

# Agenda



## West Dunbartonshire Council

**Date:** Wednesday, 22 December 2021

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**Time:** 10:00

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**Format:** Hybrid Meeting

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**Contact:** Christine McCaffary, Senior Democratic Services Officer  
Email: [christine.mccaffary@west-dunbarton.gov.uk](mailto:christine.mccaffary@west-dunbarton.gov.uk)

Dear Member

Please attend a meeting of **West Dunbartonshire Council** as detailed above.

The Convener has directed that the powers contained in Section 43 of the Local Government in Scotland Act 2003 will be used and Members will have the option to attend the meeting remotely or in person at the Civic Space, Church Street, Dumbarton.

The business is shown on the attached agenda.

Yours faithfully

**JOYCE WHITE**

Chief Executive

### Distribution:-

Provost William Hendrie  
Bailie Denis Agnew  
Councillor Jim Bollan  
Councillor Jim Brown  
Councillor Gail Casey  
Councillor Karen Conaghan  
Councillor Ian Dickson  
Councillor Diane Docherty  
Councillor Jim Finn  
Councillor Daniel Lennie  
Councillor Caroline McAllister

Councillor Douglas McAllister  
Councillor David McBride  
Councillor Jonathan McColl  
Councillor Iain McLaren  
Councillor Marie McNair  
Councillor John Millar  
Councillor John Mooney  
Councillor Lawrence O'Neill  
Councillor Sally Page  
Councillor Martin Rooney  
Councillor Brian Walker

Chief Executive  
Chief Officers

Date of issue: 9 December 2021

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# **WEST DUNBARTONSHIRE COUNCIL**

**WEDNESDAY, 22 DECEMBER 2021**

## **AGENDA**

### **1 STATEMENT BY CHAIR**

### **2 APOLOGIES**

### **3 MINUTE'S SILENCE**

The Council is asked to observe a minute's silence as a mark of respect for the loss of 3 crew members of the Flying Phantom tug boat that sank in the River Clyde on 19 December 2007, and for the loss of 3 family members from Dumbarton in the Glasgow bin lorry accident on 22 December 2014.

### **4 DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on the agenda and the reasons for such declarations.

### **5 RECORDING OF VOTES**

The Council is asked to agree that all votes taken during the meeting will be done by roll call vote to ensure an accurate record.

### **6 MINUTES OF PREVIOUS MEETINGS**

**11 - 25**

Submit for approval, as correct records, the Minutes of Meetings of West Dunbartonshire Council held on:-

- (a) 27 October 2021 – ordinary meeting; and
- (b) 9 November 2021 – special meeting

## **7 OPEN FORUM**

The following question has been submitted:-

### **Question from Graham Parton – Land owned by Susan Dick**

My partner Susan Dick owns land which is under threat as result of the Exxon Development.

A meeting was held not long after the August open forum question and Susan and myself were asked for information which was provided and also told we would receive certain bits of information:-

Valuation of Sheepfold;

Answers to queries on the testing; and

A list of Council land which might be suitable – the suitability criteria to be decided by my agents and ourselves

Our agent supplied all the information promptly but here we are 3 months on and we have received no further information or updates.

Could you let us know what the delay is and when we should expect the replies as the information requested should surely be readily available.

## **8 ANNUAL AUDIT REPORT TO MEMBERS AND CONTROLLER 27 - 245 OF AUDIT AUDITED ANNUAL ACCOUNTS 2020/21**

Submit report by the Chief Officer – Resources on the above advising of Audit Scotland's findings in relation to the audits of the Council and Council administered charities.

## **9 TREASURY MANAGEMENT STRATEGY MID-YEAR 247 - 260 REPORT 2020/21**

Submit report by the Chief Officer – Resources providing an update on treasury management during the first seven months of 2021/22.

## **10 GLASGOW CITY REGION CITY DEAL - UPDATE 261 - 266**

Submit report by the Chief Officer – Regulatory and Regeneration providing an update on the Glasgow City Region and the Council's project for the Exxon site.



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|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>11</b> | <b>COVID-19 UPDATE</b>                                                                                                                                    | <b>To Follow</b> |
|           | Submit report by the Chief Executive on the above.                                                                                                        |                  |
| <b>12</b> | <b>GENERAL SERVICES BUDGET UPDATE</b>                                                                                                                     |                  |
|           | A verbal update will be given by the Chief Officer – Resources on the above.                                                                              |                  |
| <b>13</b> | <b>GENERAL SERVICES BUDGETARY CONTROL REPORT TO PERIOD 8</b>                                                                                              | <b>To Follow</b> |
|           | Submit report by the Chief Officer – Resources on the above.                                                                                              |                  |
| <b>14</b> | <b>HOUSING REVENUE ACCOUNT (HRA) BUDGETARY CONTROL REPORT TO PERIOD 8</b>                                                                                 | <b>To Follow</b> |
|           | Submit report by the Chief Officer – Resources on the above.                                                                                              |                  |
| <b>15</b> | <b>DALMUIR GOLF CLUB – MOTION FROM COUNCIL MEETING 16 DECEMBER 2020</b>                                                                                   | <b>To Follow</b> |
|           | Submit report by the Chief Officer – Roads & Neighbourhood.                                                                                               |                  |
| <b>16</b> | <b>SCHOOL CLOTHING GRANTS – MOTION FROM COUNCIL MEETING 26 AUGUST 2021</b>                                                                                | <b>267 - 269</b> |
|           | Submit report by the Chief Officer – Resources providing information of the qualifying criteria and thresholds for entitlement to school clothing grants. |                  |
| <b>17</b> | <b>UPDATE ON NUMBERS OF PEOPLE EXPERIENCING A FALL WHICH REQUIRED HOSPITAL TREATMENT – MOTION FROM COUNCIL MEETING 30 SEPTEMBER 2020</b>                  | <b>271 - 274</b> |
|           | Submit report by the Chief Officer – West Dunbartonshire Health & Social Care Partnership on the above.                                                   |                  |
| <b>18</b> | <b>WEST DUNBARTONSHIRE WAVE TRUST'S 70/30 CAMPAIGN – MOTION FROM COUNCIL MEETING 26 AUGUST 2021</b>                                                       | <b>275 – 280</b> |
|           | Submit report by the Chief Officer – West Dunbartonshire Health & Social Care Partnership on the above.                                                   |                  |

**19 COUNCIL CONTACT CENTRE UPDATE – MOTION FROM 281 - 287  
COUNCIL MEETING 29 SEPTEMBER 2021**

Submit report by the Chief Officer – Citizen, Culture & Facilities regarding abandoned calls and outlining ways in which the Council could improve its Contact Centre function.

**20 ANTI-SOCIAL BEHAVIOUR SERVICE – MOTION FROM 289 - 296  
COUNCIL MEETING 29 SEPTEMBER 2021**

Submit report by the Chief Officer – Housing & Employability providing an update on the current Anti-social Behaviour Service.

**21 VENTILATION IN LEARNING ESTABLISHMENTS 297 - 308  
MOTION FROM COUNCIL MEETING 27 OCTOBER 2021**

Submit report by the Chief Officer – Education providing an update on the approaches taken to ensure effective ventilation across our learning estate.

**22 CONTROLLED CROSSING – A814 DUMBARTON ROAD 309 - 314  
AT HALL STREET, CLYDEBANK – MOTION FROM  
COUNCIL MEETING 9 NOVEMBER 2021**

Submit report by the Chief Officer – Roads & Neighbourhood providing an update on the costs to remove and/or reinstate at an alternative location the installed pedestrian crossing facility located at A814 Dumbarton Road at Hall Street, Clydebank in the vicinity of Clydebank Town Hall.

