rogers	Chief Officer - People and Technology	7,536	7,252	98	6
Gail MacFarlane	Chief Officer - Roads and Neighbourhood	7,536	7,252	33	3
Peter Barry	Chief Officer - Housing and Employability	7,536	7,252	83	5
Amanda Graham	Chief Officer - Citizen, Culture and Facilities	7,536	7,252	22	3
John Anderson	General Manager - West Dunbartonshire Leisure	6,052	5,824	80	5

Laura Mason retired during 2025/26 and was replaced by Gillian Hamilton
Alan Douglas took flexible retirement during 2025/26.

Exit Packages

The number of exit packages with cost per band for compulsory and other redundancies are detailed in Table 8. The Council only agrees exit packages where they are consistent with wider workforce planning and service delivery

Remuneration Report

objectives; and where the savings accruing from an individual ceasing employment with the Council exceed the costs of the exit package within an acceptable period.

For the purposes of this note Exit Packages include:

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

Table 8: Exit Packages

2024-25			2025-26	
Departures	Total Cost (£)	Banding	Departures	Total Cost (£)
20	106,418	£0 - £20,000	23	136,912
8	213,868	£20,001-£40,000	8	210,361
3	153,502	£40,001-£60,000	3	138,416
2	142,066	£60,001-£80,000	5	355,119
5	437,759	£80,001-£100,000	1	82,199
2	239,662	£100,001 - £150,000	2	263,030
2	351,503	£150,001- £200,000	0	-
42	1,644,778	Total	42	1,186,037

Termination Benefits of Employees

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before their normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accruals basis to the appropriate service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises the costs for a restructuring. The Council terminated the contracts of a number of employees in 2025/26. The above table includes £0.036 million liabilities relating to these releases (2024/25: £0.466m).

Martin Rooney
Leader of the Council
Date: 17 June 2026

Peter Hessett
Chief Executive
Date: 17 June 2026

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement

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

2024/25 Gross Expenditure £'000	2024/25 Gross Income £'000	2024/25 Net Expenditure £'000		Note	2025/26 Gross Expenditure £'000	2025/26 Gross Income £'000	2025/26 Net Expenditure £'000
			Service				
41,150	(35,441)	5,709	Resources		35,026	(28,552)	6,474
10,550	(1,418)	9,132	Regulatory and Regeneration		11,958	(1,688)	10,270
12,585	(61)	12,524	People & Technology		12,293	27	12,320
15,807	(55)	15,752	Citizens, Culture and Facilities		22,280	(486)	21,794
145,576	(9,998)	135,578	Education, Learning and Attainment		145,002	(8,772)	136,230
30,126	(3,911)	26,215	Roads and Neighbourhood		33,755	(7,533)	26,222
14,467	(9,190)	5,277	Housing and Employability		7,697	(6,956)	741
5,997	(11,677)	(5,680)	Miscellaneous Services		14,952	(20,138)	(5,186)
221,048	(125,238)	95,810	Health and Social Care Partnership		233,598	(134,932)	98,666
2,406	0	2,406	Requisitions		2,477	0	2,477
41,960	(53,019)	(11,059)	Housing Revenue Account		67,853	(61,991)	5,862
541,672	**(250,008)**	**291,664**	**Net Cost of Service**		**586,891**	**(271,021)**	**315,870**
		2,100	Other Operating Expenditure and (income) - (Gain) / loss on Disposal of non-current assets				8,229
		44,252	Financing and Investment (Income) and Expenditure	**8**			41,290
		(312,167)	Taxation and Non-specific Grant Income	**9**			(350,927)
		25,849	**(Surplus)/Deficit on Provision of Services**				**14,462**
		(8,510)	(Surplus)/Deficit arising from revaluation of non-current assets	**11**			33,776
		0	(Surplus)/Deficit on revaluation of assets held at fair value through other comprehensive income				0
		(20,752)	Remeasurement of the net defined benefit pension liability	**22**			(10,414)
		(29,262)	**Other Comprehensive (Income) and Expenditure**				**23,362**
		(3,413)	**Total Comprehensive (Income) and Expenditure**				**37,824**

Balance Sheet

Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories:

1. Usable reserves - reserves the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts that may only be used to fund capital expenditure or repay debt).
2. Unusable reserves - reserves that the Council is not able to use to provide services. This category of reserves includes reserves holding unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS line 'adjustments between accounting basis and funding basis under regulations.

31 March 2025 £'000	Balance Sheet	Note	31 March 2025 £'000
1,277,285	Property, Plant and Equipment	11	1,267,404
2,128	Right of Use Assets	16	1,936
1,256	Intangible Assets	12	1,103
2,022	Long Term Debtors		2,614
1,524	Heritage Assets	13	1,524
470	Long Term Investments		471
1,284,685	**Long Term Assets**		**1,275,052**
1,042	Asset Held for Sale	14	5,332
1,167	Inventories		1,352
67,246	Short Term Debtors	17	76,865
8,227	Cash and Cash Equivalents (net)	18	27,417
77,682	**Current Assets**		**110,966**
(62,297)	Short Term Creditors	19	(62,733)
(650)	Provisions	20	(618)
(4,346)	PPP	15	(4,740)
(252)	Short-term Lease Creditor ROU Asset	16	(223)
(334,350)	Short Term Borrowing	21	(348,607)
(401,895)	**Current Liabilities**		**(416,921)**
(78,508)	PPP and Finance Lease Liabilities	15	(73,768)
(467,240)	Long Term Borrowing	21	(521,476)
(37,416)	Net Pensions Liability	22	(37,020)
(1,927)	Short-term Lease Creditor ROU Asset	16	(1,803)
(8,328)	Capital Grants Receipts in Advance	10	(5,801)
(593,419)	**Long Term Liabilities**		**(639,868)**
367,053	**Net Assets**		**329,229**
	Represented by:		
(13,125)	Usable Reserves	MIR/6	(26,285)
(353,928)	Unusable Reserves	MIR/6	(302,944)
(367,053)	**Total Reserves**		**(329,229)**

Movement in Reserves Statement

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (deficit) on the Provision of Services line in the Comprehensive Income and Expenditure Statement (page 31) shows the accounting cost of providing the Council's services during the year. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwelling rent setting purposes. The net increase/decrease before transfer to other statutory reserves line shows the statutory general fund balance and housing revenue account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Usable Reserves								
	General Fund balance £'000	HRA Balance £'000	Capital Grants and Receipts Unapplied Account £'000	Capital Reserve £'000	Capital Fund £'000	Other Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
2025/26									
Balance at 31 March 2025 Carried Forward	**(12,272)**	**(611)**	**0**	**0**	**0**	**(242)**	**(13,125)**	**(353,928)**	**(367,053)**
Movement in Reserve 2025/26									
Total Comprehensive Expenditure and Income	952	13,510	0	0	0	0	**14,462**	23,362	**37,824**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(7,375)	(14,021)	0	(278)	(5,948)	0	**(27,622)**	27,622	**0**
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	**(6,423)**	**(511)**	**0**	**(278)**	**(5,948)**	**0**	**(13,160)**	**50,984**	**37,824**
Transfers to/(from) other statutory reserves	(6,229)	0	0	278	5,948	3	**0**	0	**0**
Closing Balance at 31 March 2026	**(24,924)**	**(1,122)**	**0**	**0**	**0**	**(239)**	**(26,285)**	**(302,944)**	**(329,229)**
2024/25									
Balance at 31 March 2024 Carried Forward	**(15,372)**	**(970)**	**(213)**	**0**	**0**	**(194)**	**(16,749)**	**(346,891)**	**(363,640)**
Movement in Reserve 2024/25									
Total Comprehensive Expenditure and Income	27,568	(1,719)	0	0	0	0	**25,849**	(29,262)	**(3,413)**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(23,051)	2,078	(1,252)	0	0	0	**(22,225)**	22,225	**0**
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	**4,517**	**359**	**(1,252)**	**0**	**0**	**0**	**3,624**	**(7,037)**	**(3,413)**
Transfers to/(from) other statutory reserves	(1,417)	0	1,465	0	0	(48)	**0**	0	**0**
Closing Balance at 31 March 2025	**(12,272)**	**(611)**	**0**	**0**	**0**	**(242)**	**(13,125)**	**(353,928)**	**(367,053)**

Cashflow Statement

Cash Flow Statement

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

2024/25 £'000	Cashflow Statement	2025/26 £'000	2025/26 £'000
	Operating Activities		
25,849	**Net deficit on the provision of services**		**14,462**
(36,274)	Depreciation, amortisation and impairment	(61,043)	
(2,100)	Net gain/loss on fixed assets	(8,229)	
(15,156)	Movement in pension liabilities	(10,018)	
(130)	Movement in inventories	185	
(6,485)	Movement in debtors	10,211	
1,046	Movement in creditors and provisions	2,123	
(59,099)	**Adjustments to net deficit on the provision of services for non-cash movements**		**(66,771)**
0	Financing movements		0
21,249	Investing movements		41,686
21,249	**Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities**		**41,686**
(12,001)	**Net cash (inflow)/outflow from Operating Activities**		**(10,623)**
119,798	Purchase of property, plant and equipment and intangible assets		97,269
(1,252)	Proceeds from sale of property, plant and equipment and intangible assets		(278)
(13)	Movement on long term investments		1
(21,249)	Other receipts from investing activities		(41,686)
97,284	**Net cash (inflow)/outflow from investing activities**		**55,306**
(453,412)	Cash receipts of short-term and long-term borrowing		(521,964)
3,590	Repayment of PPP liabilities		4,346
380,452	Repayment of short-term and long-term borrowing		453,472
257	Movement in IFRS16 lease liability		273
(69,113)	**Financing Activities**		**(63,873)**
16,170	**Net cash (inflow)/outflow from financing activities**		**(19,190)**
24,397	Cash and cash equivalents at the beginning of the reporting period		8,227
8,227	Cash and cash equivalents at the end of the reporting period		27,417
16,170	**Movement – (Increase)/ Decrease in Cash**		**(19,190)**

Reconciliation of Liabilities arising from Financing Activities

	31 March 2025 £'000	Financing Cash flows £'000	Other non-cash adj £'000	Non-cash adj to FIAA £'000	31 March 2026 £'000
Long term Borrowing	467,240	54,236	0	0	521,476
Short term Borrowing	334,350	14,037	0	220	348,607
PPP Liability	82,853	(4,345)	0	0	78,508
ROU Asset Lease Liability	2,179	(273)	120	0	2,026
	886,622	**63,655**	**120**	**220**	**950,617**

Notes to the Financial Statements

Note 1 - Accounting Policies

1.1 General Principles

The Financial Statements summarises the Council's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The Council is required to prepare an Annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("the code") supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption their value is carried as inventories on the Balance Sheet.
- Interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract.
- When income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and charged to revenue for the income that might not be collected.
- The Company applies a materiality threshold when recognising accruals. Only expenses and liabilities above £5,000 are accrued at the reporting date. Items below this threshold are recognised in the period in which they are invoiced or paid.

1.3 Cash and Cash Equivalents

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

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value. The investments comprise solely of short-term lending of surplus funds to a limited number of pre-approved UK banks. All deposits are held in sterling. The carrying amount is the outstanding principal receivable. Bank balances are included in the Balance Sheet at the closing balance in the Council's ledger and include cheques payable not yet cashed.

1.4 Changes in Accounting Policies, Estimates and Errors

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

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

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

Notes to the Financial Statements

1.5 Charges to Revenue for Property, Plant and Equipment

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

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

The Council is not required to raise council tax to cover depreciation, revaluation gains or losses or impairment losses. However, it is required to make annual provision from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision in the General Fund by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.6 Intangible assets

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

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

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

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

1.7 Property, Plant and Equipment

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

1.7.1 Recognition

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

1.7.2 Measurement

Assets are initially measured at cost, comprising of:

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

Notes to the Financial Statements

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

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

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

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

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

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

1.7.3 Revaluation

Property, Plant & Equipment (PPE) is carried at current value in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and relevant statutory guidance for Scotland. Assets are subject to full revaluation at least every five years, with annual indexation applied in intervening years to ensure that carrying amounts remain materially accurate.

The Council carries out a rolling programme which ensures that all Property, Plant and Equipment, required to be measured at current value, is revalued at least every 5 years. During 2025/26, all valuations were provided by external valuers, who are members of the Royal Institute of Chartered Surveyors (MRICS) and RICS registered valuers. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of RICS. The significant assumptions applied in estimating the values are:

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

Notes to the Financial Statements

The programme of revaluation carried out in 2025/26 and planned each of the following four years is as follows:

2025/26	Any properties not previously re-valued / general re-appraisal/ HRA housing stock
2026/27	Offices, depots, cemeteries and crematorium lodges.
2027/28	All Council non-operational properties
2028/29	Schools, school houses, social work homes, adult training centres, community education centres and early education centres
2029/30	Halls, Public conveniences, libraries, outdoor centres, golf course, pavilions, sports centres, swimming pools, travellers site and car parks

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

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

1.7.4 Indexation

The carrying values of Property, Plant and Equipment (PPE) is kept up to date in accordance with the CIPFA Code of Practice. Assets measured at current value (including land and buildings, surplus assets, dwellings and specialised assets valued using Depreciated Replacement Cost) are subject to annual indexation between formal revaluations to ensure that values remain materially accurate.

Indexation is applied at 31 March each year using indices provided by the Authority's external valuer. These may include BCIS indices, market-based indices or other category-specific measures considered appropriate by the valuer. Indexed values are reviewed for materiality and reasonableness.

Where indexation indicates a material movement in value, the carrying amount is adjusted as a revaluation movement. Upward movements are credited to the Revaluation Reserve unless reversing a previous impairment charged to the Surplus or Deficit on the Provision of Services. Downward movements are charged to the Revaluation Reserve to the extent of any existing balance, with any excess charged to the Surplus or Deficit on the Provision of Services.

Applied indices are listed below.

Index	Category	Sub-Category	Index %
Tender Price Index	Specialised Properties (Buildings)		2.76
Urban Development Land Index	Specialised Properties (Land)		-8.31
MSCI Capital Growth Index	Non-residential properties	Glasgow – All Sectors	2.55
		Glasgow – Retail	0.13
		Glasgow – Offices	-9.66
		Glasgow - Industrial	4.67

Notes to the Financial Statements

1.7.5 Impairment

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

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

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

1.7.6 Disposals

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

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

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

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

1.7.7 Depreciation

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

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

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

Notes to the Financial Statements

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

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

1.7.8 Infrastructure Assets

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

The Scottish Government in recognising the challenge facing Council's has agreed to permit temporary statutory overrides whilst a permanent solution is developed within the Code. As outlined in the Local Government Finance Circular 06/2025 the Council has adopted statutory overrides for the period 1 April 2021 to 31 March 2027 which permits the council not to report gross cost and accumulated depreciation for Infrastructure assets.

1.8 Assets Held for Sale

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

1.9 Heritage Assets

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

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

Purchased assets are initially recognised at cost and donations are recognised at valuation where that value is estimated to be greater than the threshold of £10,000 as specified above. The carrying amounts are reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to

Notes to the Financial Statements

its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

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

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

1.10 Right of Use Assets

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. Right of use assets are initially measured at cost, comprising the lease liability at commencement, any lease payments made at or before commencement and any initial direct costs. Subsequently, right of use assets are measured using the cost model and depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The Council has applied recognition exemptions to short-term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1.11 Employee Benefits

1.11.1 Benefits payable during employment

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

1.11.2 Termination Benefits

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

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

1.11.3 Post Employment Benefits

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

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

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits

Notes to the Financial Statements

cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

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

The Local Government Pension Scheme

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

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

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

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

Remeasurements comprising:

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

Notes to the Financial Statements

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

1.11.4 Pension Net-Asset Recognition

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

1.11.5 Discretionary Benefits

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

1.12 Events after the Reporting Period

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

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

1.13 Exceptional Items

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

1.14 Financial Liabilities

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

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

1.15 Financial Assets

Financial assets are classified using a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

Notes to the Financial Statements

There are three main classes of financial assets measured at:

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

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

1.15.1 Financial Assets Measured at Amortised Cost

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

1.15.2 Expected Credit Loss Model

The Council recognises expected credit losses on its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lesser receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the council. 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. 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.

1.15.3 Financial Assets measured at Fair Value through profit or Loss

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

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

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

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

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

1.16 Government Grants and Contributions

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

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

Notes to the Financial Statements

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

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

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

1.17 Inventories

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

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

1.18 Leases

1.18.1 Council as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

1.18.2 Council as Lessor

Finance Leases

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

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amounts due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element of the charge for the acquisition of the interest in the asset is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

Notes to the Financial Statements

The written off value of the 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 appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Operating Leases

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

1.19 Overhead and Support Services

The costs of overheads and support services are charged to non-General Fund services that benefit from the supply in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2024/25. The total absorption costing principle is used – the full cost of overheads and support services are shared between those users in proportion to the benefits received. General Fund Services have not been charged for these support service costs, in line with the Council's budgetary reporting structure.

1.20 Public Private Partnership (PPP) and Similar Contracts

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

Service Concession Arrangement Flexibility Application

The Scottish Government's 2022 Resource Spending Review contained details of a Service Concession Arrangement (SCA) flexibility that related to the Council's PPP schools. The flexibility permits councils to undertake internal accounting changes that extend the period over which the principal repayment of the unitary charge can be made which results in a one-off credit to the General Fund and ongoing annual savings for a period of time. In the remaining years following the end of the SCAs, the rescheduled debt repayments continue until the debt liability has been extinguished. The Statutory Regulation in relation to this matter, Local Government Finance Circular 10/2022 (FC 10/2022), was published in September 2022.

FC 10/2022 replaces the 2010 version that covered this area and permits the authority to apply a temporary flexibility for service concession arrangements entered prior to April 2022. The Circular sets out the accounting requirements and the options permitted for the recognition of repayments of the principal element of the lease component or the lease liability for the year and the temporary flexibility for SCAs entered prior to 1 April 2022.

The Council has applied the permitted change in the calculation of the statutory charge and the adopted approach has been applied across all arrangements held by the Council in line with the key accounting principle of consistency.

The annual unitary charge will continue to be paid to the contractor over the contract period. The guidance applies to principal and not to interest, service charge costs or grant. These will continue to be accounted for over the contract period.

Annuity method for revised repayment of debt liability

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

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

Notes to the Financial Statements

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

Useful Economic Life

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

Capital Financing Requirement

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

Accounting Treatment

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

1.21 Provisions

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

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

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

1.22 Interest in Companies and Other Entities

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

1.23 VAT

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

1.24 Loans Advances Repayment

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

Notes to the Financial Statements

Repayments are made using either the annuity method (at 9%) or the straight-line method over the useful economic life of the assets.

From 2021/22 onwards, the Council applies the straight-line method in respect of relevant loans fund advances, in line with its Treasury Management Strategy.

Note 2 – Critical Judgement in Applying Accounting Policies

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

Public Private Partnership (PPP) and Design-Build-Finance-Maintain (DBFM) - The Council has entered into a PPP contract for the provision of three secondary schools and one primary school. The Council has also entered into a DBFM contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract. After consideration of International Financial Reporting Interpretations Committee IFRIC12 (Service Concession Arrangements), it has been concluded that these are service concession arrangements and the Council controls the services provided under the scheme and ownership of the schools will pass to the Council at the end of the contracts for no additional charge. The Authority continues to measure its PPP/PFI service concession liabilities using the fixed interest rate implicit in each contract, in line with IFRS 16 where the implicit rate can be reliably identified. The financial models agreed at financial close include a contractually fixed financing rate that remains unchanged throughout the life of each arrangement. There has been no change to contract terms, financing structures, or relevant accounting standards, and therefore the Authority has concluded that the existing approach remains appropriate. As a result, no change has been made to the prior-year disclosure. The assets used to provide services at the schools are recognised on the Council's Balance Sheet as operational assets and as a finance lease liability. The value of these assets (£98.765m) is included within the Property, Plant and Equipment (Note 14) and the liability within Note 15 - Private Finance Initiatives and similar Contracts (£87.449m).

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

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

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

The Financial Statements contain estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's balance sheet as at 31 March 2026, for which there is a significant risk of material adjustment in the forthcoming financial year are noted below:

Notes to the Financial Statements

Item	Uncertainties	Effect if Actual results Differ from Assumptions
Property Plant and Equipment – valuation	The Council's assets are valued on a rolling programme over a maximum of 5 years. The valuation assumptions are ascertained by the professional valuers used by the Council.	If the actual results differ from the assumptions, the value of the assets could be affected. The value of the assets subject to revaluation over the rolling programme is £993.279m. During 2025/26 the assets that were revalued are now held in the Balance Sheet to a total value of £560.513m. The impact for each 1% change in these valuations would be £5.605m within the Balance Sheet, resulting in an increase or a decrease to the Revaluation Reserve, or an impairment charge, but with no effect on the General Fund or the HRA reserves. Indexation was carried out for DRC and EUV assets not revalued within the year totalling £7.368m. The impact for each 1% change in these indexation rates would be £4.674m within the Balance Sheet, resulting in an increase or a decrease to the Revaluation Reserve, but with no effect on the General Fund or the HRA reserves. Any change would also impact on annual depreciation charges in future years.
Property Plant and Equipment – depreciation / useful lives	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will incur in relation to those assets. The current economic climate makes it uncertain that the Council will be able to sustain its current level of spending on maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. For example, it is estimated that for a building valued at £20 million with a useful economic life of 60 years, the annual depreciation charge would increase by £5,650 if the useful economic life had to be reduced by one year.
Pension Liability/Asset	Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rates used, the rate at which salaries are projected to increase by, changes to retirement ages, mortality rates and expected returns on pension assets held. This is further detailed within Note 22 to the Financial Statements. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions applied.	The effect on the net asset/liability can be measured. For example, a decrease in the discount rate of 0.1% would decrease the pension asset held on the Balance sheet by 2% or £11.734m; and increase in the pension rate by 0.1% would decrease the pension asset held on the Balance sheet by 1% or £10.928m. The interaction of assumptions is extremely complex. See note 22 for further assumptions.

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

For 2025/26, the Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025-26 Code:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024

Notes to the Financial Statements

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

These amendments are not expected to have a material impact on the authority's accounting policies or the amounts recognised in the financial statements for 2025/26.

Note 5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government Grants, Council Tax and Non-Domestic Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income & Expenditure Statement.

Expenditure and Funding Analysis 2025-26

2025/26	Expenditure chargeable to the General Fund and HRA Balance £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Resources	4,839	1,635	6,474
Regulatory and Regeneration	4,917	5,353	10,270
People & Technology	10,166	2,154	12,320
Citizens, Culture and Facilities	19,334	2,460	21,794
Education, Learning and Attainment	128,258	7,972	136,230
Roads and Neighbourhood	18,235	7,987	26,222
Housing and Employability	(214)	955	741
Miscellaneous Services	(3,570)	(1,616)	(5,186)
Health and Social Care Partnership	94,152	4,514	98,666
Requisitions	2,477	0	2,477
Housing Revenue Account	(31,628)	37,490	5,862
Net Cost of Service	**246,966**	**68,904**	**315,870**
(Gain)/Loss on disposal of non-current assets	0	8,229	8,229
Financing and Investment (Income) and Expenditure (Note x)	25,302	15,988	41,290
Taxation and Non-specific Grant Income (Note x)	(311,391)	(39,536)	(350,927)
(Surplus) or Deficit on the Provision of Services	**(39,123)**	**53,585**	**14,462**
Opening General Fund and HRA Balance at 1 April 2023	(12,883)		
Surplus/(Deficit) on HRA in the year	(511)		
Surplus/(Deficit) on General Fund in the year	(6,423)		
Surplus/(Deficit) on General Fund and HRA in the year	(6,229)		
Closing General Fund balance at 31 March 2024	**(26,046)**		

Notes to the Financial Statements

Adjustments between General Fund and Comprehensive Income and Expenditure Statement

2025-26

	Adjustment for Capital Purposes £'000	Net change to Pension Adjustment £'000	Other differences £'000	Total Adjustments £'000
Resources	1,280	355	0	1,635
Regulatory and Regeneration	4,967	386	0	5,353
People & Technology	1,677	477	0	2,154
Citizens, Culture and Facilities	1,615	845	0	2,460
Education, Learning and Attainment	5,999	1,687	286	7,972
Roads and Neighbourhood	6,948	1,039	0	7,987
Housing and Employability	0	955	0	955
Miscellaneous Services	55	(1,605)	(66)	(1,616)
Health and Social Care Partnership	1,550	2,964	0	4,514
Requisitions	0	0	0	0
Housing Revenue Account	36,952	545	(7)	37,490
Net Cost of Services	**61,043**	**7,648**	**213**	**68,904**
Other operating expenditure	8,229	0	0	8,229
Financing and Investment (Income) and Expenditure	(41,686)	2,370	(220)	(39,536)
Taxation and Non-specific Grant Income	15,988	0	0	15,988
Difference between general Fund (Surplus)/Deficit and Comprehensive Income & Expenditure Statemet (Surplus)/Deficit on the Provision of Service	**43,574**	**10,018**	**(7)**	**53,585**

Comparative figures for 2024-25

Expenditure and Funding Analysis 2024-25	Expenditure chargeable to the General Fund and HRA Balance £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Resources	3,967	1,742	5,709
Regulatory and Regeneration	3,837	5,295	9,132
People & Technology	10,007	2,517	12,524
Citizens, Culture and Facilities	13,841	1,911	15,752
Education, Learning and Attainment	127,581	7,997	135,578
Roads and Neighbourhood	18,052	8,163	26,215
Housing and Employability	3,289	1,988	5,277
Miscellaneous Services	(3,852)	(1,828)	(5,680)
Health and Social Care Partnership	89,859	5,951	95,810
Requisitions	2,406	0	2,406
Housing Revenue Account	(26,662)	15,603	(11,059)
Net Cost of Service	**242,325**	**49,339**	**291,664**
(Gain)/Loss on disposal of non-current assets	0	2,100	2,100
Financing and Investment (Income) and Expenditure (Note 8)	32,685	11,567	44,252
Taxation and Non-specific Grant Income (Note 9)	(293,265)	(18,902)	(312,167)
(Surplus) or Deficit on the Provision of Services	**(18,255)**	**44,104**	**25,849**
Opening General Fund and HRA Balance at 1 April 2024	(16,342)		
Surplus/(Deficit) on HRA in the year	359		
Surplus/(Deficit) on General Fund in the year	4,517		
transfer (to)/from other Statutory Reserves	(1,417)		
Closing General Fund and HRA balance at 31 March 2025	**(12,883)**		

Notes to the Financial Statements

Adjustments between General Fund and Comprehensive Income and Expenditure Statement

2024-25

	Adjustment for Capital Purposes	Net change to Pension Adjustment	Other differences	Total Adjustments
	£'000	£'000	£'000	£'000
Resources	1,216	526	0	1,742
Regulatory and Regeneration	4,750	545	0	5,295
People & Technology	1,722	795	0	2,517
Citizens, Culture and Facilities	596	1,315	0	1,911
Education, Learning and Attainment	5,032	2,745	220	7,997
Roads and Neighbourhood	6,662	1,500	0	8,163
Housing and Employability	0	1,988	0	1,988
Miscellaneous Services	55	(1,955)	72	(1,828)
Health and Social Care Partnership	1,375	4,576	0	5,951
Requisitions	0	0	0	0
Housing Revenue Account	14,862	744	(3)	15,603
Net Cost of Services	**36,271**	**12,779**	**289**	**49,339**
Other operating expenditure	2,100	0	0	2,100
Taxation and Non-specific Grant income	(21,249)	2,377	(30)	(18,902)
Financing and Investment (Income) and Expenditure	11,567	0	0	11,567
Difference between General Fund and HRA (Surplus)/Deficit and Comprehensive Income & Expenditure Statemet (Surplus)/Deficit on the Provision of Service	**28,689**	**15,156**	**259**	**44,104**

Adjustments for Capital Purposes

This column adds in depreciation, 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 created with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pension Adjustments

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

- For services, this represents the removal of the employers contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other Differences

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

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

Expenditure and Income Analysed by Nature

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

Notes to the Financial Statements

2024-25 £'000		2025-26 £'000
	Expenditure	
242,313	Employee Benefits Expenses	242,468
262,025	Other Service Expenses	401,666
36,274	Depreciation, Amortisation, Impairment	(61,043)
44,262	Interest payments	41,290
2,406	Precepts and levies	2,477
2,100	(Gain) or Loss on Disposal of Assets	8,229
589,380	Total Expenditure	635,087
	Income	
(250,008)	Fees, charges and Other Service Income	(271,021)
(41,701)	Income from Council Tax	(45,949)
(87,481)	income from Non-domestic rates	(84,737)
(1,356)	Interest and Investment Income	(1,024)
(182,985)	Government grants and Contributions	(217,894)
(563,531)	Total Income	(620,625)
25,849	(Surplus)/Deficit on the Provision of Service	14,462

Notes to the Financial Statements

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

This note provides further breakdown of the adjustments summarised in the Movement in Reserves Statement on page 33. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable and unusable is given in notes 7 and 24 respectively.