**23 NOTICE OF MOTIONS**

**(a) Motion by Councillor Martin Rooney – Local Government Pay Award and Back-Pay**

This Council recognises the dedication and commitment of our local government employees to provide quality public services in West Dunbartonshire and In particular the sterling efforts of our staff during the public health emergency.

Council notes that, following eleven months of negotiations, the outcome of the recent ballot was for local authority workers to accept the pay rise on the understanding that the backdated pay should be in pay packets in December.

Unfortunately, it appears that the pay rise and associated backdated pay will not be in the December pay packet and instead hard working staff will have to wait until late January or early February to receive their back-pay.

- For Monthly Paid Staff they will receive the backdated pay on 28<sup>th</sup> January.
- For staff who are paid on a four weekly basis they will have to wait until 4<sup>th</sup> February

The delays mean that there is a risk that some lower paid staff will be in hardship in the run up to Christmas, while other staff who were expecting the December deadline to be met may have already made plans to use some of their back-pay during the festive period, may have to rearrange their plans.

This Council is disappointed about the length of time it has taken to conclude the negotiations; and the further delay in getting back-pay into wage packets. Council recognises that the delays will affect different workers in different ways.

Therefore, this Council calls on the Chief Executive to explore options to assist staff to access their back-pay through an advance of pay or another appropriate mechanism so that they can avoid unnecessary detriment over the festive period.

#### **(b) Motion by Councillor David McBride - New Fire and Carbon Monoxide Alarm Standards**

This Council welcomes the planned improvements to fire safety and protection against the risks of carbon monoxide poisoning.

All homeowners will be required to have interlinked alarms under legislation brought forward after Grenfell Tower tragedy in 2017. The Smoke and heat alarms must support interlinking, either via hardwire or cable or wireless radio frequency. These alarms significantly reduce casualties by alerting everybody in a property to a fire. This Council notes that all homes in Scotland must be fitted with interlinking smoke and heat alarms from February 2022.

In addition, all homes in Scotland where there is a carbon-fuelled appliance or flue will require a carbon monoxide alarm. Private rented and new-build homes must already meet these standards, but from February 2022 they will apply to every home in Scotland, regardless of age or tenure.

An average three-bedroom house would require 5 interlinked alarms, made up of three smoke alarms, one heat alarm and one carbon monoxide detector, at an estimated cost of £220. This is based on using the type of alarms that can be installed by the homeowner, without the need for an electrician. All these alarms can be either long-life sealed and battery operated, or mains operated. If a homeowner opts to install tamper proof long-life lithium battery alarms, the average total cost is estimated to be about £220 incur an additional cost.

Council notes that, the Scottish Government is providing £500,000 to help eligible older and disabled homeowners with installation, in partnership with Care and Repair Scotland. The Scottish Government guidance states that homeowners who

have questions about how this change in the law might affect their home insurance should check with their provider.

This Council notes the deadline of February 2022, for all homeowners and landlords in Scotland, to ensure that their property is compliant with the required standards of specified equipment.

The Council notes that there is a high degree of uncertainty and anxiety regarding the availability of skilled trades and equipment and about ensuring that the fire safety equipment gets installed by the prescribed deadline, especially as failure to do so could invalidate house insurance.

Given the above, this Council requests that the Chief Executive writes to the First Minister requesting that the legal deadline be extended by a full year, as it would be unacceptable to leave many in our community without effective insurance cover.

In addition, the Council requests that appropriate financial assistance be made available by the Scottish Government for people on low incomes to enable them to meet the cost of required installation. The Council also agrees consider how it could match-fund any financial assistance through the Private Sector Housing Grant. This could be allocated to Care & Repair to support the installation of safety measures for households on low incomes.

Council also agrees to run an information campaign during January to raise awareness of the new requirements, the Scottish Government deadline of February 2022 and to actively support the transition to the new safety standards. The campaign in January would assume the deadline remains unchanged.

This Council further agrees to update the above information on its website page with links to advice and guidance supplied by the Scottish Government.

**(c) Motion by Councillor Douglas McAllister - Scottish Government's Health and Well-being Census**

This Council is concerned with the controversial content of the Scottish Government's Health and Well Being Census.

The school survey seeks to ask our children to give details of their experience of explicit sexual acts. The Scottish Government's survey is overly intrusive and unsuitable for our children.

Therefore, this Council rejects the Scottish Government's survey in its current form and agrees that it is not fit for purpose. This Council agrees that pupils in West Dunbartonshire will not be issued with the survey.

**(d) Motion by Councillor Ian Dickson - Respectful Funeral Service**

Council asks officers to bring a report to a future Council meeting with options that work closely with our Procurement team and local funeral directors to provide a 'Respectful Funeral Service', which should enable families to access a tailored funeral package that is dignified, professional and affordable.

We want to make a difference to the lives of our residents and provide support to each other during the most difficult times. We believe everyone should have access to support which helps to provide a respectful and dignified funeral service, while keeping the financial costs to a minimum. Designed to remove unnecessary pressures and money worries after the loss of a loved one, similar packages have already been delivered in some other local authorities in Scotland with savings of up to half of the Scottish average cost of a funeral.

The core elements of these packages should endeavour to include where appropriate as a minimum:

- collection of the deceased from within WDC or any NHS Greater Glasgow and Clyde property
- care and preparation of the deceased
- a choice of coffin including environmentally friendly options
- cremation and return of ashes
- a place of rest and viewing facilities
- a hearse and one family car
- arrangements on the day of the funeral



**WEST DUNBARTONSHIRE COUNCIL**

At a Hybrid Meeting of West Dunbartonshire Council held in the Civic Space,  
16 Church Street, Dumbarton on Wednesday, 27 October 2021 at 10.00 a.m.

**Present:** Bailie Denis Agnew and Councillors Jim Bollan, Jim Brown, Ian Dickson, Diane Docherty, Jim Finn\*, Daniel Lennie, Caroline McAllister, Douglas McAllister, David McBride, Jonathan McColl, Iain McLaren, Marie McNair, John Millar, John Mooney, Lawrence O'Neill, Sally Page, Martin Rooney and Brian Walker.

\* arrived later in the meeting

**Attending:** Joyce White, Chief Executive; Peter Hessett, Chief Officer – Regulatory and Regeneration (Legal Officer); Stephen West, Chief Officer – Resources and Section 95 Officer; Angela Wilson, Chief Officer – Supply, Distribution & Property; Victoria Rogers, Chief Officer – People & Technology; Peter Barry, Chief Officer – Housing and Employability; Malcolm Bennie, Chief Officer – Citizen, Culture and Facilities; Richard Cairns, Strategic Adviser; Laura Mason, Chief Officer – Education; Beth Culshaw, Chief Officer, Health and Social Care Partnership; Sylvia Chatfield, Interim Chief Social Work Officer and Head of Mental Health, Learning Disability and Addictions; Gail MacFarlane, Chief Officer – Shared Services Roads and Neighbourhood; Pamela Clifford, Planning, Building Standards and Environmental Health Manager; Nigel Ettles, Principal Solicitor; James Hall, Policy Planning Officer; Barry Sheridan, ADP Strategy Officer; Adam Armour-Florence, Sustainability Officer; George Hawthorn, Manager – Democratic and Registration Services and Christine McCaffary, Senior Democratic Services Officer.

**Also attending:** Christopher Gardner, Senior Audit Manager, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Provost William Hendrie and Councillors Gail Casey and Karen Conaghan.

## **ELECTION OF CHAIR**

The Legal Officer advised that in the absence of the Provost and Depute Provost and in terms of Standing Order 2b the Council required to elect a Chair.

Councillor McColl, seconded by Councillor Dickson moved that Bailie Agnew chair the meeting and Councillor Douglas McAllister, seconded by Councillor McBride moved that Councillor Rooney chair the meeting.