2025-26	General Fund Balance	HRA Balance	Capital Grants and Receipts Unapplied Account	Capital Fund	Total Usable Reserves	Capital Adjustment Account	Revaluation Reserve	Pension Reserve	Employee Statutory Adjustment Account	FIAA	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Charges for depreciation and impairment of non-current assets	(23,918)	(36,913)	0	0	(60,831)	60,831	0	0	0	0	**60,831**
Amortisation of intangible assets	(174)	(38)	0	0	(212)	212	0	0	0	0	**212**
Capital Grants and Contributions applied	31,756	9,930	0	(5,948)	35,738	(35,738)	0	0	0	0	**(35,738)**
Capital expenditure charged in year to revenue balances	255	1,992	0	0	2,247	(2,247)	0	0	0	0	**(2,247)**
Disposal of Fixed Assets	(8,229)	0	(278)	0	(8,507)	8,507	0	0	0	0	**8,507**
Statutory Repayment of Debt	2,158	11,441	0	0	13,599	(13,062)	0	0	0	(537)	**(13,599)**
Adjustment to the statutory repayment of debt for service concession arrangements - permitted flexability	355	0	0	0	355	(355)	0	0	0	0	**(355)**
Write off Revaluation Reserve Balance (disposals)	0	0	0	0	0	(399)	399	0	0	0	**0**
Amounts by which finance costs charged to the CIEs are different from finance costs chargeable in the year in accordance with statutory requirements	116	104	0	0	220	0	0	0	0	(220)	**(220)**
Reversal of items relating to retirement benefits debited or credited to the CIES (Note 22)	(17,766)	(1,059)	0	0	(18,825)	0	0	18,825	0	0	**18,825**
Employers' pension contributions payable in the year	8,292	515	0	0	8,807	0	0	(8,807)	0	0	**(8,807)**
Amount by which employees' remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(220)	7	0	0	(213)	0	0	0	213	0	**213**
Total Statutory Adjustments	**(7,375)**	**(14,021)**	**(278)**	**(5,948)**	**(27,622)**	**17,749**	**399**	**10,018**	**213**	**(757)**	**27,622**

Notes to the Financial Statements

Comparative information 2024/25

2024-25	General Fund Balance £'000	HRA Balance £'000	Capital Grants and Receipts Unapplied Account £'000	Capital Fund £'000	Total Usable Reserves £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Pension Reserve £'000	Employee Statutory Adjustment Account £'000	FIAA £'000	Total Unusable Reserves £'000
Charges for depreciation and impairment of non-current assets	(21,286)	(14,835)	0	0	(36,121)	36,121	0	0	0	0	**36,121**
Amortisation of intangible assets	(127)	(26)	0	0	(153)	153	0	0	0	0	**153**
Capital Grants and Contributions applied	13,335	7,914	0	0	21,249	(21,249)	0	0	0	0	**(21,249)**
Capital expenditure charged in year to revenue balances	(51)	0	0	0	(51)	51	0	0	0	0	**51**
Disposal of Fixed Assets	(2,100)	0	(1,252)	0	(3,352)	3,352	0	0	0	0	**3,352**
Capital expenditure charged to revenue (CFCR)	0	0	0	0	0	0	0	0	0	0	**0**
Statutory Repayment of Debt - Loans Fund Advances	5,114	9,764	0	0	14,878	(14,310)	0	0	0	(568)	**(14,878)**
Statutory Repayment of Debt - PPP Finance - service concession adjusment	(3,590)	0	0	0	(3,590)	3,590	0	0	0	0	**3,590**
Adjustment to the statutory repayment of debt for service concession arrangements - permitted flexability	330	0	0	0	330	(330)	0	0	0	0	**(330)**
Write off Revaluation Reserve Balance (disposals)	0	0	0	0	0	(1,960)	1,960	0	0	0	**0**
Amounts by which finance costs charged to the CIEs are different from finance costs chargeable in the year in accordance with statutory requirements	28	2	0	0	30	0	0	0	0	(30)	**(30)**
Reversal of items relating to retirement benefits debited or credited to the CIES (Note 22)	(22,723)	(1,180)	0	0	(23,903)	0	0	23,903	0	0	**23,903**
Employers' pension contributions payable in the year	8,311	436	0	0	8,747	0	0	(8,747)	0	0	**(8,747)**
Amount by which employees' remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(292)	3	0	0	(289)	0	0	0	289	0	**289**
Total Statutory Adjustments	(23,050)	2,078	(1,252)	0	(22,225)	5,418	1,960	15,156	289	(598)	22,225

Notes to the Financial Statements

Note 7 Earmarked Reserves

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

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

	Balance at 1 April 2024 £'000	Transfers Out 2024/25 £'000	Transfers In 2024/25 £'000	Balance at 31 March 2025 £'000	Transfers Out 2025/26 £'000	Transfers In 2025/26 £'000	Balance at 31 March 2026 £'000
Earmarked reserves: General Fund							
Change Training budget	1	(1)	0	0	0	0	0
HR/Legal Commitments	210	(15)	0	195	(15)	0	180
Miscellaneous Employability Reserves	126	0	51	177	(71)	1,263	1,369
Miscellaneous Housing & Communities Reserves	553	(54)	21	520	0	150	670
Miscellaneous CCF Reserves	25	(25)	0	0	0	0	0
Miscellaneous Resources Reserves	37	(77)	493	453	(480)	174	147
Miscellaneous Economic Development & Regulatory Reserves	40	(48)	105	97	(217)	698	578
Miscellaneous Roads & Neighbourhood Services	0	0	0	0	0	675	675
Miscellaneous Education Reserves	884	(725)	178	337	(337)	0	0
Miscellaneous People & Technology	0	(26)	35	9	0	0	9
Early Retiral/Voluntary Severence Reserve	3,350	(3,077)	320	593	(1,131)	3,452	2,914
Cost of Living	1,498	(634)	0	864	(351)	0	513
Smoothing Fund for 2 year Service Transformation Project	2,391	(1,170)	0	1,221	604	0	1,825
SPFO in year reduction in employer pension contributions	0	(5,332)	9,687	4,355	0	4,701	9,056
DABVJB - Scottish Parliamentary Elections	0	0	0	0	0	0	0
Future Pay Awards	0	0	0	0	0	0	0
Prudential Target Future Years	0	0	0	0	0	0	0
Budget Funding reserve	0	0	0	0	0	912	912
Total: Earmarked Reserves - General Fund	**9,115**	**(11,184)**	**10,890**	**8,821**	**(1,998)**	**12,025**	**18,848**
Earmarked Reserves: Housing Revenue Account							
Service Improvements	0	0	0	0	0	0	0
Welfare Reform resilience Reserve	0	0	0	0	0	0	0
non-earmarked balance - HRA	969	(358)	0	611	0	511	1,122
Total: Earmarked Reserves - Housing Revenue Account	**969**	**(358)**	**0**	**611**	**0**	**511**	**1,122**
Capital Grants and receipts unapplied	213	(1,465)	1,252	0	0	0	0
Other Reserves	194	0	48	242	(3)	0	239
Non-earmarked balance	6,258	(3,361)	555	3,452	(4,616)	7,240	6,076
TOTAL RESERVES	**16,749**	**(16,368)**	**12,745**	**13,126**	**(6,617)**	**19,776**	**26,285**

Note 8 Financing and Investment (Income) and Expenditure

2024-25 £'000		2025-26 £'000
	Interest payable and similar charges:	
8,148	Schools' Public Private Partnership finance lease	8,051
33,737	Other Interest Payable and Similar Charges	34,197
(1,356)	Interest and Investment Income	(1,024)
1,346	Impairment Loss- Debtors	2,005
0	(Gain)/Loss early settlement of borrowing	(4,309)
2,377	Net Pension Interest Expense	2,370
44,252	**Total**	**41,290**

Notes to the Financial Statements

Note 9 Taxation and Non-Specific Grant Income

2024-25 £'000		2025-26 £'000
(41,701)	Council Tax	(45,949)
(87,481)	Non-Domestic Rates	(84,737)
(161,736)	Revenue Support Grant	(176,208)
0	Central Government Funding	(2,347)
(21,249)	Recognised Capital grants and contributions	(41,686)
(312,167)	Total	(350,927)

Note 10 Grant Income

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

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

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

The Council credited the following grants and other contributions to Taxation and Non-specific Grant Income within the Comprehensive Income and Expenditure Statement in 2025/26:

2024-25 £'000	Grant Income	2025-26 £'000
	Credited to Taxation and Non Specific Grant Income	
249,217	Revenue Support Grant	260,945
5,187	General Capital Grant	19,026
7,914	New House Build	9,930
6,486	Levelling Up Fund	4,860
1,051	Exxon City Deal	7,137
258	Clyde Mission Grant	0
149	Transport Scotland	112
0	Place Based Investments	100
0	Inspiring School Age Childcare Spaces Fund	205
206	Other Grants	316
270,468	Total	302,631

Notes to the Financial Statements

The Council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2025/26:

2024/25 £'000	Grant Income	2025/26 £'000
	Credited to Services	
29,115	Housing Benefit Subsidy	22,570
442	Housing Benefit Subsidy Admin Charge	463
10,975	NHS Resource Transfer	11,414
100	Net Zero heating	0
414	Early Learning	0
3,150	Pupil Equity Fund	2,596
2,055	Criminal Justice	2,714
1,105	Scottish Attainment	863
2,133	Unitary Charge for DBFM	2,134
2,811	UK Shared Prosperity	952
1,161	Asylum Seekers	811
801	Child Poverty	830
0	Ukraine Project	828
324	Private Sector Housing	426
0	Home Energy Efficiency Programme	383
396	Care Experienced Children and young People	358
0	Resettlement Scheme	296
241	School Milk and Healthy Snacks	277
305	Mental Wellbeing	0
236	Education Maintenance Allowance	250
0	EPR Funding	2,347
121	Violence against women	207
0	Fairer Future Partnership	188
0	Specialist Employability Support	126
0	Calendonian	122
239	Covid 19 Vaccination centre recovery funds	0
111	Community Intervention	0
116	Cash First Fund	0
539	No-one Left Behind	606
540	Grants under £0.100m	252
57,430	**Total**	**52,013**

Capital Grant Receipts in Advance

The Council has received a number of grants that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the yearend are as follows:

31 March 2025		31 March 2026
4,953	Levelling Up Funding	1,873
0	Support for Cladding Remediation	1,121
0	Pride In Place Impact Fund	750
406	Place Based Investment	675
1,414	Clyde Mission	648
0	Glencairn Digital Project	187
757	Clydebank Canal Investment	0
205	Inspiring School Age Childcare Spaces F	0
107	Queen Mary Avenue	0
486	Grants under £0.100m	151
8,328		**5,405**

Notes to the Financial Statements

Note 11 Property, Plant and Equipment

11.1 Movement in Property, Plant & Equipment 2025-26

	Council dwellings £'000	Other Land & buildings £'000	Industrial Units £'000	Vehicles & Plant £'000	Community £'000	Surplus Assets £'000	Assets Under Construction £'000	2025-26 £'000	Infrastructure* £'000
Cost/Valuation at 1 April 2025	**648,988**	**494,584**	**40,623**	**40,084**	**12,916**	**6,169**	**110,297**	**1,353,661**	
Additions	36,401	5,600	0	6,182	942	0	42,784	**91,909**	5,301
Disposals	(23)	(23,436)	(465)	(28,002)	0	(58)	0	**(51,984)**	(10,313)
Revaluation adjustments to Revaluation Reserve	(41,373)	5,105	1,019	0	0	0	0	**(35,249)**	0
Revaluation adjustments to CIES	(158,089)	(2,469)	0	0	0	0	0	**(160,558)**	0
Assets reclassified to/from Assets under Construction	51,096	1,218	0	35	0	0	(53,448)	**(1,099)**	1,099
Adjustments - assets at nil NBV	0	0	0	0	0	0	0	**0**	0
Other reclassification of assets	0	(388)	0	15,241	0	(4,591)	0	**10,262**	0
As at 31 March 2026	**537,000**	**480,214**	**41,177**	**33,540**	**13,858**	**1,520**	**99,633**	**1,206,942**	
Depreciation/Impairment at 1 April 2025	**(121,737)**	**(36,444)**	**(1,278)**	**(21,064)**	**(5,063)**	**(25)**	**0**	**(185,611)**	
Depreciation charge	(15,280)	(7,783)	(385)	(3,852)	(907)	0	0	**(28,207)**	(8,721)
Depreciation on Disposals	23	16,348	57	27,882	0	0	0	**44,310**	9,867
Depreciation written out to the Revaluation Reserve	136,960	1,674	0	0	0	0	0	**138,634**	0
Revaluation written out to the CIES	0	0	0	0	0	0	0	**0**	0
Impairment losses/(reversal) to the Revaluation Reserve	0	0	0	0	0	0	0	**0**	0
Impairment losses/(reversal) to the CIES	0	0	0	0	0	0	0	**0**	0
Other movements in depreciation and impairment	34	52	0	(15,241)	0	25	0	**(15,130)**	0
As At 31 March 2026	**0**	**(26,153)**	**(1,606)**	**(12,275)**	**(5,970)**	**0**	**0**	**(46,004)**	
Net Book Value at 31 March 2025	**527,251**	**458,140**	**39,345**	**19,020**	**7,853**	**6,144**	**110,297**	**1,168,050**	**109,233**
Net Book Value at 31 March 2026	**537,000**	**454,061**	**39,571**	**21,265**	**7,888**	**1,520**	**99,633**	**1,160,938**	**106,466**

*As permitted by Finance Circular 06-2025 the council has adopted both Statutory Override 1 & 2 relating to infrastructure assets which allow for the following;

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2027 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.
Statutory Override 2: For accounting periods commencing 1 April 2010 until 31 March 2027 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Notes to the Financial Statements

11.2 Movement in Property, Plant 7 Equipment 2024-25

	Council dwellings £'000	Other Land & buildings £'000	Industrial Units £'000	Vehicles & Plant £'000	Community £'000	Surplus Assets £'000	Assets Under Construction £'000	Total 2024-25 £'000	Infrastructure* £'000
Cost/Valuation at 1 April 2024	**611,283**	**476,353**	**40,890**	**38,259**	**11,019**	**5,751**	**54,774**	**1,238,329**	
Additions	37,705	7,209	0	4,430	850	0	64,804	**114,998**	4,410
Disposals	0	(1,188)	(262)	(2,605)	0	(124)	0	**(4,179)**	0
Revaluation adjustments to Revaluation Reserve	0	6,925	0	0	0	0	0	**6,925**	0
Revaluation adjustments to CIES	0	(1,781)	0	0	0	0	0	**(1,781)**	0
Assets reclassified to/from Assets under Construction	0	7,860	0	0	1,047	0	(9,281)	**(374)**	296
Other reclassification of assets	0	(793)	(5)	0	0	542	0	**(256)**	0
As at 31 March 2025	**648,988**	**494,585**	**40,623**	**40,084**	**12,916**	**6,169**	**110,297**	**1,353,662**	
Depreciation/Impairment at 1 April 2024	**(107,409)**	**(32,067)**	**(895)**	**(19,798)**	**(4,241)**	**0**	**0**	**(164,410)**	
Depreciation charge	(14,328)	(7,749)	(387)	(3,871)	(822)	0	0	**(27,157)**	(8,464)
Depreciation on Disposals	0	68	4	2,605	0	0	0	**2,677**	0
Depreciation written out to the Revaluation Reserve	0	1,685	0	0	0	0	0	**1,685**	0
Revaluation written out to the CIES	0	1,647	0	0	0	0	0	**1,647**	0
Impairment losses/(reversal) to the Revaluation Reserve	0	(21)	0	0	0	0	0	**(21)**	0
Impairment losses/(reversal) to the CIES	0	(36)	0	0	0	0	0	**(36)**	0
Other movements in depreciation and impairment	0	30	0	0	0	(25)	0	**5**	0
As At 31 March 2025	**(121,737)**	**(36,443)**	**(1,278)**	**(21,064)**	**(5,063)**	**(25)**	**0**	**(185,610)**	
Net Book Value at 31 March 2024	**503,874**	**444,286**	**39,995**	**18,461**	**6,778**	**5,751**	**54,774**	**1,073,919**	**112,992**
Net Book Value at 31 March 2025	**527,251**	**458,142**	**39,345**	**19,020**	**7,853**	**6,144**	**110,297**	**1,168,052**	**109,233**

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

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2026 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.
Statutory Override 2: For accounting periods commencing 1 April 2010 until 31 March 2026 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

Notes to the Financial Statements

11.3 Commitments under Capital Contracts

At 31 March 2026, the Council had commitments on capital contracts for the construction or enhancement of property, plant and equipment for non-housing projects of £32.712m and housing projects of £29.492m. This expenditure will be funded from a combination of Government Grants, borrowing and income from selling assets and contributions from Revenue Accounts. Similar commitments at 31 March 2025 were £40.302m and £17.860m respectively. The major commitments are:

General Services	£'000
Exxon Road - Construction of new relief road	27,441
Artizan Centre Redevelopment	3,874
Gruggies Burn	1,000
Alexander Street Improvements	397
HRA	**£'000**
West Thomson Street	14,163
Willox Park Phase 2	5,247
Bonhill Gap Site	4,168
Bank Street	3,843
Queen Mary Avenue	2,071

11.4 Summary of Capital Expenditure and Financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future rates and Council taxpayers. It is financed from borrowing, capital receipts and capital grants. The cost of the asset is effectively borne over a period of years. In 2025/26 total spending on capital projects was £97.269m.

2024-25 £'000		2025-26 £'000
787,648	**Opening Capital Financing Requirement**	**877,634**
	Capital Investment	
119,408	Property, Plant and Equipment	97,211
2,436	Right of Use Assets	0
390	Intangibles	58
0	Heritage Assets	0
122,234	**Total Capital Investment**	**97,269**
	Sources of Finance	
3,260	Sevice Concession - statutory adjustment	3,991
(21,249)	Government Grants and other Contributions	(35,738)
51	Revenue Contributions	(2,247)
(14,310)	Loan Fund Principal Repayments	(17,408)
(32,248)	**Total Capital Financing**	**(51,402)**
877,634	**Closing Capital Financing Requirement**	**923,501**
	Movements in the year	
86,726	Increase in Underlying Need to Borrow	41,876
3,260	Service Concession Arrangements	3,991
89,986	**Movement in Capital Financing Requirement**	**45,867**

Notes to the Financial Statements

Note 12 Intangible Assets

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

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include purchased licences.

Where appropriate, the carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.162m charged to revenue in 2025/26 was charged to Information Services. The charge to Information Services is then absorbed as an overhead across all the service headings in the Net Cost of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement in intangible assets during the year was:

2024/25 £'000		2025/26 £'000
	Balance at 1 April	
1,574	Gross carrying amount	**2,041**
(632)	Accumulated amortisation	(785)
942	**Net carrying amount at start of year**	**1,256**
390	Acquisitions in year	58
77	Transfer from assets under Construction	0
(153)	Amortisation for period	(211)
1,256	**Net carrying amount at 31 March**	**1,103**
	Comprising:	
2,041	Gross Carrying amounts	1,756
(785)	Accumulated amortisation	(653)
1,256		**1,103**

Note 13 Heritage Assets

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

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

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

2024/25 £'000		2025/26 £'000
1,524	**Balance at 1 April**	**1,524**
0	Additions/ Disposals / Newly Classified	0
1,524	**Balance at 31 March**	**1,524**

Notes to the Financial Statements

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

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

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

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

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

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

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

Note 14 Assets Held for Sale

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

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

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

2024/25 £'000		2025/26 £'000
2,743	Balance at 1 April	1,042
0	Acquisitions	0
256	Assets newly classified as held for sale	4,948
0	Property, Plant and Equipment - Impairment	0
(106)	Revaluation Losses	(169)
(1,851)	Disposals	(489)
0	Assets declassified as held for sale	0
1,042	As at 31 March	5,332

Notes to the Financial Statements

Note 15 Private Finance Initiatives and Similar Contracts

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

2025/26 was the seventeenth year of a thirty-year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria. 2025/26 was the ninth year of a twenty-five year DBFM partnership for the provision of one secondary school in Dumbarton.

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

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

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

15.1 Assets held under Schools PPP and DBFM Contracts

The construction costs of the five school buildings, adjusted for revaluations/indexation, additions and depreciation are included as part of Operational Land and Buildings.

2024/25 £'000		2025/26 £'000
	Cost or Valuation	
136,063	At 1 April	138,991
	Revaluations	
2,928	To Revaluation Reserve	3,503
0	To CIES	(729)
0	Additions	0
138,991	**At 31 March**	**141,765**
	Accumulated Depreciation and Impairment	
(74)	At 1 April	(1,665)
(1,591)	Depreciation Charge	(1,628)
	Depreciation written out	
0	To revaluation reserve	0
0	To Net Cost of Service	0
(1,665)	**At 31 March**	**(3,293)**
135,989	**Opening Net Book value**	**137,326**
137,326	**Closing Net Book value**	**138,472**

15.2 Payments

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

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

Notes to the Financial Statements

Payments remaining to be made under the PPP and DBFM contracts at 31 March 2026 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Repayment of Liability £'000	Future Payments for Service (inc lifecycle maintenance) £'000	Finance Costs £'000	Total Unitary Payment £'000
less than 1 year	4,740	6,370	5,740	16,850
2-5 years	16,839	32,603	19,908	69,350
6-10 years	28,651	45,510	17,119	91,280
11-15 years	26,113	35,969	5,157	67,239
16-20 years	2,165	2,043	199	4,407
PPP Contractual Liability as at 31 March 2026	**78,508**	**122,495**	**48,123**	**249,126**

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

2024/25 £'000		2025/26 £'000
86,443	Opening Balance as at 1 April	82,853
(3,590)	Repayments	(4,346)
82,853	**School finance Lease Liability as at 31 March**	**78,507**
	Split:	
4,346	Obligation payable within 1 year	4,740
78,508	Obligation payable after 1 year	73,768
82,854	**School finance Lease Liability as at 31 March**	**78,507**

Note 16 Leases

16.1 Right of Use Assets Lease Liability - Council as Lessee

Leases which have substantially transferred to the authority the benefits and risks of ownership of a non-current asset, are treated as if the asset had been purchased outright. Assets acquired under leases are included in non-current assets at the lower of the fair value or the present value of the minimum lease payments. The capital element of the lease is included as obligations under finance leases / creditors. The lease rentals comprise capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to revenue on a straight-line basis over the terms of the lease.

Although certain leases specify a contractual interest rate, management determined that the interest rate implicit in the leases could not be readily determined in practice, primarily due to the use of lessor-specific assumptions. Accordingly, a weighted average incremental borrowing rate of 4.33% was applied to measure the lease liabilities as at 1 April 2024. For any leases which required remeasurement in 2025/26 with an updated weighted average incremental borrowing rate the rate used was 4.09%.

Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

The Council has applied recognition exemptions to short-term leases and has not recognised right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

2024/25 £'000	Right of Use Assets Other Land and Buildings	2025/26 £'000
	Cost or Valuation	
0	At 1 April	2,436
2,436	Additions	0
0	Remeasurement of leases	120
2,436	**At 31 March**	**2,556**
	Accumulated Depreciation and Impairment	
0	At 1 April	(308)
(308)	Depreciation Charge	(312)
(308)	**At 31 March**	**(620)**
0	**Opening Net Book Value**	**2,128**
2,128	**Closing Net Book Value**	**1,936**

31 March 2025 £'000	Right of Use Assets Lease Liabilities	31 March 2026 £'000
252	within one year	223
817	Between 2 and 5 years	834
1,110	Over 5 years	969
2,179		**2,026**
	Split:	
252	Current	223
1,927	Non-Current	1,803
2,179	**Total Liabilities**	**2,026**

Amount charged to the Council Comprehensive Income and Expenditure amounted to £0.092m in 2025/26 (2024/25: £0.100m) related to interest expense on the lease liabilities.

16.2 Operating Leases – Council as Lessee

The Council has adopted IFRS 16 from 1 April 2024. Properties and other vehicles, plant and equipment that fall under the scope of IFRS 16 have now been reclassified as right of use assets on the balance sheet (per 16.1). the disclosures below relates to assets that were of low value when new and leases that have less than 12 months to run.

31 March 2025 £'000		31 March 2026 £'000
367	Not later than one year	263
52	Later than one year and not later than five years	93
10	Later than five years	10
429		**366**

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.454m (2024/25 £0.440m).

16.3 Operating Leases – Council as Lessor

Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet classed as an operational asset in Note 11.

Rental income received under operating leases is credited to the relevant service in accordance with the terms specified in the lease agreement.

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

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

Notes to the Financial Statements

Material Lease

The future minimum lease payment due under this lease is as follows:

31 March 2025 £'000		31 March 2026 £'000
1,214	Not later than one year	1,214
4,855	Later than one year and not later than five years	4,855
89,421	Later than five years	88,207
95,490		**94,276**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

Other Leases

The authority also holds approximately 157 other operating leases, primarily short-term or low-value arrangements for commercial and industrial use. These leases are collectively immaterial and the aggregate future lease receipts from these immaterial leases represent less than 5% of the authority's total annual income and contributing less than 0.27% of total income for the year. Therefore, they have not been disclosed in detail

Lessor Risk Management

When acting as a lessor, the Authority retains certain rights in the underlying leased assets. The Authority manages the risks associated with these retained rights through its asset management and leasing framework. Lease agreements typically include conditions relating to asset use, maintenance and return, and may incorporate mechanisms such as variable lease payments, residual value protections or buy-back arrangements to reduce exposure to residual value or usage-related risks. The Authority also undertakes periodic monitoring of leased assets to ensure compliance with lease terms and to safeguard the value of the underlying assets.

Note 17 Debtors

31 March 2025 £'000	£'000		31 March 2026 £'000	£'000
	8,277	Central Government Bodies		2,020
	4,254	Scottish Government (including NHS bodies)		9,209
	856	Other Local Authorities		2,116
	8	**Other Entities and Individuals**		0
66,177		Local taxation receivable	72,888	
(38,980)		Impairment allowance for doubtful debt	(42,067)	
	27,197	**Local Taxation (net of impairment)**		30,821
31,804		Trade Debtors	39,898	
(5,150)		Impairment allowance for doubtful debt	(7,199)	
	26,654	Trade Debtors (net of impairment)		32,699
	67,246	**Total Debtors**		**76,865**

Note 18 Cash and Cash equivalents

	31 March 2025 £'000	Movement £'000	31 March 2026 £'000
Net Bank Current Account*	(5,721)	4,554	(1,167)
Short term deposits with UK banks	13,949	14,635	28,584
Net Cash and Cash equivalents	**8,228**	**19,189**	**27,417**

*A further breakdown of the bank account balances is noted below:

Notes to the Financial Statements

31 March 2025 £'000		31 March 2026 £'000
903	Bank current Accounts in balance	759
(6,624)	Current Accounts in overdraft	(1,926)
(5,721)		**(1,167)**

Note 19 Creditors

31 March 2025 £'000		31 March 2026 £'000
6,026	Central government bodies	7,407
20,969	Other local authorities	25,140
1,681	Scottish Government including NHS Bodies	2,144
	Trade Creditors	
33,621	Other Entities and individuals	28,042
62,297		**62,733**

Note 20 Provisions

	VS/ER £'000	Legal Litigations £'000	Other £'000	Total £'000
Opening Provision as at 1 April 2024	1,971	650	16	2,637
Contributions in year	0	0	0	0
Amounts utilised in year	(1,651)	0	(16)	(1,667)
Unutilised amounts reversed in year	(320)	0	0	(320)
Closing Provision as at 31 March 2025	**0**	**650**	**0**	**650**
Contributions in year	0	450	0	450
Amounts utilised in year	0	(482)	0	(482)
Unutilised amounts reversed in year	0	0	0	0
Closing Provision as at 31 March 2026	**0**	**618**	**0**	**618**

Legal Litigation costs £0.618m This provision is for future legal costs as the Council is involved in an ongoing case that will incur costs in future years. The provision is based on anticipated future costs.

Other Provisions: Intromission liability for historic abuse claims following reorganisation of Strathclyde regional Council amounts agreed and paid from West Dunbartonshire Council to Glasgow City Council.

Compensation Payments – Voluntary Severance/Early Retirement (VS/ER) cost: This balance of the provision was released unutilised in 2024/25 and added to the ear-marked reserve for future voluntary severance/voluntary redundancy costs as a reliable estimate could not be established.