On a roll call vote being taken, 8 members voted for Bailie Agnew, namely Bailie Agnew and Councillors Brown, Dickson, Docherty, Caroline McAllister, McColl, McLaren and McNair and 10 members voted for Councillor Rooney, namely Councillors Bollan, Lennie, Douglas McAllister, McBride, Millar, Mooney, O'Neill, Page, Rooney and Walker.

## **Councillor Martin Rooney in the Chair**

## **STATEMENT BY CHAIR**

Councillor Rooney thanked Members for their support, and advised that the meeting was being audio streamed and broadcast live to the internet and would be available for playback.

## **MINUTE OF SILENCE**

At the request of Councillor McColl, the Council observed a minute's silence as a mark of respect for Sir David Amess MP who had recently been murdered while carrying out his constituency surgery in Essex.

## **DECLARATIONS OF INTEREST**

Councillor John Mooney declared a non-financial interest in Item 11 – Mental Health Services in West Dunbartonshire, being chair of Stepping Stones stating that he would take part in the discussion thereon.

Councillor Lawrence O'Neill declared a non-financial interest in Item 17 – Duntiglennan Fields, Duntocher, being convener of the Clyde & Loch Lomond Plan Joint Committee and advised that he would take part in the discussion thereon.

## **RECORDING OF VOTES**

The Council agreed that all votes taken during the meeting would be done by roll call vote to ensure an accurate record.



## **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of West Dunbartonshire Council held on 29 September 2021 were submitted and approved as a correct record.

## **OPEN FORUM**

The Council noted that no open forum questions had been submitted by members of the public.

## **GLASGOW CITY REGION CITY DEAL UPDATE**

A report was submitted by the Chief Officer – Regulatory and Regeneration providing an update on the implementation of the Glasgow City Region City Deal.

After discussion and having heard officers in answer to Members' questions, the Council agreed:-

- (1) to note the progress of the Glasgow City Region, and
- (2) to note the progress of the Council's City Deal project for the Exxon site.

Note: Councillor Jim Finn joined the meeting during consideration of the above item.

## **COVID-19 UPDATE**

A report was submitted by the Chief Executive providing an update in relation to COVID-19 in West Dunbartonshire.

After discussion and having heard officers in further explanation and in answer to Members' questions, the Council agreed:-

- (1) to note the information provided on COVID-19 in West Dunbartonshire since the update provided to the September 2021 Council meeting;
- (2) to note the information provided in relation to the additional support and advice that the Council was providing to communities and businesses across West Dunbartonshire to help alleviate the impact of COVID-19; and
- (3) to note the exercise of the Chief Executive's delegation to allow procurement of the carbon dioxide monitors as detailed at paragraph 4.2.2 of the report.

## **WEST DUNBARTONSHIRE COUNCIL ANNUAL PERFORMANCE REPORT 2020/21**

With reference to the Minutes of Meeting of West Dunbartonshire Council held on 29 September 2021 re-submit report by the Chief Officer – Citizen, Culture and Facilities presenting West Dunbartonshire Council's Annual Report 2020/21 and supporting performance information.

Councillor Rooney moved:-

Council is disappointed with the 2020/21 Annual Performance Report.

Of forty performance indicators only 21 were met or exceeded the target.

The other 19 performance indicators failed to achieve the council target.

This low level of achievement cannot be masked by infographics showing we purchased 9 additional electric cars or by suggesting that the introduction of remote council meetings during the pandemic is anything to do with the Council Annual Performance Report.

The report shows that:

- Only 89.66% of pupils moved into positive destinations
- The procurement spend target of 12% was missed achieving just 8.23%
- The percentage of lost rent due to voids was 1.2% against a target of 0.88%
- The percentage of houses meeting the SHQS fell from 95.7% to 82.84% (the target was 96.37%)
- The percentage of children living in poverty in West Dunbartonshire increased from 25% to 26.8%
- The percentage of citizens who agree the council listens to community views when designing and delivering services was 67% against a target of 85%
- The percentage of street cleanliness index fell from 89.7 to 84.9 against a target of 92.8%
- Recycling of household waste fell from 44.78% to just 34.2% against a target of 58%.

This is an illustration of West Dunbartonshire Council's performance against its own targets.

We can argue about the reasons for the failure to achieve our targets but it's a matter of public record that we simply did not achieve the level of performance that we set for ourselves.

Councillor McBride asked Councillor Rooney if he would accept the following addendum:-

Council continues to support the staff of West Dunbartonshire Council who have worked tirelessly during the pandemic and note that this Council moved a motion that their pay should be increased and funding should be met by the Scottish Government.

Councillor Rooney confirmed his acceptance of the addendum, and Councillor McBride then seconded the motion.

As an amendment Councillor McColl, seconded by Councillor Dickson moved:-

Council thanks staff for the work done during the pandemic and is pleased with the positive report we have which reflects improved performance in many areas despite the difficulties we have faced over the past year. With 33 of the 39 targets being met and most of the 6 targets significantly missed being due to the pandemic we could not have asked more from our staff. Council commends the report for publication.

On a roll call vote being taken 9 members voted for the amendment, namely Bailie Agnew and Councillors Brown, Dickson, Docherty, Finn, Caroline McAllister, McColl, McLaren and McNair and 10 members voted for the motion, namely Councillors Bollan, Lennie, Douglas McAllister, McBride, Millar, Mooney, O'Neill, Page, Rooney and Walker. The motion was accordingly declared carried.

### **AVOIDABLE DRUG DEATHS IN WEST DUNBARTONSHIRE**

A report was submitted by the Head of Mental Health, Learning Disabilities and Addictions advising of the work that the Alcohol and Drug Partnership was undertaking to reduce drug harms and drug related mortality within West Dunbartonshire.

After discussion and having heard the ADP Strategy Officer in further explanation and in answer to Members' questions, the Council agreed to note the contents of the report.

### **ADJOURNMENT**

The Council agreed to adjourn the meeting for a period of 10 minutes.

The meeting reconvened at 12.36 p.m. with those listed in the sederunt present.

### **MENTAL HEALTH SERVICES IN WEST DUNBARTONSHIRE**

A report was submitted by the Head of Mental Health, Learning Disabilities and Addictions providing an update on the mental health services within West Dunbartonshire and the impact of the COVID-19 pandemic on the service response.

After discussion and having heard officers in further explanation and in answer to Members' questions, the Council agreed to note the content of the report.

Note:- Councillor McNair left the meeting at this point.

## **ESTATE MANAGEMENT**

A report was submitted by the Chief Officer – Housing and Employability providing an update on the current condition of the Council's housing estates throughout West Dunbartonshire, and outlining the commitment to work with communities and key partner services to deliver sustained improvements.

After discussion and having heard the Chief Officer – Housing and Employability in answer to Members' questions, the Council agreed:-

- (1) to note that Housing Operations would lead on further community consultation and engagement work with the West Dunbartonshire Tenants & Residents Organisation (WDTRO), local residents and community groups, in partnership with relevant Council service areas;
- (2) to note the wider ongoing delivery model for estate management through the Your Community initiative in collaboration with Greenspace, Environment Services, Communities Team, Housing Services and WDRTO; and
- (3) to note the potential costs for additional work set out in paragraph 7 of the report.

## **CLIMATE CHANGE ACTION PLAN**

A report was submitted by the Chief Officer – Regulatory and Regeneration seeking approval of a new Climate Change Action Plan, which detailed Climate Change actions required to achieve net zero emissions by 2045.

After discussion and having heard the Sustainability Officer in answer to Members' questions, the Council agreed:-

- (1) to note the content of the report;
- (2) to approve the Climate Change Action Plan and its long term aspirations (as shown as Appendices 1 and 2 to the report) subject to typographical errors being corrected and updates to the Foreword being carried out in consultation with Councillor McLaren; and
- (3) the importance of support from all service areas to deliver actions in light of the global Climate Emergency.