Note 21 Financial Instruments

Categories of financial Instrument

31 March 2025 Long Term £'000	31 March 2025 Current £'000		31 March 2026 Long Term £'000	31 March 2026 Current £'000
		Debtors		
2,021	42,786	Financial assets at amortised cost	2,614	69,160
		Borrowing		
467,240	334,350	Financial liabilities at amortised cost	521,476	348,607
		Other long term liabilities		
78,508	4,346	PPP and finance leases	73,768	4,740
1,927	252	ROU Asset Liability	1,803	223
		Creditors		
0	62,297	Financial liabilities at contract amount	0	62,733

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

Notes to the Financial Statements

Fair Value of Assets and Liabilities carried at Amortised Cost

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

Financial Liabilities

- PWLB Loans (Level 2) - For loans from the PWLB, premature repayment rates from the PWLB in force on 31 March 2026 have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value).
- Non-PWLB loans (Level 2) - For non-PWLB loans payable, prevailing market rates for new borrowing have been applied to provide the fair value. In the absence of a substantial active market for new long term market loans, the rates used for new borrowing are based on discussions with possible market participants for new lending. These rates provide a reasonable proxy for rates that market participants appear to have used for early redemption costs for market loans.
- PFI/Finance leases (Level 2) – Fair value has been calculated at level 2 on a simple proxy basis. The same NPV methodology has been applied as for PWLB and non-PWLB debt.

Financial Assets

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

Policy Type Assets

- Long term debtors – Level 2.

Debtors

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

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

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

Fair values of financial assets and financial liabilities are calculated as follows:

31 March 2025 Carrying Amount £'000	31 March 2025 Fair Value £'000		31 March 2026 Carrying Amount £'000	31 March 2026 Fair Value £'000
		Debtors		
42,786	42,786	Financial Assets at Amortised Cost[1]	69,160	69,160
		Cash and Cash Equivalents		
8,227	8,227	Cash and Cash Equivalents	27,417	27,417
		Creditors		
62,297	62,297	Financial liabilities at contract amount[1]	62,733	62,733
		Borrowing		
801,590	677,918	Financial liabilities[2]	870,083	784,500
		Other Long Term Liabilities		
82,853	82,853	PPP and Finance Lease Liabilities[2]	78,508	78,508
2,179	2,179	ROU Asset Liability	2,026	2,026

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

[2] The fair value is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the balance sheet date. The commitment to pay interest

Notes to the Financial Statements

above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans.

A further breakdown of types of borrowing held by the Council as at 31 March 2026 is noted below:

31 March 2025				31 March 2026		
Principal outstanding £'000	Accrued interest / EIR adjustment £'000	Carrying amount £'000		Principal outstanding £'000	Accrued interest / EIR adjustment £'000	Carrying amount £'000
62,059	5,357	67,416	PWLB	90,428	6,371	96,799
0	683	683	Mortgage loans	0	300	300
259,300	5,695	264,995	Local Authority	245,500	4,732	250,232
1,256	0	1,256	Other	1,276	0	1,276
322,615	**11,735**	**334,350**	**Short Term Loans**	**337,204**	**11,403**	**348,607**
390,432	0	390,432	PWLB	482,991	0	482,991
65,400	1,256	66,656	Mortgage loans	32,300	1,036	33,336
10,000	0	10,000	Local Authority	5,000	0	5,000
152	0	152	Other	149	0	149
465,984	**1,256**	**467,240**	**Long Term Loans**	**520,440**	**1,036**	**521,476**

Gains and Losses on Financial Instruments

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

31 March 2025				31 March 2026		
Financial Assets: Loans & receivables £'000	Financial Liabilities: amortised cost £'000	Total £'000		Financial Assets: Loans & receivables £'000	Financial Liabilities: amortised cost £'000	Total £'000
1,356	0	1,356	Interest (investment)	1,024	0	**1,024**
			Interest payable and similar charges			
0	(41,920)	(41,920)	Interest/expense*	0	(42,248)	**(42,248)**
0	0	0	(Gain)/Loss on early settlement of borrowing	0	4,309	**4,309**
0	5	5	(Gain)/Loss on de-recognition	0	220	**220**
1,356	**(41,915)**	**(40,559)**	**Net (Gain)/loss in year**	**1,024**	**(37,719)**	**(36,695)**

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

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

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

Nature and Extent of Risks arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk – the possibility the Council might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set

Notes to the Financial Statements

out through a legal framework in the Local Government (Scotland) Act 2003 and the associated regulations. During 2025/26 these required the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services

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

(i) by formally adopting the requirements of the Code of Practice
(ii) by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders
(iii) by approving annually in advance prudential and treasury indicators for the following three years in limiting the Council's:
- overall borrowing.
- maximum and minimum exposures to fixed and variable rates.
- maximum and minimum exposures regarding the maturity structure of debt
- maximum annual exposure to investments maturing beyond a year.

(iv) by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment.

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

The 2026/27 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 25 March 2026 and audit committee on 10 June 2026 is available on the Council website. The key issues within the strategy were:

- the authorised limit for 2026/27 was set by Council at that meeting at £1,189.688m. This is the maximum limit of external borrowing
- the operational boundary was expected to be £1,026.399m. This is the expected level of debt during the year
- the maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the Council's gross debt
- the maximum exposures to the maturity structure of debt is detailed with refinancing and maturity risk.

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

Management of Credit Risk

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

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £28.584m cannot be assessed on a general basis as the risk of any institution failing to make interest payments or repay principal sums is specific to each individual institution, however, recent experience has shown that the institutions invested in at the year-end are unlikely to default on their commitments. A risk of recoverability applies to all of the Council's deposits but there was no evidence at 31 March 2026 that this was likely to happen.

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

Notes to the Financial Statements

Amount at 31 March 2025 £'000		Amount at 31 March 2026 £'000	Historical experience of non-payment adjusted for market conditions at 31 March 2025 %	Estimated maximum exposure to default and uncollectibility £'000
46,154	Customers and other income	73,779	10.76	2,005

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

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

The Council does not generally allow credit for customers, however currently £20.365m is past its due date for payment (2024/25: £15.846m). The past due amount can be analysed by age as follows:

31 March 2025 £'000		31 March 2026 £'000
3,883	Less than three months	3,403
1,067	Three to six months	985
1,844	Six months to one year	3,882
9,052	More than one year	12,095
15,846	**Total**	**20,365**

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

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

Management of Liquidity risk

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

The Council has ready access to borrowing from the Money Markets to cover any day-to-day cash flow need if required. The Council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures that sufficient funds are raised to cover annual expenditure. There is, therefore, no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

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

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

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

Notes to the Financial Statements

The maturity analysis of financial liabilities is as follows:

	Creditors £'000	PPP £'000	ROU £'000	Borrowing £'000	Total £'000
Less than one year	62,733	4,740	223	348,607	416,303
Between one and two years		8,489	233	203,071	211,793
Between two and five years		18,270	601	194,282	213,153
More than five years		47,009	969	124,122	172,100
	62,733	**78,508**	**2,026**	**870,082**	**1,013,349**

Management of Market risk

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

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

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

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

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

2024/25 £'000	%		2025/26 £'000	%
803,770	99.2	Fixed Interest Debt	870,083	99.8
6,625	0.8	Variable Interest Debt	1,926	0.2
810,395			**872,009**	

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 2026, with all other variables held constant:

Impact on tax payers and rent payers	**£'000**
Increase on interest payable on variable debt borrowings	1
Increase in interest receivable on variable rate investments	0
Impact on Income and Expenditure Account	1
Share of overall impact due credited to the HRA	0
Other accounting presentational changes	
Decrease in fair value of fixed rate debt borrowings (disclosure confined to notes to the core financial statements)	8,616

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

Notes to the Financial Statements

Management of Foreign Exchange Risk

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

Note 22 Defined Benefit Pension Scheme

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

The Council participates in the following pension schemes:

The Local Government Pension Scheme - a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The employer's contribution rate is set by the Fund actuaries following valuation.

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

The employer pays a set contribution rate of 26%. This is charged directly to the revenue account for the Education service. The amount paid over in respect of employer's contribution was £13.805m (2024/25 £13.347m) and in respect of expenditure for teachers added years, £0.692m payments were made (2024/25 £0.056m).

The scheme is unfunded and all contributions (payable by members or employers) are paid to the Scottish Government, and the Scottish Government then meets the costs of all the benefits. A specific amount is held by the Scottish Government for this purpose.

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

Local Government Pension Scheme:

Councils are required to disclose the capital cost of discretionary increases in pension payments agreed by the Council. In 2025/26 the capitalised costs that would have arisen from the early retiral of the Council employees and from predecessor authorities were as follows:

	£'000
2025/26	(396)
In earlier years	37,416
Total	**37,020**

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

The Council therefore recognises the cost of the pension commitment within the Comprehensive Income and Expenditure Account when the employees earn their pension entitlement rather than when the benefits are paid as

Notes to the Financial Statements

pensions. However, the cost to the taxpayer is calculated on the basis of pension contributions paid in the year, the cost of retirement benefits under IAS19 is reversed out, to ensure there is no impact on the overall cost to be funded by council tax and government grant.

24/25 £'000		25/26 £'000
	Net cost of services	
23,666	Current service cost	18,132
1,175	Past service cost	1,636
24,841		**19,768**
	Financing and investment Income and Expenditure	
2,377	Net interest expense/(income)	2,370
27,218	**Total post employment benefit charged to the Surplus or Deficit on the provision of Services**	**22,138**
14,156	Expected return on assets	(39,583)
(1,412)	Actuarial gains and losses arising from changes in demographic assumptions	4,682
(126,100)	Actuarial gains and losses arising from changes in financial assumptions	(22,240)
(9,221)	Actuarial gains and losses arising from experience assumptions	6,847
101,825	Asset Ceiling Adjustment	39,880
(20,752)	Total remeasurements recognised in other Comprehensive Income	**(10,414)**
6,466	**Total post employment benefit charged to the comprehensive income and expenditure statement**	**11,724**
	Movement in Reserves Statement	
(27,218)	Total post-employment benefits charged to the surplus or deficit on provision of service	(22,138)
12,062	Actual amount charged against the General Fund balance in the year - employer contributions payable to Scheme	12,120
(15,156)	**Reversal of gross charges made to surplus or deficit for post employment benefits**	**(10,018)**

Reconciliation of Asset Ceiling Adjustment:

2024/25 £'000		2025/26 £'000
345,336	Effect of asset ceiling at 1 April	463,737
16,576	Interest on the effect of the asset ceiling	26,878
101,825	Change in the effect of the asset ceiling	39,880
463,737	**Effect of asset ceiling at 31 March**	**530,495**

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

2024/25 £'000		2025/26 £'000
1,162,149	Fair value of plan assets	1,255,430
(698,412)	Present value of defined benefit obligations	(724,935)
(463,737)	Asset ceiling adjustment	(530,495)
0	**Net assets in the Strathclyde Pension Fund**	**0**
	Present Value of Unfunded Liabilities	
(20,125)	LGPS Unfunded	(20,096)
(17,291)	Teachers' pensions	(16,924)
0	Pre Local Government Reorganisation	0
(37,416)	**Net pension asset/(liability)**	**(37,020)**

Notes to the Financial Statements

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

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is shown in the tables below. The net asset arising from the Council's involvement in the defined benefit scheme totals £530.495m at 31 March 2026. However the funded obligation has been limited to nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the funded pension asset to nil. The Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

The Council's Local Government Pension Scheme has a material surplus as at 31 March 2026. The Council accounts for its pension fund using International Accounting Standards IAS 19. The surplus asset is to be determined as outlined in IFRIC 14 based on the expected future reduction in accounting contributions. The fund remains open to new employees therefore the potential future benefits have been measured in perpetuity.

The fair value of plan assets has increased by £93.281m. This is mainly due to a higher than assumed investment returns.

The estimated liabilities have increased by £26.127m, due to an increase in the discount rate.

Pension Assets and Liabilities

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

2024-25			2025-26	
£'000	%		£'000	%
336,705	47.1%	Active Members	369,278	49.0%
66,952	9.4%	Deferred Members	67,388	8.9%
294,755	39.4%	Pensioner Members	288,269	38.2%
29,683	4.1%	Pre-Local Government Re-organisation Members	28,926	3.8%
728,095	**100%**		**753,861**	**100%**

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

2024/25		2025/26
£'000		£'000
833,026	Opening balance	735,828
23,666	Current service cost	18,132
39,947	Interest cost	42,515
6,970	Contributions by Members	7,106
(1,412)	Actuarial gains/losses – change in demographic assumptions	4,682
(126,100)	Actuarial gains/losses – change in financial assumptions	(22,240)
(9,221)	Actuarial gains/losses – other experience	6,847
1,175	Past service costs/(gains)	1,636
(3,315)	Estimated unfunded benefits paid	(3,313)
(28,908)	Estimated benefits paid	(29,238)
735,828	**Closing Balance as at 31 March**	**761,955**

Notes to the Financial Statements

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

2024/25 £000		2025/26 £000
1,135,350	Opening balance	1,162,149
(14,156)	Expected return on assets	39,583
0	Actuarial gains/ losses - other experience	0
54,146	Interest Income	67,023
6,970	Contributions by Members	7,106
8,747	Contributions by Employer	8,807
3,315	Contributions in respect of unfunded benefits	3,313
(3,315)	Estimated unfunded benefits paid	(3,313)
(28,908)	Estimated benefit paid	(29,238)
0	Other adjustment*	0
1,162,149	**Closing Position as at 31 March**	**1,255,430**

The Council's share of the pension fund asset at 31 March 2026 comprised:

2024/25				2025/26		
Quoted prices in Active Markets £'000	Prices not quoted in Active Market £'000	Total £'000	Asset Category	Quoted prices in Active Markets £'000	Prices not quoted in Active Market £'000	Total £'000
240,752	750	241,502	Equity Securities	263,999	908	264,907
0	268,632	268,632	Private Equity	0	301,078	301,078
0	87,682	87,682	Real Estate	0	87,025	87,025
4,255	531,801	536,056	Investment funds and unit trusts	0	561,935	561,935
0	28,277	28,277	Cash and Cash Equivalent	0	40,486	40,486
245,007	**917,142**	**1,162,149**	**Total**	**263,999**	**991,432**	**1,255,431**

Assets are now held at bid value.

Asset and Liability Matching strategy

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

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

The actuarial valuation states that assets held on the valuation date were sufficient to cover 158% (2024/25 158%) of accrued liabilities at that date.