## **LONG TERM FINANCE STRATEGY**

A report was submitted by the Chief Officer – Resources providing an update of the Council's Long Term Finance Strategy, together with information on the estimates process for the General Fund and the Housing Revenue Account (HRA).

The report also provided an update on the position regarding reserves, including projections in relation to funds held for provisions, earmarked balances and free reserves.

After discussion and having heard the Chief Officer – Resources in further explanation and in answer to Members' questions, the Council agreed:-

- (1) to note a typographical error at paragraph 4.17 of the report and that the figure shown should be 0.5%;
- (2) to note that the updated strategy had developed estimates of the Council's funding position to 2024/25 and identified cumulative anticipated revenue funding gaps within General Services of £5.612m for 2022/23; £12.414m for 2023/24; and £14.355m for 2024/25;
- (3) to note the position regarding the HRA projections to 2024/25;
- (4) to note the projection for the General Fund of a 10 year position to 2030/31;
- (5) to approve the long term financial strategy, as attached as Appendix 1 to the report;
- (6) to note the current assumed position regarding the impact of COVID-19 in 2021/22 and onwards;
- (7) to note the update and projected year-end position regarding reserves and provisions;
- (8) to note that the Corporate Management Team was in the process of generating efficiencies for consideration at a future Council meeting; and
- (9) to note the various issues and assumptions at this stage as advised in the Strategy document and the report;
- (10) to note the position regarding the Scottish Government planned budget announcement; and
- (11) to note that the projected position was subject to amendment as assumptions continued to be clarified and revised between now and the Council meeting in March 2022.

## **GENERAL SERVICES BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2021 (PERIOD 6)**

A report was submitted by the Chief Officer – Resources advising on both the General Services revenue budget and the approved capital programme to 30 September 2021.

After discussion and having heard officers in answer to Members' questions, the Council agreed:-

- (1) to note that the revenue account currently showed a projected annual adverse variance of £0.281m (0.12% of the total budget), excluding any variance projected for COVID-19 which was expected to be fully funded by Scottish Government funding carried forward from 2020/21 and that to be received in-year 2021/22; and
- (2) to note that the capital account showed that expenditure and resource use for 2021/22 was lower than budget by £9.643m (17.86% of budget), made up of £9.532m (17.65% of budget) relating to project slippage, and an in-year underspend of £0.111m.

## **HOUSING REVENUE ACCOUNT (HRA) BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2021 (PERIOD 6)**

A report was submitted by the Chief Officer – Resources providing an update on the financial performance to 30 September 2021 (Period 6) of the HRA revenue and capital budgets for 2021/22.

The Council agreed:-

- (1) to note that the revenue analysis showed a projected annual favourable variance of £0.006m;
- (2) to note the net projected annual position in relation to the capital plan was highlighting an in-year variance of £1.649m which is made up of slippage of £1.999m (4.14%) and overspend of £0.350m (0.72%) as detailed in Appendix 4 of the report; and
- (3) to approve the capital virement as detailed in Appendix 9 of the report relating to MSF Fire Risk Assessment Works.

## **DUNTIGLENNAN FIELDS, DUNTOCHER - APPEAL DECISION OF COURT OF SESSION**

A report was submitted by the Chief Officer – Regulatory and Regeneration relating to the recent decision of the Court of Session to reject the Council's challenge to the Scottish Government Reporter's decision to allow an appeal by the developer and grant planning permission for application DC19/203: Erection of residential

development at Farm Road (Duntiglennan Fields), Duntocher, Clydebank and outlining potential options open to the Council following the decision.

Following discussion and having heard the Legal Officer and Principal Solicitor in answer to Members' questions, the Council agreed:-

To continue with the appeal and that we lodge our application seeking leave to appeal to the Supreme Court, and that the funding come from reserves, being the same source that has funded the appeal to this stage.

### **VARIATION IN ORDER OF BUSINESS**

Having heard Councillor Rooney, Chair, the order of business was varied as hereinafter minuted.

### **ENHANCED LIVING STANDARD FOR HIGH-RISE HOMES**

A report was submitted by the Chief Officer - Housing and Employability providing an update on the work to develop the enhanced living standard for high-rise homes in West Dunbartonshire including the development of a new high-rise home strategy.

After discussion and having heard the Chief Officer in answer to Members' questions, the Council agreed:-

- (1) to note the content of the report; and
- (2) to note that a new High Rise Home Strategy would be developed and presented to the Housing and Communities Committee for approval in summer 2022 after full consultation with tenants and the West Dunbartonshire Tenants and Residents Organisation (WDTRO);
- (3) that in connection with paragraph 4.11(e) of the report, a report be brought back to Members annually regarding current safety measures and improvements in available cladding being manufactured; and
- (4) that in connection with paragraph 4.11(f) of the report, that emergency lighting and fire door faults must be actioned within emergency timescales.

### **NOTICE OF MOTIONS**

#### **Motion by Councillor John Mooney – Effective Ventilation in West Dunbartonshire Schools**

Councillor Mooney, seconded by Councillor Millar moved:-

This Council notes that at the previous meeting in September, when discussing the COVID report, Councillors received a verbal update on ventilation in schools.

In essence, the Council received a share of Scottish government resources and purchased CO2 monitors. The monitors measure the levels of carbon dioxide in the air and when they reach a set level action would be required.

However, if the school doesn't already have an effective ventilation system then the only action that can be taken is to open the windows which is not always the best idea in the middle of winter; or to remove the pupils from classrooms or shared spaces to reduce the CO2 levels.

This Council is disappointed that there does not appear to have been a significant investment in ventilation systems in schools as the limited funding from the Scottish Government would not be adequate enough to fund this level of protection for pupils, teachers and school staff. We are also concerned that the completion of school flu vaccination programme has been delayed until December.

The UK Health & Safety Executive has published guidance on ventilation at the start of COVID-19 and this was last updated on 6<sup>th</sup> October 2021. The Scottish Government also published its own guidance on fresh air and ventilation.

Given the above, this Council calls on the Chief Executive to bring forward a report outlining the measures taken to ensure that schools remain COVID-SAFE during the coming winter. The report should identify which schools have ventilation systems and the extent of their coverage. It should also set out the number of CO2 monitors that the Council has purchased and which schools they are located in.

The report should set out any other measures that have been taken to ensure that our schools are adequately ventilated during the winter to minimise the risk of another spike of infections.

As an amendment Councillor McColl, seconded by Bailie Agnew moved:-

Council thanks our staff at all levels, pupils, parents and others for the efforts being made to follow rules and guidance and ensure that our schools are as safe as possible for those who use them.

This Council notes that at the previous meeting in September, when discussing the COVID report, Councillors received a verbal update on ventilation in schools.

Since then officers have issued a written update to members on the procurement of CO2 monitors, fully funded by the Scottish Government; this was issued after the motion was published.



It is unrealistic to expect that:

1. The Scottish Government would be able to provide funding to design, purchase and install ventilation systems in every school across Scotland.
2. 32 Councils across Scotland would be able to procure the services of qualified professionals to design and install bespoke ventilation systems in every school in the country at the same time.
3. 32 Councils would be able to procure the materials required to build such ventilation systems at the same time.

It should be pointed out that no Government in the UK is fitting out their schools with ventilation or extraction systems and instead have issued guidance to education authorities on how best to mitigate risks and what reasonable actions can be taken to protect those using school buildings.

Council notes that the Chief Executive and Leader of the Council have confirmed time and time again to Council that we have followed rules and guidance throughout this pandemic and the Council will continue to do so.

Given the next Council meeting is not until December, rather than ask officers to prepare a report, Council asks officers to prepare a briefing for elected members and the public on what measures we have and are taking in our schools to protect pupils, teachers, staff and visitors.

On a roll call vote being taken 8 members voted for the amendment, namely Bailie Agnew and Councillors Brown, Dickson, Docherty, Finn, Caroline McAllister, McColl and McLaren and 10 members voted for the motion, namely Councillors Bollan, Lennie, Douglas McAllister, McBride, Millar, Mooney, O'Neill, Page, Rooney and Walker. The motion was accordingly declared carried.

### **Motion by Councillor John Millar – Gillz Little Gems Out of School Care**

Councillor Millar moved:-

This Council notes that local politicians gave a commitment to the security of St. Martins Primary School.

Councillors agreed that as well as attracting more children to the school it was important that the council also made best use of the available space.

Gillz Little Gems Out of School Care already caters for 78 children and there is a large waiting list for places.

They are currently using the Alexandria Community Centre but are keen to get a permanent base so that they can grow the service for the community.

Given the above, Council agrees to enter into negotiations with a view to securing a long-term rental agreement with Gillz Little Gems Out of School Care on terms acceptable to both parties.

Following Councillor Millar's confirmation that he understood that other locations might need to be considered, the Council agreed the motion.

The meeting closed at 3.07 p.m.

DRAFT

**WEST DUNBARTONSHIRE COUNCIL**

At a Hybrid Meeting of West Dunbartonshire Council held in the Civic Space,  
16 Church Street, Dumbarton on Tuesday, 9 November 2021 at 10.04 a.m.

**Present:** Provost William Hendrie, Bailie Denis Agnew and Councillors Jim Bollan, Jim Brown, Gail Casey, Karen Conaghan, Ian Dickson, Diane Docherty, Jim Finn, Daniel Lennie, Caroline McAllister, David McBride, Jonathan McColl, Iain McLaren, John Millar, John Mooney, Lawrence O'Neill, Sally Page, Martin Rooney and Brian Walker.

**Attending:** Joyce White, Chief Executive; Peter Hissett, Chief Officer – Regulatory and Regeneration (Legal Officer); Stephen West, Chief Officer – Resources and Section 95 Officer; Peter Barry, Chief Officer – Housing & Employability; Victoria Rogers – Chief Officer – People and Technology; Laura Mason – Chief Officer – Education, Learning and Attainment; George Hawthorn, Manager – Democratic & Registration Services and Lynn Straker, Committee Officer.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Douglas McAllister and Marie McNair.

**STATEMENT BY CHAIR**

The Provost advised that the meeting was being audio streamed and broadcast live to the internet and would be available for playback.

**URGENT ITEM OF BUSINESS**

The Provost advised that he had received and accepted a request from Bailie Agnew for an urgent item of business to be considered in connection with the positioning of traffic lights at the corner of Hall Street/Dumbarton Road, Clydebank and that this would be considered as the last item of business on the agenda.

**DECLARATIONS OF INTEREST**

It was noted that there were no declarations of interest in the item of business on the agenda.

## **RECORDING OF VOTES**

The Council agreed that all votes taken during the meeting would be done by roll call vote to ensure an accurate record.

### **A NATIONAL CARE SERVICE (NCS) FOR SCOTLAND CONSULTATION**

A report was submitted by the Chief Executive seeking approval for a formal response to the consultation on a National Care Service (NCS) for Scotland through the adoption of a response developed by Convention of Scottish Local Authorities (CoSLA) and further enhanced by the professional advice of Council Chief Officers.

After discussion and having heard the Chief Executive, the Chief Officer – Resources and the Chief Officer – Health and Social Care Partnership Board in further detail of the proposed response, Councillor Mooney, seconded by Councillor Millar, moved:-

This Council agrees the formal response at Appendix I to the report with the following additions:-

- Council fully supports a National Care Service for Scotland which focuses on cultural change and values social care staff in the same way as NHS staff. However, Council is concerned about the lack of local governance and accountability, and the impact of centralisation of service on the excellent local partnership arrangements already in place.
- Valuing the new National Care Service for Scotland includes properly rewarding staff. Council therefore supports the campaign for £15 an hour for social care staff and calls for an immediate increase to £12 per hour; with further phased increases to get the rate to £15 per hour. The new National Care Service should also include a commitment to collective bargaining rights for social care staff.
- Underfunding of Scottish Councils and social care has led to a narrowing of eligibility and cuts to services. Therefore, funding needs to be a national priority, and the funding gap of £650 million identified in the Feeley report should be released to local authorities to immediately start social Care improvements rather than waiting years for legislation to be passed.
- In addition, the Council supports the immediate ending of all non-residential care charges to ensure vulnerable people no longer have to pay for care connected to their health condition.

Council agrees that the above bullet points will be included at appropriate sections of the Council's formal response.

## **ADJOURNMENT**

The Council agreed to adjourn the meeting for a period of 30 minutes.

The meeting reconvened at 10.48 a.m. with those listed in the sederunt present.

As an amendment, Councillor McColl, seconded by Bailie Denis Agnew, moved:-

This Council agrees the formal response to the consultation on a National Care Service (NCS) for Scotland as outlined in Appendix I of this report and delegates submission of same to the Scottish Government.

Councillor Bollan asked Councillor Mooney if he would be willing to accept an addendum to his motion however Councillor Mooney declined to accept the proposed addendum.

On a roll call vote being taken 12 Members voted for the amendment, namely Provost Hendrie, Bailie Agnew and Councillors Brown, Conaghan, Dickson, Docherty, Finn, Caroline McAllister, McColl, McLaren, Page and Walker and 8 Members voted for the motion, namely Councillors Bollan, Casey, Lennie, McBride, Millar, Mooney, O'Neill and Rooney. The amendment was accordingly declared carried.

**URGENT ITEM OF BUSINESS**  
**POSITIONING OF TRAFFIC LIGHTS AT THE CORNER OF HALL STREET/  
DUMBARTON ROAD, CLYDEBANK**

Bailie Agnew moved:-

This Council laments the positioning of traffic lights at the corner of Hall Street/Dumbarton Road as it impacts to the detriment of the Hall Street War Memorial. Council agrees we should remove or relocate these lights to a more suitable location.

Council asks officers to prepare a report with options to achieve this and bring it to December 2021 Council.

A site visit should be arranged for interested members with appropriate officers and partner agencies.

Following a request from Councillor Conaghan, Bailie Agnew accepted the following addendum to his motion:-

To change the wording slightly to state we should consider removing or relocating these lights to a more suitable location once Council have had a site visit and seen a detailed report into the proposal before making a final decision.

The Council agreed the motion with addendum.

The meeting closed at 11.38 a.m.

DRAFT

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Officer - Resources****Council – 22 December 2021**

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**Subject: Annual Audit Report to Members and Controller of Audit Audited Annual Accounts 2020/2021**

**1. Purpose**

**1.1** The purpose of this report is to:

- (a) advise Council of Audit Scotland's findings in relation to the audit of the Council and the audit of Council administered charities;
- (b) submit to Council the audited 2020/21 Financial Statements of the Council for 2020/2021 and to highlight matters of interest; and
- (c) submit to Council the audited 2020/21 Financial Statements of the Charities administered by the Council and highlight matters of interest.

**2. Recommendations**

**2.1** Council is invited to:

- (a) note the contents of this report;
- (b) note the clean audit opinions and the findings of the audits as detailed in Audit Scotland's report dated 17 November 2021; and
- (c) note the audited Annual Accounts 2020/21 of both the Council and the Council administered Charities and that these were reported to and approved by the Audit Committee on 17 November 2021.

**3. Background**

**3.1** The Council's draft unaudited Annual Accounts (including the Group Accounts) for 2020/21 were reported to Council on 23 June 2021 and passed to the Accounts Commission before the statutory deadline on 30 June 2021.