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

31 March 2025		31 March 2026
	Long term expected return on assets	
2.80%	Pension increase rate	3.00%
3.50%	Salary Increase rate	3.70%
4.80%	Discount rate	6.20%
	Mortality	
	Based on these assumptions, the average future life expectancies at the age of 65 are:	
19.3	Current pensioners – Men	19.7
22.0	Current pensioners - Women	22.2
19.9	Future pensioners – Men	20.2
23.7	Future pensioners - Women	23.9

Notes to the Financial Statements

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

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

Impact on the Council's Cash Flow

The objectives of the Fund are to keep employers' 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 17.5% for 2026/27 (2025/26: 6.5%). The Council paid an employer's contribution of £8.807m (2024/25: £21.154m).

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2027 is £7.653mm. This is based on an assumed pensionable payroll of £120.882m. The duration of the Employer's funded obligations is 17 years.

Sensitivity Analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries have calculated and compared the value of the scheme liabilities as at 31 March 2026 on varying bases. The approach taken is consistent with that adopted to derive at the IAS19 figures provided. To quantify the uncertainty around life expectancy, the actuaries have calculated the difference in cost to the employer of a one-year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of around 3% to 5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

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

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

	Approximate % increase to Employer Liability	Approximate monetary Amount (£'000)
Real Discount Rate (0.1% decrease)	2%	11,734
1 year increase in the member life expectancy	4%	30,478
Salary Increase Rate (0.1% increase)	0%	790
Pension Increase Rate (0.1% increase)	1%	10,928

The total contribution expected to be made to the Local Government pension scheme for 2026/27 is £21.154m.

Note 23 Termination Benefits

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

Redundancy costs have been incurred in prior years in relation to the budget savings agreed. In each year, provision was made within the financial year for the costs of all employees who had accepted redundancy or where redundancy

Notes to the Financial Statements

was probable as at 31 March ending that year, including accounting for costs for employees who confirmed redundancy by 31 March but left or were leaving after this date.

Termination costs for all Council employees who have accepted redundancy by 31 March 2026 are recognised in the Exit Packages note in 2025/26, or in previous financial years. The total cost recognised in the Exit Packages note in 2025/26 is £1.241m for 45 employees and in 2024/25 was £1.645m for 42 employees. These costs are detailed further in Table 8 of the Remuneration Report on page 30.

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

Note 24 Other Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service within the CIES. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Usable Reserves

Usable reserves are those that the Council is able to apply to fund expenditure or reduce taxation and comprise of both capital and revenue reserves. Movement in the revenue reserves during the year are outlined in the Movement in Reserves Statement, however, a summary is shown below:

31 March 2025 £'000		31 March 2026 £'000
12,272	General Services	24,924
611	Housing Revenue Account	1,122
0	Capital Receipts Unapplied	0
242	Other Reserves	239
13,125	**Total Usable Reserves**	**26,285**

General Fund Revenue Reserve: The General Fund is held for services provided by the Council through Revenue Support Grant funded through the Scottish Government and council tax. It excludes the Housing Revenue Account. This reserve holds funds not yet spent.

Housing Revenue Account Revenue Reserve: The Council is required by the Local Government and Housing Act (Scotland) 1987 to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. This reserve holds funds not yet spent.

Capital Receipts Reserves: Capital receipts from asset sales are retained within this Reserve and used to fund planned capital expenditure.

Capital Grant and Reserves Unapplied Reserve: Grants and other contributions given to the Council are retained within this Reserve until all conditions agreed by the grant provider are satisfied. This Reserve is also used to fund transformational projects from capital receipts.

Capital Items Replacement Fund (Other): This reserve holds funds which are retained and used for the renewal or repair of school non-current assets.

Unusable Reserves

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the authority. These reserves are explained on the following pages.

Notes to the Financial Statements

Summary of Year-end Balances

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

31 March 2025 £'000		31 March 2026 £'000
216,313	Capital Adjustment Account	198,564
190,406	Revaluation Reserve	156,230
(37,416)	Pension Reserve	(37,020)
(4,826)	Employee Statutory Adjustment Account	(5,038)
(10,549)	Financial Instruments Adjustment Acccount	(9,792)
353,928	**Total Unusable Reserves**	**302,944**

Movement on balances - Capital Adjustment Account

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

31 March 2025 £'000		31 March 2026 £'000
221,730	Opening Balance	216,313
(34,429)	Depreciation	(39,918)
(1,844)	Impairment	(21,125)
(3,260)	Service concession adjustment	(3,991)
1,960	Write off Revaluation reserve Balance (disposals)	399
(3,352)	Disposal of Fixed Assets	(8,507)
21,249	Government Grants Applied	35,738
(51)	Capital Financed by Current Revenue	2,247
14,310	Long Term Debt Payment	17,408
216,313	**Closing Balance**	**198,564**

Movement on Balances – Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

31 March 2025 £'000		31 March 2026 £'000
183,856	Opening Balance	190,406
14,109	Unrealised Gains on Revaluation of Assets	9,838
(7,284)	Impairments and Losses on Revaluation of Assets	(43,616)
(1,960)	Write off revaluation Balance (Disposal)	(398)
1,685	Depreciation due to Revaluation of Assets	0
190,406	**Closing Balance**	**156,230**

Movement on Balances – Pensions Reserve

The pension reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The triennial review by the Pension Fund in 2023 set employer's contribution rates for the Council at 6.5% for the period 1 April 2024 to 31 March 2026 and 17.5% thereafter. The Council accounts for postemployment benefits in the comprehensive income and expenditure 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 pension for which it is directly responsible.

Notes to the Financial Statements

31 March 2025 £'000		31 March 2026 £'000
(43,012)	Opening Balance	(37,416)
20,752	Actuarial (Loss)/Gain	10,414
8,747	Employer Contributions	8,807
(23,903)	Reversal of IAS19 Entries	(18,825)
(37,416)	**Closing Balance**	**(37,020)**

Movement on Balances - Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March.

31 March 2025 £'000		31 March 2026 £'000
(4,537)	Opening Balance	(4,826)
(289)	Staff Accrual Movement	(212)
(4,826)	**Closing Balance**	**(5,038)**

Movement on Balances - Financial instrument Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the comprehensive income and expenditure statement when they are incurred but reversed out of the general fund balance to the account in the movement in reserves statement. Over time, the expense is posted back to the general fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account as at 31 March 2025 will be charged to the General Fund over the next thirty-six years.

31 March 2025 £'000		31 March 2026 £'000
(11,147)	Opening Balance	(10,549)
568	Annual Write off of Premiums and Discounts	537
0	New Premiums and Discounts	0
30	Annual EIR Adjustment to Stepped Interest Instruments	220
(10,549)	**Closing Balance**	**(9,792)**

Note 25 Related Parties

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

The Scottish Government

The Scottish Government has significant influence over the general operations of the Council, being responsible for providing the statutory framework within which the Council operates. The Scottish Government also provides the majority of the Council's funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (such as Council Tax bills and Housing Benefits). Grants received from the Scottish Government are disclosed in Note 9 Taxation and Non-specific Grant Income on page 57.

Notes to the Financial Statements

Elected Members Elected

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2025/26 is shown within the Remuneration Report. There are no other significant related party transactions with members of the Council. Elected Members are required to declare an interest if he or she believes that there may be a perception that their decision making may be influenced in any way by a personal interest. Should this arise, the relevant Member does not take part in any discussion or decision relating to that interest. The Register of Interests of each Member is available on the Councils' website: Councillors Allowances

Senior Officers

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

Entities Controlled or Significantly Influenced by the Council

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

	2024-25				2025-26			
	Income from Related Parties	Expenditure to Related Parties	Amounts due to Related Parties	Amounts owed by Related Parties	Income from Related Parties	Expenditure to Related Parties	Amounts due to Related Parties	Amounts owed by Related Parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Subsidiaries								
West Dunbartonshire Leisure Trust	(215)	5,761	1,016	808	(212)	6,501	391	920
Clydebank Property Company	(387)	0	10	1	(357)	269	0	(1)
West Dunbartonshire Energy LLP	0	574	0	2,004	0	637	0	2,597
Associates and Joint Ventures								
Dumbartonshire and Argyll and Bute Valuation Joint Board	(142)	781	560	0	(146)	827	560	0
West Dunbartonshire Health & Social Care Partnership	(89,830)	89,830	0	0	(94,103)	94,103	0	0
Non-Material Interest in Other Entities		0	0	0				
Strathclyde Partnership for Transport	0	2,366	0	0	0	2,458	0	0
Strathclyde Concessionary travel Scheme Joint Board	0	165	0	0	0	169	0	0
Strathclyde Pension fund	0	16,081	1,166	0	0	15,142	7	0
Clydebank Municipal Bank	0	0	12	(5)	0	0	11	(6)

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

Note 26 Agency Services

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

The Council bills and collects Non-Domestic Rates on behalf of the Scottish Government. During 2025/26 the Council collected £87.680million and received £84.737 million to the Non-Domestic Rates pool (2024/25: £84.519 million and £87.481 million). The Council also bills and collects domestic water and sewerage charges on behalf of Scottish Water with the Council Tax. During 2025/26 the Council collected and paid over £18.787 million (2024/25: £17.578 million) and is due to receive £0.259 million (2024/25: £0.082 million) for providing this service.

Note 27 Financial Guarantees

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

Notes to the Financial Statements

Note 28 Contingent Assets and Liabilities

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

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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

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

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

The Limitation (Childhood Abuse) (Scotland) Act 2017 Section 1 removes the limitation period for actions of damages in respect of personal injuries resulting from childhood abuse. At this stage the extent of any potential liability is unknown.

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

Recent geopolitical tensions in the Middle East, including disruption in the Strait of Hormuz, have increased uncertainty in global markets and are expected to influence future economic conditions. At present, there has been no direct financial impact on the Council. However, emerging pressures on fuel and energy prices, alongside the rising cost of materials dependent on petrochemicals, may affect both revenue and capital budgets during 2026/27. In addition, ongoing volatility in borrowing costs may also have financial implications. The extent of any impact cannot yet be quantified and may not be limited to these areas.

The procurement of capital projects is subject to heightened risk in the current market environment. For contracts already signed, there is potential exposure to contract variations, particularly where delivery timelines may need to be extended. The risk is more significant for projects that have not yet reached financial close, as contractors are exercising greater caution, and market volatility is increasingly reflected in pricing and risk premiums within bids. Rising costs for materials and labour, alongside the financial implications of longer construction timelines, add further uncertainty to both revenue and capital budgets. At this stage, the scale of any impact remains uncertain and cannot be reliably quantified. Appropriate governance and oversight will continue to be applied as required.

Notes to the Financial Statements

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

Note 29 Fees Payable to External Auditors

In 2025/26 the following fees relating to external audit and inspection were incurred alongside comparative figures for 2024/25:

2024-25 £'000	Auditor's Remuneration	2025-26 £'000
341	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed Auditor	370
341	Total Remuneration	370

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

Forvis Mazars have been appointed as external auditors for 2025/26. Forvis Mazars did not undertake any non-audit work in 2025/26.

Note 30 Events After the Balance Sheet Date

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

The Chief Officer - Resources issued the unaudited Statement of Accounts on 17 June 2026. There have been no material events after the balance sheet date which necessitate revision of figures in the financial statements or notes thereto including contingent assets or liabilities

Housing Revenue Account

Housing Revenue Account

Movement on the Housing Revenue Account Statement

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

2024/25 £'000		2025/26 £'000
(970)	**Balance on the Housing Revenue Account as at 1 April**	**(611)**
(1,719)	**Total Comprehensive Income and Expenditure**	**13,510**
(744)	Pension Scheme Adjustments	(545)
2	Financial Instruments Adjustment	104
3	Holiday Pay Adjustment	7
(6,948)	Reversal of entries included in the Surplus/Deficit on the Provision of Services in relation to capital expenditure	(27,021)
(7,687)	**Adjustments to the revenue resource**	**(27,455)**
0	Net gain or loss on sale of non-current assets	0
9,765	Statutory Repayment of Debt (Loans Fund Advances)	11,442
0	CFCR	1,992
9,765	**Adjustments between Revenue and Capital Resources**	**13,434**
2,078	**Total Statutory Adjustments**	**(14,021)**
0	Transfers (to)/from Other Statutory Reserves	0
359	**(Increase)/Decrease in Year**	**(511)**
(611)	**Balance on the Housing Revenue Account as at 31 March**	**(1,122)**

Housing Revenue Account Income and Expenditure Statement

The HRA income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rent and government grants. The Council charges rent 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.

2024/25 £'000		2025/26 £'000
	Income	
(51,170)	Dwelling Rents (net of voids)	(56,139)
1,002	Void loss	816
(158)	Other Rents	(162)
(2,693)	Other Income	(6,506)
(53,019)		**(61,991)**
	Expenditure	
12,227	Repairs and Maintenance	15,384
14,657	Supervision and Management	15,372
14,862	Depreciation and Impairment	36,952
214	Other Expenditure	145
41,960		**67,853**
(11,059)	**Net Cost of Service as Included in the Council Comprehensive Income and Expenditure Statement**	**5,862**
	HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement	
(7,914)	Recognised Capital Income (Grants, Contributions and Donations)	(9,930)
15,820	Interest Payable and Similar Charges	15,436
1,174	Amortisation of Premiums and Discounts	1,788
260	Impairment Loss - Debtors	354
9,340		**7,648**
(1,719)	**(Surplus)/Deficit for the year on HRA Services**	**13,510**

Housing Revenue Account

Notes to the Housing Revenue Account Income and Expenditure Statement

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

The Council was responsible for managing 10,581 dwellings during 2024/25 (10,547 in 2024/25). The following shows an analysis of these dwellings by type.

Number at 31 March 2025	2024/25 Average weekly rent £	Type of Dwelling	Number at 31 March 2026	2025/26 Average weekly rent £
2,770	90.81	Two-apartment	2,821	96.34
4,733	93.39	Three-apartment	4,689	100.58
2,655	99.27	Four-apartment	2,670	106.30
359	107.87	Five-apartment	371	113.12
23	121.41	Six-apartment	23	135.05
3	266.82	Seven-apartment	3	288.16
2	109.12	Eight-apartment	2	117.85
2	109.12	Nine-apartment	2	105.35
10,547		**Total**	**10,581**	

Note 2 Dwelling Rents

The £55.323m noted in the Income and Expenditure Statement is the total rental income less voids chargeable for the year of £0.815m (£1.002m in 2024/25). The £55.323m excludes irrecoverable and bad debts.
Average rents were £101.46 per week in 2025/26 (£94.80 per week in 2024/25).

Note 3 Other Rents

This is the total income received from travelling person site rentals, lockups and shops less voids chargeable for the year, excludes irrecoverable and bad debts. Lost rents from lockups in 2025/26 were £0.099m (£0.090m in 2024/25)

Note 4 Rent arrears

As at 31 March 2026, total rent arrears amounted to £4.662m (2024/25 £4.876m). This is 8.46% of the total value of rents due at 31 March 2026. It should be noted that the total arrears do not all relate to 2025/26. The year-on-year movement in value of arrears is an increase of £0.214m.