**3.2** The Charitable Trusts' draft, unaudited accounts for 2020/21 were also reported to June 2021 Council.

**3.3** As the external auditor of the Council, it is Audit Scotland's responsibility to undertake their audit work in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.

- 3.4** Council on 23 June 2021 agreed to delegate authority to the Audit Committee to formally approve the audited accounts if the finalised audited accounts could not be reported to a Council meeting prior to the end of November. Due to the timing of the completion of the audit, the audited accounts were not available to be reported to either the October Council or the Council meeting on 9 November.

#### **4. Main Issues**

- 4.1** The audits of the Annual Accounts for both the Council and the Council-administered Charities have now been completed. The Council has received Annual Audit Report to Members and Controller of Audit which is appended to this report for consideration (Appendices 1 and 2). The audited Annual Accounts for the Council and the Council-administered Charitable Trusts are appended to this report for consideration and approval (Appendices 3 and 4).

#### **West Dunbartonshire Council and Charities Audit Report**

- 4.2** Audit Scotland, as the Council's external auditors, has issued a report dated 17 November 2021 which details the main issues arising from the audit of the Council and its Annual Accounts. The full report is appended to this report (Appendix 1).
- 4.3** The report identifies 2 recommendations for improvement for the Council. It also identifies a further 2 recommendations in relation to the Trust Funds. The report also provides management responses for these actions and an update on the 7 actions identified from the 2019/20 Audit Report (5 of which are noted as completed and 2 as ongoing).
- 4.4** The Audit Opinion is detailed on page 8 of the report which advises that Audit Scotland expect to issue an unqualified opinion on the Council's Annual Accounts. Page 15 reports that Audit Scotland expect to issue an unqualified opinion on the Charities Annual Accounts.
- 4.5** The report also appends (see Appendix 2) the proposed independent auditor's report and the draft letters of representation (ISA 580) which the Chief Officer - Resources is required to sign and submit to Audit Scotland.

#### **The Council's Accounts**

- 4.6** A number of presentational and monetary adjustments were identified within the draft Annual Accounts during the course of the audit, the effect of which results in a net increase in the Council's General Fund reserve balance of £0.225m due to the release of a provision to earmarked reserves. Further detail on the updated General Fund position is noted below:



	<b>Free Reserve £000</b>	<b>Earmarked Reserve £000</b>	<b>Total Reserve £000</b>
Draft Financial Statements	3,337	11,466	14,803
Release of provision to earmarked reserve	0	225	225
<b>Audited Financial Statements</b>	<b>3,337</b>	<b>11,691</b>	<b>15,028</b>

**4.7** I am pleased to report that a clean audit opinion has been given in relation to these Accounts.

**4.8** The management commentary on pages 2 to 18 of the Annual Accounts summarises the major matters contained within the document and provides an explanation of the Council's financial position as at 31 March 2021. In particular:

(a) In relation to the General Fund:

- The accounts show a General Fund balance of £15.028m as at 31 March 2021. Of this balance, £11.691m is earmarked for ring-fenced purposes, leaving an unearmarked balance of £3.337m;
- The unearmarked balance of £3.337m compares to the targeted prudential level of reserve of £3.000m which is considered necessary to safeguard assets and to protect services against financial risk; and

(b) In relation to the Housing Revenue Account, the accounts show an HRA balance of £7.364m as at 31 March 2021. Of this balance £6.441m is earmarked, leaving a free balance of £0.923m which is in line with the recommended prudential level of HRA reserve of £0.923m.

**4.9** On pages 20 to 29 of the accounts is the Annual Governance Statement. This Statement provides assurance that the Council has in place a sound system of governance control. The Governance Statement identifies a number of areas where officers have identified improvements can be made.

#### **Charitable Trusts' Accounts**

**4.10** I am pleased to report that a clean audit opinion has been given in relation to these Accounts.

**4.11** Page 7 of the Accounts details the Statement of Balances and highlights an increase in the balances held from £0.277m to £0.280m as at 31 March 2021.

## **5. Option Appraisal**

**5.1** No option appraisal was required for this report.

## **6. People Implications**

**6.1** There are no people implications.

## **7. Financial and Procurement Implications**

**7.1** There are no financial or procurement implications.

## **8. Risk Analysis**

**8.1** No risk analysis was required.

## **9. Equalities Impact Assessment (EIA)**

**9.1** No equalities impact was required in relation to the preparation of this report.

## **10. Consultation**

**10.1** The views of relevant officers were requested on this report and the appendices and view were taken on board.

## **11. Strategic Assessment**

**11.1** The report is in relation to a statutory function. As such, it does not directly affect any of the strategic priorities.

.....  
**Stephen West**  
**Chief Officer - Resources**  
**Date: 19 November 2021**

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**Person to Contact:** Stephen West, Chief Officer - Resources, Church Street,  
Dumbarton  
Telephone (01389) 737191  
E-mail: stephen.west @west-dunbarton.gov.uk

**Appendices:**

1. Audit Scotland's Proposed 2020/21 Annual Audit Report to West Dunbartonshire Council and Controller of Audit;
2. West Dunbartonshire Council –ISA 580;
3. Charitable Trusts – ISA 580;
4. Audited Annual Accounts 2020/21 – West Dunbartonshire Council; and
5. Audited Annual Accounts 2020/21 – Charitable Trust Funds.

**Background Papers:** 1. Report to Council of 23 June 2021: Draft Annual Accounts 2020/2021

**Wards Affected:** All



# West Dunbartonshire Council

## Proposed 2020/21 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Members of West Dunbartonshire Council and the Controller of Audit  
17 November 2021

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# Key messages

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## 2020/21 annual accounts

- 1 The financial statements of West Dunbartonshire Council and its group give a true and fair view of its financial position for the year ended 31 March 2021. Our audit opinions on the annual accounts of the council, its group and the section 106 charities administered by the council are unmodified.
- 2 Covid-19 led to delays in the auditing timetable for 2020/21 annual accounts. Submission of the audited annual accounts is in line with revised government timescales.

## Financial management and sustainability

- 3 Financial management is effective. Services were delivered within budget and reported a surplus of £0.585 million. In addition, £6.738 million of Covid-19 funding received was carried forward for future years.
- 4 Costs relating to the Covid-19 pandemic totalled £13.692 million in 2020/21. The council received £20.430 million of direct funding, and administered £24.305 million of agency income, provided by the Scottish Government in 2020/21.
- 5 The pandemic impacted progress on the council's capital projects, with slippage of 34 per cent against the 2020/21 programme.
- 6 The council is planning to deliver on its 2021/22 budget with additional Covid-19 funding.
- 7 Covid-19 funding has increased the council's reserves but these will be needed to meet ongoing costs of the pandemic on services. The council is projecting funding gaps increasing to £14.355 million by 2024/25.

## Governance and transparency

- 8 The council's revised governance arrangements, introduced at the start of the pandemic, are appropriate and operated effectively during 2020/21.
- 9 The council conducts its business in an open and transparent manner and provided clear information for residents on services affected by the pandemic.

## Best Value

- 10** The council continues to make good progress in demonstrating evidence of improvement in its services and has a clear focus on delivering Best Value. The council has addressed the recommendations from the 2018 Best Value Assurance Report.
- 11** The council has effective systems in place to monitor and report its performance and drive continuous improvement.
- 12** The council's overall performance against national benchmarking shows a trend of long-term improvement. However, the council reported a slight decline against its own set of strategic performance indicators for 2020/21.
- 13** Residents of West Dunbartonshire are generally satisfied with their services, with the highest levels of satisfaction with local schools in Scotland



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# Introduction

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1. This report summarises the findings arising from the 2020/21 audit of West Dunbartonshire Council (the council) and its group.
2. We aim to add value to the council through the audit by:
  - identifying and providing insight on significant risks, and making clear and relevant recommendations for improvement
  - reporting our findings and conclusions in public
  - sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
  - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability

## Scope of the audit

3. The scope of the audit was set out in our 2020/21 Annual Audit Plan presented to the March 2021 meeting of the Audit Committee. This report comprises the findings from:
  - our audit of the council and its group's annual accounts, and the statement of accounts of the Section 106 charities administered by the council,
  - a review of the council's key financial systems,
  - our consideration of the wider dimensions of public sector audit (financial management, financial sustainability, governance and transparency, and value for money) as set out in the [Code of Audit Practice 2016](#),
  - audit work covering the council's arrangements for securing best value, including consideration of the findings and recommendations from our [Best Value Assurance Report \(June 2018\)](#).