Note 5 Provision for Bad Debts

In the financial year 2025/26, the rental bad debt provision was increased by £0.199m in 2025/26. (Increase of £0.488m in 2024/25). The total rental bad debt provision on 31 March 26 was £2.867m - equivalent of 63% (63% 2024/25) of the total value of rents due at that date.

Council Tax Income Account

Council Tax Income Account

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

2024/25 £'000		2025/26 £'000
59,545	Gross council tax	66,600
	Less:	
(9,141)	Council Tax Reduction Scheme Discount*	(10,260)
(7,381)	Other discounts and reductions	(8,202)
(731)	Provision for bad and doubtful debts	658
(591)	Adjustments for prior years	(2,847)
41,701	**Transfer to General Fund**	**45,949**

Dwellings are valued by the Assessor and placed within a valuation band ranging from the lowest "A" to the highest "H". The Council Tax charge is calculated using the Council Tax Base, Band D equivalent as below. This value is then decreased or increased dependent upon the band of the dwelling. The charge for each band for 2024/25 was as follows:

2024/25 £ per year		2025/26 £ per year
777.21	Band A*	886.59
932.65	Band A	1,039.90
1,088.10	Band B	1,213.23
1,243.54	Band C	1,386.55
1,398.98	Band D	1,559.86
1,838.10	Band E	2,049.48
2,273.34	Band F	2,534.77
2,739.67	Band G	3,054.73
3,427.50	Band H	3,821.66

Calculation of the Council Tax base

Band	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	CTRS Discount	Total Dwellings	Ratio to Band D	Band D Equivalent
A(Disabled)	0	0	0	9	0	8	21	200/360	12
Band A	7,447	326	18	4,331	56	3,709	8,454	240/360	5,636
Band B	16,892	506	49	8,408	8	5,876	18,126	280/360	14,098
Band C	7,905	192	(6)	3,211	25	1,837	8,192	320/360	7,282
Band D	6,289	129	(6)	2,202	11	736	6,128	360/360	6,128
Band E	4,969	78	19	1,203	18	255	4,697	473/360	6,171
Band F	1,848	20	(46)	308	5	46	1,762	585/360	2,863
Band G	849	13	(15)	115	2	24	810	705/360	1,586
Band H	70	1	(11)	8	2	2	66	882/360	162
									43,938
								Provision for bad debt	**422**
								Council Tax Base	**44,360**

Discounts, Reliefs and Exemptions

A council tax bill is reduced by 25% where a property has only one occupant or 50% where the property is empty. For council tax purposes certain students are not regarded as occupants. Certain properties may also qualify for relief if the property has been adapted for a disabled person. Properties undergoing major renovation or held pending demolition may be awarded exemption from council tax.

Non-Domestic Rate Income Account

Non-Domestic Rates Income Account

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

2024/25 £'000		2025/26 £'000
100,028	Gross rates levied	100,514
	Less:	
(10,004)	Reliefs and other deductions	(10,149)
(1,000)	Provision for bad and doubtful debts	(1,005)
89,024	Net non-domestic rate income	89,360
(3,848)	Adjustments for prior years	(1,944)
(657)	Adjustments for prior years - bad debt	264
84,519	Total Non Domestic Rate Income (before retention)	87,680
0	Non Domestic Rate Income Retained by the Council (BRIS)	0
84,519	**Contribution to National Non Domestic Rate Pool**	**87,680**
87,481	Distribution from National Non Domestic Rate Pool	84,737
(2,962)	**Net contribution to/(from) National Non Domestic Rate Pool**	**2,943**
87,481	**Net Non Domestic Rate Income to Comprehensive Income & Expenditure Statement**	**84,737**

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

Analysis of Rateable Values

Analysis of rateable Values:	£
Rateable value at 1/4/25	182,462,334
Running roll (full year RV)	(1,363,705)
Rateable value at 31/3/26	181,098,629
Less: partially exempt	(725,585)
Less: wholly exempt	(1,428,695)
Net rateable value at 31 March 2026	**178,944,349**

Non-Domestic Rate Charge

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

The national non-domestic rate poundage set by the First Minister for Scotland for 2025/26 was:

2024-25 Pence		2025-26 Pence
49.8p	Basic Property Rate per £	49.8p
4.7p	Suplementary Rate per £ for Properties between £51,000 and £100,000	5.6p
6.1p	Suplementary Rate per £ for Properties over £100,000	7.0p

Common Good Fund

Common Good Fund

The Council administers the Dumbarton Common Good Fund Account. The Fund is applied for the benefit of the people of Dumbarton. The figures below summarise the income and expenditure for the year as well as the assets and liabilities as at 31 March 2026. The fund does not represent assets of the Council and has not been included within the Balance Sheet on page 32.

Common Good Income and Expenditure Account for the year ended 31 March 2026

2024/25 Usable Reserves Revenue £'000	2024/25 Unusable Reserves Revaluation Reserve £'000	2024/25 Total £'000		2025/26 Usable Reserves Revenue £'000	2025/26 Unusable Reserves Revaluation Reserve £'000	2025/26 Total £'000
522		522	Gross Expenditure	411,032		411,032
(322)		(322)	Gross Income	(310,057)		(310,057)
200		**200**	**Cost of Service**	100,975		100,975
			Interest Payable and Similar Charges			
(7)		(7)	Interest and Investment Income	(10,356)		(10,356)
(7)		**(7)**	**Financing and Investment Income and Expenditure**	**(10,356)**		**(10,356)**
193		**193**	**(Surplus) or Deficit on Provision of Services**	**90,619**		**90,619**
			Other Income and Expenditure			
-	(367)	(367)	Unrealised gains on revaluation of land and buildings	-	-	-
193	**(367)**	**(174)**	**(Surplus)/Deficit for the Year**	**90,619**	**-**	**90,619**
(432)	(3,854)	(4,286)	Balance on Reserves brought forward	(368,582)	(3,854,000)	(4,222,582)
(239)	**(4,221)**	**(4,460)**	**Balance on reserves carried forward**	**(277,963)**	**(3,854,000)**	**(4,131,963)**

Common Good Balance Sheet as at 31 March 2026

31 March 2025 £'000		31 March 2026 £'000
	Non-current Assets	
3,854	Investment properties	3,854
	Current Assets	
393	Investments – West Dunbartonshire Council	229
0	Debtors	0
	Current Liabilities	
(25)	Creditors falling due within one year	48
4,222	**Total assets**	**4,131**
	Funds	
368	General Fund	277
3,854	Capital Adjustment Account	3,854
4,222	**Total Funds**	**4,131**

Note to the Common Good

Note 1 Property, Plant and Equipment

	Other Land and Buildings 2024-25 £'000	Other Land and Buildings 2025-26 £'000
Cost or Valuation		
At 1 April	3,854	3,854
Disposals in year	-	-
Revaluation Adjustments	-	-
Other reclassifications	-	-
At 31 March	**3,854**	**3,854**

Trust Funds

Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds, which may be used for various purposes depending on the terms of the Trust. In all cases, the funds do not represent assets of the Council and they have not been included within the Balance Sheet on page 32. Under the provisions of the "2005 Act" and the "Accounts Regulations" above, all registered charities in Scotland are required to prepare financial statements which must be externally scrutinised. The trust funds below are registered, under one registration, with the Office of the Scottish Charity Regulator. Management has reviewed the current arrangements for the trust funds to ensure the current arrangements reflect the needs of the Council and ensure that all obligations are met. Responsibility for the compliance with the new regulations was delegated to the Chief Officer - Resources.

Receipt and Payment Account

2024/25				2025/26		
Receipts	Payments	(Surplus)/ Deficit		Receipts	Payments	(Surplus)/ Deficit
£'000	£'000	£'000		£'000	£'000	£'000
(5)	6	1	**Dunbartonshire Educational Trust Scheme 1962**	(3)	15	12
		0	Endowments amalgamated to form trust			
(1)	0	(1)	**McAuley Prize for Mathematics**	(1)	0	(1)
		0	Provide prizes for those studying maths & computing			
(3)	6	3	**Alexander Cameron Bequest**	(7)	1	(6)
		0	To encourage and support one-off community activities in Clydebank			
(1)	0	(1)	**UIE Award**	(1)	0	(1)
			For students studying apprenticeships or training in industry			
(10)	12	2	Total	(12)	16	4

Statement of Balances as at 31 March 2026

Bank and Cash	01 April 2025 £'000	(Surplus)/deficit for year £'000	31 March 2026 £'000
Dunbartonshire Educational Trust Scheme 1962	(96)	12	(84)
McAuley Prize for Mathematics	(24)	(1)	(25)
Alexander Cameron Bequest	(119)	(6)	(125)
UIE Award	(27)	(1)	(28)
Total	**(266)**	**4**	**(262)**

Group Comprehensive Income and Expenditure Statement

Group Comprehensive Income and Expenditure Statement

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

2024/25 Gross Expenditure £'000	2024/25 Gross Income £'000	2024/25 Net Expenditure £'000		2024/25 Gross Expenditure £'000	2024/25 Gross Income £'000	2024/25 Net Expenditure £'000
			Service			
40,830	(35,434)	5,396	Resources	34,466	(28,441)	6,025
10,546	(1,414)	9,132	Regulatory and Regeneration	11,562	(1,685)	9,877
12,560	(36)	12,524	People & Technology	12,290	30	12,320
15,806	(54)	15,752	Citizens, Culture and Facilities	22,280	(453)	21,827
140,952	(9,987)	130,965	Education, Learning and Attainment	144,830	(8,776)	136,054
29,930	(3,730)	26,200	Roads and Neighbourhood	33,551	(7,441)	26,110
14,454	(9,190)	5,264	Housing and Employability	7,683	(6,956)	727
5,907	(11,493)	(5,586)	Miscellaneous Services	14,942	(20,135)	(5,193)
220,989	(125,238)	95,751	Health and Social Care Partnership	233,540	(134,932)	98,608
2,406	0	2,406	Requisitions	2,477	0	2,477
41,960	(53,019)	(11,059)	Housing Revenue Account	67,853	(61,991)	5,862
11280	(5,068)	6,212	Subsidiaries	11,256	(10,106)	1,150
547,620	**(254,663)**	**292,957**	**Net Cost of Service**	**596,730**	**(280,886)**	**315,844**
		2,100	Other Operating Expenditure and (income) - (Gain) / loss on Disposal of non-current assets			8,229
		44,258	Financing and Investment (Income) and Expenditure (Note 5)			41,285
		(312,167)	Taxation and Non-specific Grant Income (Note 6)			(350,927)
		27,148	**(Surplus)/Deficit on Provision of Services**			**14,431**
		278	Share of other Comprehensive Income and Expenditure of Associates and joint Ventures			(2,394)
		(8,530)	(Surplus)/Deficit arising from revaluation of non-current assets			44
		0	(Surplus)/Deficit on revaluation of assets held at fair value through other comprehensive income			33,776
		(20,840)	Remeasurement of the net defined benefit pension liability			(10,468)
		(29,092)	**Other Comprehensive (Income) and Expenditure**			**20,958**
		(1,944)	**Total Comprehensive (Income) and Expenditure**			**35,389**

Group Balance Sheet

Group Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the group. The net assets (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories (Note 24 Other Reserves provides a further explanation).

31 March 2025 £'000		Note	31 March 2025 £'000
1,278,157	Property, Plant and Equipment	16	1,272,113
2,128	Right of Use Assets		1,936
7,139	Investment Properties		3,329
1,264	Intangible Assets	17	1,109
2,022	Long Term Debtors		2,614
1,524	Heritage Assets	19	1,524
197	Long Term Investments		198
9,382	Investment in Associates & Joint Ventures		11,831
1,301,814	**Long Term Assets**		**1,294,654**
1,042	Asset Held for Sale	18	5,332
1,196	Inventories		1,384
67,358	Short Term Debtors	23	77,011
9,098	Cash and Cash Equivalents (net)	26	29,670
78,694	**Current Assets**		**113,397**
(61,698)	Short Term Creditors	28	(62,938)
(650)	Provisions		(618)
(4,346)	PPP	22	(4,740)
(252)	Short-term lease creditor ROU Asset		(223)
(334,350)	Short Term Borrowing	27	(348,607)
(401,296)	**Current Liabilities**		**(417,126)**
(78,508)	PPP and Finance Lease Liabilities	22	(73,768)
(467,240)	Long Term Borrowing	27	(521,476)
(1,927)	Long-term lease Creditor ROU Asset		(1,803)
(37,416)	Net Pensions Liability	13	(37,020)
(8,328)	Capital Grants Receipts in Advance	10	(5,801)
(1,297)	Liabilities in associates		(1,910)
(594,716)	**Long Term Liabilities**		**(641,778)**
384,496	**Net Assets**		**349,147**
	Represented by:		
(24,185)	Usable Reserves	MIR/30	(39,791)
(360,311)	Unusable Reserves	MIR/31	(309,356)
(384,496)	**Total Reserves**		**(349,147)**