## Impact of Covid-19

4. The global coronavirus pandemic has had a considerable impact on West Dunbartonshire Council during 2020/21. This has had significant implications for the services it delivers, sickness absence levels, and the suspension of projects and activities, such as progress on constructing affordable homes. Risks related

to the pandemic were included in our Annual Audit Plan, and we have adapted our planned work to address any new emerging risks.

## Responsibilities and reporting

**5.** The council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

**6.** The council is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

**7.** Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

**8.** As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the council's performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements, and financial position
- the arrangements for securing financial sustainability and,
- Best Value arrangements.

**9.** Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

**10.** This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

**11.** Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

## Auditor Independence

**12.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. We can confirm that we comply with the

Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £276,780 as set out in our Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

## Extension of auditor appointment

**13.** Auditors appointed under statute by the Accounts Commission are engaged for a five-year period. The current audit engagement was due to end after the conclusion of the 2020/21 audit. Normally at the end of each five-year period a new auditor is appointed, either Audit Scotland or a private sector accountancy firm.

**14.** In October 2020, the Accounts Commission approved the extension of current audit appointments for a year to include the 2021/22 audit year. This decision reflects the need for stability and continuity given the longer-term impact of Covid-19 on audited bodies and the difficulty of running the necessary audit procurement exercise during the pandemic.

**15.** This report is addressed to both the council and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

# 1. Audit of 2020/21 annual accounts

The principal means of accounting for the stewardship of resources and performance

## Main judgements

The financial statements of West Dunbartonshire Council and its group give a true and fair view of its financial position for the year ended 31 March 2021. Our audit opinions on the annual accounts of the council, its group and the section 106 charities administered by the council are unmodified.

Covid-19 led to delays in the auditing timetable for 2020/21 annual accounts. Submission of the audited annual accounts is in line with revised government timescales.

## Our audit opinions on the annual accounts are unmodified

**16.** The accounts for the council and its group for the year ended 31 March 2021 were approved by the Audit Committee on 17 November 2021. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance
- The annual accounts were signed off in line with the revised timescales permitted to reflect Covid-19

## As a result of the continuing impact of Covid-19 the submission deadlines for Local Government audited annual accounts and annual audit reports have been set at 30 November 2021.

**17.** We received the unaudited annual accounts on 18 June 2021 in line with the original timetable set out in our 2020/21 Annual Audit Plan. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. As a consequence of the Covid-19 pandemic and alternative working arrangements there were some minor delays in the provision of supporting documentation.

However, this did not significantly impact on the ability to meet the revised audit timetable.

**18.** Covid-19 and remote working also had an impact on the time taken to complete audit work. Remote working meant that audit tasks took longer than usual as the audit team were unable to access staff, records and systems as readily as when physical access was available.

**19.** As a result of the continuing impact of the Covid-19 pandemic, the submission deadlines for the 2020/21 audited annual accounts and annual audit reports in Local Government were revised by the Scottish Government to 30 November 2021.

**20.** As the audit team were aware that Covid-19 would have an impact on the audit resources available during July and August, due to the knock-on effect of other audits finishing later than normal, and that certain tasks would take longer to complete when working remotely; we agreed with management in August 2021 that we would work to these revised deadlines to complete the 2020/21 audit.

**21.** Despite the pressures on the 2020/21 audit process, the conclusion of the audit and approval of the accounts was in line with the revised timetable permitted by the Scottish Government, with the audited accounts signed following the Audit Committee meeting on 17 November 2021. There has been no impact on the scope of our audit from the remote completion of the audit.

### **The inspection notice was placed in accordance with the required regulations and no objections were raised to the 2020/21 annual report and accounts**

**22.** Regulation 9 of the Local Authority Accounts (Scotland) Regulations 2014 requires a local authority to publish a public notice on its website of the right to inspect its annual accounts. This must remain on the website throughout the inspection period. As part of our audit we confirmed that the 2020/21 Annual Accounts inspection notice, published on the council's website, complied with the regulations.

**23.** The regulations also require a local authority to give the right of interested persons to object to its accounts, as provided for by section 101 (rights of interested persons to inspect and copy documents and to object to accounts) (11) of the 1974 Act. No objections were raised to the 2020/21 Annual Accounts.

### **Our audit testing reflected the calculated materiality level of £4.8 million**

**24.** Materiality can be defined as the maximum amount by which auditors believe the annual accounts could be misstated and still not be expected to affect the perceptions and decisions of users of the annual accounts. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to

law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

**25.** Our initial assessment of materiality for the annual accounts was undertaken during the planning phase of the audit. These materiality levels were reported in our Annual Audit Plan presented to the Audit Committee in March 2021.

**26.** On receipt of the unaudited 2020/21 Annual Accounts we recalculated our materiality levels based on the financial results for the year ended 31 March 2021. Our audit approach and testing were adapted to reflect the recalculated materiality levels. [Exhibit 1](#).

## Exhibit 1 Materiality values

Materiality level	Amount
<b>Overall materiality:</b> This is the figure we calculated to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2021.	£4.890 million
<b>Performance materiality:</b> This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 50% of planning materiality.	£2.440 million
<b>Reporting threshold:</b> We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 1% of planning materiality.	£0.050 million

Source: Audit Scotland

## Our audit identified and addressed the risks of material misstatement.

**27.** [Appendix 2](#) provides our assessment of the risks of material misstatement in the annual accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work.

## We have significant findings to report on the annual accounts

**28.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices,

including accounting policies, accounting estimates and financial statements disclosures are satisfactory and appropriate to the council.

**29.** The significant findings are summarised in [Exhibit 2](#). Where a finding has resulted in a recommendation to management, a cross reference to the action plan in [Appendix 1](#) has been included.

**30.** In addition to the issues set out below, and in accordance with normal audit practice, a number of presentational and disclosure amendments were discussed and agreed with management.

## Exhibit 2

### Significant findings from the audit of the financial statements

Issue	Resolution
<p><b>1. Significant trading operations</b></p> <p>The draft accounts included the results for two council services which had been categorised as significant trading operations (STOs): the Housing Property Maintenance Trading Service and the Grounds Maintenance/Street Cleaning Trading Service.</p> <p>A service is deemed to be a STO where it provides a significant amount of its services to external customers in a competitive trading environment. On review of the trading accounts we concluded that this is not the case, as the majority of these two services are provided to and funded by the council.</p>	<p>Management has removed the note to the accounts and amended the Comprehensive Income and Expenditure Statement to reflect the income and expenditure which related to the services formerly classified as STOs.</p>
<p><b>2. Sources of social care and Covid-related grant funding</b></p> <p>Our review of significant sources of income credited to the Comprehensive Income and Expenditure Statement (CIES) found that the disclosures in Note 8 (Grant Income) were incomplete. We identified an additional four social care and Covid-related grants received by the council, totalling £22.883 million, which met the criteria for inclusion as grant income. This did not affect the total income as presented on the CIES.</p>	<p>Management has made the necessary adjustments in the audited accounts.</p>
<p><b>3. Analysis of rent arrears past due for the bad debt provision</b></p> <p>Our review of the underlying records for the Housing Revenue Account (HRA) identified</p>	<p>Management has calculated an estimate of the rent arrears based on the arrears receipts of council tax as a proxy, and this is disclosed in the revised accounts. Although this is not</p>