The unaudited annual accounts were issued on 17 June 2026

Laurence Slavin
Chief Officer – Resources
Date: 17 June 2026

Group Movement in Reserves Statement

Group Movement in Reserves Statement

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

	Council Usable Reserves										
	General Fund balance	HRA Balance	Capital Grants and Receipts Unapplied Account	Capital reserve	Capital Fund	Other Reserves	Total Usable Reserves	Council Unusable Reserves	Share of Subsidiaries, Associates & Joint Ventures Usable Reserves	Share of Subsidiaries, Associates & Joint Ventures unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2025/26											
Balance at 31 March 2025 Carried Forward	**(12,272)**	**(611)**	**0**	**0**	**0**	**(242)**	**(13,125)**	**(353,928)**	**(11,101)**	**(6,383)**	**(384,537)**
Opening balance adjustment		**0**	**0**			**0**	**0**	**0**	**41**	**0**	**41**
Balance at 31 March 2025 Carried Forward (F	**(12,272)**	**(611)**	**0**	**0**	**0**	**(242)**	**(13,125)**	**(353,928)**	**(11,060)**	**(6,383)**	**(384,496)**
Movement in Reserve 2025/26											
Total Comprehensive Expenditure and Income	952	13,510	0	0	0	0	**14,462**	23,362	(2,435)	0	35,389
Adjustments between accounting basis and funding basis under regulations (Note 6)	(7,375)	(14,021)	0	(278)	(5,948)	0	**(27,622)**	27,622	(11)	(29)	(40)
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	**(6,423)**	**(511)**	**0**	**(278)**	**(5,948)**	**0**	**(13,160)**	**50,984**	**(2,446)**	**(29)**	**35,349**
Transfers to/(from) other statutory reserves	(6,229)	0	0	278	5,948	3	**0**	0	**0**	0	0
Closing Balance at 31 March 2026	**(24,924)**	**(1,122)**	**0**	**0**	**0**	**(239)**	**(26,285)**	**(302,944)**	**(13,506)**	**(6,412)**	**(349,147)**
2024/25											
Balance at 31 March 2024 Carried Forward	**(15,372)**	**(970)**	**(213)**	**0**	**0**	**(194)**	**(16,749)**	**(346,890)**	**(12,553)**	**(6,438)**	**(382,630)**
Opening balance adjustment	0	0	0			0	**0**	0	**0**	81	81
Opening Balance at 1 April 2024	**(15,372)**	**(970)**	**(213)**	**0**	**0**	**(194)**	**(16,749)**	**(346,890)**	**(12,553)**	**(6,357)**	**(382,549)**
Movement in Reserve 2024/25											
Total Comprehensive Expenditure and Income	27,568	(1,719)	0	0	0	0	**25,849**	(29,262)	**1,526**	0	(1,887)
Adjustments between accounting basis and funding basis under regulations (Note 6)	(23,051)	2,078	(1,252)	0	0	0	**(22,225)**	22,225	**(33)**	(27)	(60)
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	**4,517**	**359**	**(1,252)**	**0**	**0**	**0**	**3,624**	**(7,037)**	**1,493**	**(27)**	**(1,947)**
Transfers to/(from) other statutory reserves	(1,417)	0	1,465			(48)	**0**	0	**0**	0	
Closing Balance at 31 March 2025	**(12,272)**	**(611)**	**0**	**0**	**0**	**(242)**	**(13,125)**	**(353,927)**	**(11,060)**	**(6,384)**	**(384,496)**

Group Cash Flow Statement

Group Cash Flow Statement

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

2024/25 Cash Flow Statement £'000		2025/26 £'000	2025/26 £'000
	Operating Activities		
27,149	**Net deficit on the provision of services**		**14,431**
(36,511)	Depreciation, amortisation and impairment	(61,142)	
(2,305)	Net gain/loss on fixed assets	(8,229)	
(15,156)	Movement in pension liabilities	(10,018)	
(133)	Movement in inventories	188	
(6,239)	Movement in debtors	9,728	
1,707	Movement in creditors and provisions	1,907	
0	Other non-cash movements	0	
(58,637)	**Adjustments to net deficit on the provision of services for non-cash movements**		**(67,566)**
0	Financing movements	0	
21,214	Investing movements	41,600	
21,214	**Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities**		41,600
(10,274)	**Net cash inflow from Operating Activities**		**(11,535)**
120,375	Purchase of property, plant and equipment and intangible assets		97,392
(1,252)	Proceeds from sale of property, plant and equipment and intangible assets		(278)
(13)	Movement on long term investments		1
(21,249)	Other receipts from investing activities		(41,686)
0	Group Investment Transactions		0
97,861	**Net cash outflows from investing activities**		**55,429**
(453,663)	Cash receipts of short-term and long-term borrowing		(522,557)
257	Movement in IFRS 16 lease liability		273
3,590	Repayment of PPP liabilities		4,346
380,452	Repayment of short-term and long-term borrowing		453,472
(69,364)	**Financing Activities**		**(64,466)**
18,223	**Net cash (inflow)/outflow from financing activities**		**(20,572)**
27,321	Cash and cash equivalents at the beginning of the reporting period		9,098
9,098	Cash and cash equivalents at the end of the reporting period		29,670
18,223	**Movement – (Increase)/ Decrease in Cash**		**(20,572)**

Reconciliation of Liabilities arising from Financing Activities

	31 March 2025 £'000	Financing Cash flows £'000	Other non-cash adj £'000	Non-cash adj to FIAA £'000	31 March 2026 £'000
Long term Borrowing	467,240	54,236	0	0	521,476
Short term Borrowing	334,350	14,037	0	220	348,607
PPP Liability	82,854	(4,346)	0	0	78,508
ROU Asset Lease Liability	2,179	(273)	120	0	2,026
	886,623	**63,654**	**120**	**220**	**950,617**

Notes to the Group's Principal Financial Statements

Note 31 - Details of Combining Entities

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

Associates and Joint Ventures

Dunbartonshire and Argyll and Bute Valuation Joint Board was formed in 1996 at local government re-organisation by an Act of Parliament. The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of West Dunbartonshire, East Dunbartonshire and Argyll and Bute. The Board's running costs are met by the three authorities, with surpluses and deficits on the Board's operations also shared between the councils. In 2025/26, the Council contributed £0.827m (2024/25 £0.781m) or 28.05% of the Board's estimated running costs and its share of the year end net asset of £0.172m (2024/25 £0.178m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Valuation Joint Board, 16 Church Street, Dumbarton G82 1QL.

The West Dunbartonshire Health & Social Care Partnership - the Public Bodies (Joint Working) Act (Scotland) 2014 sets out the arrangements for the integration of health and social care across the country. The Scottish Government approved the Integration Scheme for West Dunbartonshire which details the 'body corporate' arrangement by which NHS Greater Glasgow & Clyde Health Board and the Council agreed to formally delegate health and social care services for adults and children (including criminal justice, social work services) to a third body, which is described in the Act as an Integration Joint Board. The Integration Joint Board for West Dunbartonshire is known as the West Dunbartonshire Health & Social Care Partnership Board (HSCP Board) and started operations on 1 July 2015. The Board's running costs are met by the two bodies mentioned above, with surpluses and deficits on the Boards operations also shared between them. In 2025/26, the Council contributed £94.103m (2024/25 £89.830m) towards estimated running costs and its share of the year end net asset of £11.658m (2024/25 £9.204m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Chief Financial Officer to the Integration Joint Board, 16 Church Street, Dumbarton G82 1QL.

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

	Dunbartonshires and Argyll and Bute Valuation Joint Board £'000	West Dunbartonshire Health & Social Care £'000	Total £'000
2025/26			
Surplus/ (Deficit) on Operating Activities	(60)	2,454	**2,394**
Non Current Assets	109	0	**109**
Current Assets	136	11,931	**12,067**
Non Current Liabilities	(43)	0	**(43)**
Current Liabilities	(28)	(273)	**(301)**
2024/25			
Surplus/ (Deficit) on Operating Activities	(154)	(124)	**(278)**
Non Current Assets	112	0	**112**
Current Assets	157	9,495	**9,652**
Non Current Liabilities	(43)	0	**(43)**
Current Liabilities	(48)	(291)	**(339)**

Subsidiaries

West Dunbartonshire Leisure Trust was formed in December 2011 and started trading on 5 April 2012. The Trust is a charitable company registered in Scotland and provides leisure facilities within the West Dunbartonshire area to the general public and operates sports centres, leisure centres, swimming pools, halls and community education centres owned by the Council. The Trust is paid a management fee by the Council for the provision of these services. The Trust's net asset at 31 March 2026 was £2.790m (2024/25 £2.172m net asset) and its surplus for the year was £0.617m (2024/25 deficit £0.417m). The accounts of the Trust are published separately and can be obtained from the Manager,

Notes to the Group's Principal Financial Statements

Leisure Trust Headquarters, Alexandria CE Centre, Alexandria, G83 0NU which is also the company's principal place of business.

Clydebank Property Company was part of a group organisation previously known as Clydebank Rebuilt which was a pathfinder urban regeneration organisation, limited by guarantee and included a commercial letting company (industrial units) and a registered charity (the Titan Trust). On 11 August 2014, following the transfer of the Titan Crane to the Property Company, the Council bought the commercial letting company with a view to continuing its regeneration objective. The Company's net asset at 31 March 2026 was £2.676m (2024/25 £2.883m) and its loss for the year before payment of a dividend was £0.157m (2024/25 £0.059m). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, Titan Enterprise, 1 Aurora Avenue, Queen's Quay, Clydebank G81 1BF which is also the Company's principal place of business.

West Dunbartonshire Energy Limited Liability Partnership is a company established in April 2021 and was Scotland's first large-scale water source heat pump district heating scheme. The ESCo is a Limited Liability Partnership (LLP) structure and is 99.9% controlled by WDC, with 0.1% being owned by Clydebank Property Company. The Company has a net liability at 31 March 2026 of £1.771m (2024/25: £0.521m) funded as working capital advance from the Council. Its deficit for the year was £0.289m (2024/25: £0.557m). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, 16 Church Street, Dumbarton G82 1QE.

Dumbarton Common Good is held in Trust by the Council. Although the council does not contribute to this fund financially, it has been included within the Council's Group through materiality by nature. Net usable spend in 2025/26 was £0.277m (2024/25 £0.193m net usable spend).

Trust Funds are held in Trust by the Council. Although the Council does not contribute to these funds financially, they have been included within the Council's Group through materiality by nature. There was a net deficit in funds of £0.006m (2024/25: net deficit of £0.002m) for the Trust Funds. For the purposes of the Group Accounts, two Trust Funds managed by the Council (Dunbartonshire Educational Trust and McAulay Prize for Mathematics Trust) have been consolidated based on the Council's share of the assets. Copies of the accounts may be obtained from West Dunbartonshire Council, 16 Church Street, Dumbarton G82 1QL.

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

	West Dunbartonshire Leisure Trust	Clydebank Property Company	WD Energy LLP	Common Good	Trust Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2025/26						
Surplus/ (Deficit) on Operating Activities	617	(202)	(289)	(91)	(6)	**29**
Non Current Assets	611	3,579	0	3,854	0	**8,044**
Current Assets	3,929	225	920	229	262	**5,565**
Non Current Liabilities	0	(1,128)	(2,597)	0	0	**(3,725)**
Current Liabilities	(1,750)	0	(94)	48	0	**(1,796)**
2024/25						
Surplus/ (Deficit) on Operating Activities	(417)	(100)	(557)	(193)	(1)	**(1,268)**
Non Current Assets	629	3,538	0	3,854	0	**8,021**
Current Assets	3,161	343	629	393	267	**4,793**
Non Current Liabilities	0	(816)	(2,004)	0	0	**(2,820)**
Current Liabilities	(1,618)	(182)	(108)	(25)	0	**(1,933)**

Notes to the Group's Principal Financial Statements

Note 32 – Non-Material Interest in Other Entities

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

Strathclyde Partnership for Transport is the statutory body responsible for formulating the public transport policy on behalf of the 12 local authorities in the West of Scotland. In 2025/26, the Council contributed £1.442m (2024/25 £1.421m).

Strathclyde Concessionary Travel Scheme Joint Board oversees the operation of the concessionary fares scheme for public transport on behalf of the 12 local authorities in the West of Scotland. The costs of the scheme are funded through requisitions from the 12 councils and by the Scottish Executive via a 'section 70' grant. In 2025/26, the Council contributed £0.169m (2024/25 £0.165m).

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

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

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

Note 33 – Financial Impact of Consolidation

The effect of inclusion of the entities on the Group Balance Sheet is to increase reserves and net assets by £19.918m (2024/25 £17.696m) respectively representing the Council's share of the realisable surpluses/deficits in these organisations. The group account has an overall net asset of £349.147m (2024/25 £384.496m).

Note 34 – Analysis of Material Items of Group Income and Expenditure

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

Contribution to Group Income and Expenditure Reserve:

2024/25 £'000		2025/26 £'000
178	Valuation Joint Board	173
9,204	West Dunbartonshire Health & Social Care	11,658
2,172	West Dunbartonshire Leisure Trust	2,789
2,883	Clydebank Property Company	2,676
(1,442)	WD Energy LLP	(1,771)
4,222	Common Good	4,131
267	Trust Funds	262
17,484	**Total**	**19,918**

Notes to the Group's Principal Financial Statements

Note 35 - Group Accounting Policies: Disclosure of differences with main Statement of Accounting Policies

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

Group Income and Expenditure Account

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

Group Balance Sheet

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

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

Independent Auditor's Report

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

Audit Arrangements

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

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

Statement

The audit of the Council's Accounts for 2025-26 is yet to be undertaken i.e. the figures are "subject to audit". The certified Accounts will be presented to the Council for approval.

Glossary of Terms

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

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

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

Asset: An item having value to the Council in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefit to the Council and to the Services it provides for a period of more than one year.

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

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

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

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

Capital Expenditure: Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing non-current asset.

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

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

Capital Grants Unapplied Account: Holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure.

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

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

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

Glossary of Terms

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

Community Assets: Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are municipal parks.

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

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

Creditor: Amounts owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Current Service Cost (Pensions): The increase in the present value of a defined benefit scheme's liabilities, expected to arise from employee service in the current period.

Debtor: Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme: Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Depreciation: The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

Discretionary Benefits (Pensions): Retirement awards, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.

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

Entity: A corporate body, partnership, trust, unincorporated association, or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

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

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

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

Glossary of Terms

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

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

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

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

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

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

Government Grants: Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

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

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

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

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

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

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

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

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

Liability: A liability is where the Council owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current

Glossary of Terms

liability is an amount which by arrangement is payable beyond the next year, at some point in the future, or is to be paid off by an annual sum over a period of time.

MiRS: The Movement in Reserves Statement (MiRS) shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those reserves that can be applied to fund expenditure or to reduce taxation) and unusable reserves.

National Non-Domestic Rates Pool: All Non-Domestic Rates collected by local authorities are remitted to the national pool and thereafter distributed to Councils by the Scottish Government.

Net Carrying Value: The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Non-current Assets: non-current Assets are not expected to be realised within 12 months and are held to provide future economic benefit to the Council.

Operating Leases: A lease where the ownership of the non-current asset remains with the lessor.

Past Service Cost (Pensions): For a defined benefit scheme, the increase in the present value of the scheme's liabilities relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pension Reserve: The Pension Reserve recognises the Council's share of the actuarial gains and losses in the Strathclyde Pension Fund and the change in the Council's share of the net liability chargeable to the CIES.

Pension Scheme Liabilities: The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. The scheme's liabilities, measured using the "project unit method", reflect the benefits that the employer is committed to provide for service up to the valuation date.

Post-Employment Benefits: All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment e.g. pensions in retirement

Prior Year Adjustment: Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provision: An amount put aside for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

Public Works Loan Board (PWLB): A Central Government Agency which provides loans for one year and above to Councils at interest rates based on those at which the Government can borrow itself.

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

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

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

Reserves: The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital

Glossary of Terms

reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

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

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

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

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

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

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

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

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

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