Issue	Resolution
<p>that the council is currently unable to analyse overdue rent arrears by age of the debt. We understand this is due to temporary system limitations which management is actively seeking to address. As a consequence, the council may be unable to adequately identify rent arrears that should be written off.</p> <p>We also note that internal audit's review of the management of rent arrears in July 2021 reported two 'amber' level findings, including that there was a lack of meetings to monitor levels of rent arrears.</p> <p>The estimate in the accounts for the bad debt provision for rent arrears is based on the total value of the debt, and not by age past due. This provision has been calculated at £2.229 million as at 31 March 2021 – equivalent of 61.55% of the total value of rents (£3.621 million) due at that date.</p>	<p>an accurate representation due to lack of data, we are satisfied the estimates in the 2020/21 annual accounts are not materially misstated. However, we recommend the council explores improving its systems capability to ensure the figures in the financial statements represent the most accurate estimates.</p> <p><b>Recommendation 1</b></p> <p>(refer <a href="#">Appendix 1</a>, action plan)</p>
<p><b>4. Classification of a payment in advance</b></p> <p>Our review of working papers identified that a prepayment of £1.3 million was incorrectly included within the total value of trade payables. This related to housing benefit transactions paid in advance in 2020/21, and which related to a period in 2021/22.</p> <p>Following review by management, this was reclassified and correctly allocated as a trade receivable.</p>	<p>Management has made the necessary adjustments in the audited 2020/21 annual accounts. The total trade receivables amount was increased by £1.3m, with trade payables increasing by the same value, having a nil effect on net assets.</p>
<p><b>5. Provision for equal pay and single status payments</b></p> <p>The provision in the unaudited accounts of £225,000 related to equal pay and single status claims. Following audit review, the council advised that the majority of equal pay claims had been settled and only a small amount had been utilised against the provision in-year. It was agreed that the existing balance no longer met the accounting criteria for a provision.</p>	<p>Management has made the necessary amendments in the accounts.</p>
<p><b>6. Additional pension benefits</b></p> <p>Following audit review, management identified that 'unfunded' benefits of £3.008 million had not been included in the IAS 19</p>	<p>Management has amended these figures in the notes to the financial statements. This only affected the disclosure note, and had no</p>



Issue	Resolution
disclosures of employer contributions (£19.558 million) in note 11 relating to pension payments. This also affected the comparative for the prior year, which increased by £2.962 million.	effect on the figures for net expenditure in the core financial statements.

Source: Audit Scotland

## **All identified misstatements were adjusted in the accounts, increasing net income by £0.225 million.**

**31.** We identified a number of misstatements totalling £6.534 million in the Comprehensive Income and Expenditure Statement, and Balance Sheet. The most significant adjustment was the impact of reclassifying significant trading operations, totalling £2.992 million, which is noted in [Exhibit 2](#) above.

**32.** In addition, we identified a number of adjustments required between categories in the Cash Flow Statement, which totalled £7.733 million. These did not affect the net cash position at the year-end.

**33.** Management has revised the accounts to correct all misstatements. As a result of the changes made the total comprehensive net income increased by £0.225 million, with a corresponding increase in total reserves. Further details of these adjustments are included in [Exhibit 2](#).

## **Annual review of land and property valuations**

**34.** West Dunbartonshire Council, like the majority of Scottish councils, carries out a rolling revaluation programme for its land and property assets. All categories of assets are revalued at least every 5 years, with council dwellings being revalued biannually. We are satisfied with the evidence provided by the council to support 2020/21 land and property assets valuations in the accounts. From 2021/22 in years where a class of assets is not subject to revaluation, the council has agreed to document how it has concluded that the asset values in the annual accounts are fairly stated. Where these reviews indicate a more frequent revaluation of an asset category is required this will be carried out.

## **The management commentary provides a fair overview of the council's performance and activity for the year**

**35.** Management commentaries included within the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements. The management commentary in the 2020/21 annual accounts provides a good analysis of the organisation's financial performance throughout the year and is fair and balanced.

## **The deadline for the submission of the council's WGA return has been extended for 2020/21**

**36.** The whole of government accounts (WGA) are the consolidated financial statements for all branches of government in the UK. The council is required to provide information in a WGA return and external auditors are required to review and provide assurance on the WGA return. HM Treasury have informed LG bodies in Scotland that the WGA data collection tool will not be available until December 2021 at the earliest and therefore the submission deadline will be extended into 2022. In accordance with the WGA guidance we will complete the required assurance statement and submit it to the National Audit Office once the WGA return is completed by the council.

## **We have given an unqualified opinion on the financial statements for the charities administered by the council**

**37.** Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charity's legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity administered by the council, where elected members of Scottish local authorities are the sole trustees, irrespective of the size of the charity.

**38.** West Dunbartonshire Council administer the Dr A K Glen and West Dunbartonshire Charitable Trusts, a registered charity that incorporates five trust funds. A single statement of accounts is produced each year covering the five trust funds and as at 31 March 2021 a cumulative balance of £0.280 million was held in these funds, [Exhibit 3](#).

**Exhibit 3**

Movement in funds held by charities administered by West Dunbartonshire Council

Charitable Trust Fund	Scottish Charity Number	Opening Balance at 1 April 2020 £000	Closing Balance at 31 March 2021 £000
Dr A K Glen	SC018701	24	25
Alexander Cameron Bequest	SC025070	116	118
UIE Award		25	25
Dunbartonshire Educational Trust Scheme 1962		90	90
McAuley Prize for Mathematics		22	22
<b>Total Net Assets</b>		<b>277</b>	<b>280</b>

Source: Dr A K Glen and West Dunbartonshire Trust Funds audited accounts 2020/21

**39.** The Trust Fund balances are disclosed in a note in West Dunbartonshire's Annual Accounts but do not represent assets of the council so are not included within the cash and cash equivalents figure shown in the council's balance sheet.

**40.** Our duties as auditors of the charities administered by West Dunbartonshire Council are to:

- express an opinion on whether the charity's financial statements properly present the charity's financial position and are prepared in accordance with charities legislation
- read the trustees' annual report and express an opinion as to whether it is consistent with the financial statements
- report on other matters by exception to the trustees and to the Office of the Scottish Charity Regulator (OSCR)

**41.** We have given an unqualified opinion on the financial statements for the charities administered by the council and have nothing to report in respect of other matters.

**42.** Two wider dimension risks were identified during the planning process. These related to the potential dormancy of certain charitable trusts, and the governance and investment documentation for the following charitable trusts:

- Dunbartonshire Educational Trust Scheme 1962

- McAuley Prize for Mathematics
- UIE Award

**43.** These are issues that have been ongoing for a number of years and have still to be satisfactorily resolved. As a result, they are both included in the agreed action plan at [Appendix 1](#)

**44.** None of the charitable trusts made any payments during 2020/21, and only received one application. The trustees consider this is due to the impact of the Covid-19 pandemic, as voluntary groups who would normally consider applications were not active.

**45.** It is noted that there is minimal information available regarding some trusts, or the application process to access funds, on the West Dunbartonshire Council website. This could serve to further perpetuate the dormancy of the trust funds if information cannot be easily accessed.

**46.** As the appointed auditors of the Section 106 charities administered by the council, we are required to consider whether the funds held within the trusts are being used for the purposes intended. This includes reporting any inappropriate use of funds or prolonged lack of activity - the 'public benefit' test.

**47.** A charity is not failing the public benefit test if they are not providing benefit in any particular year. However, if no benefit is being delivered for an extended period then the charity could be considered to be dormant. If a dormant charity has no clear plans to rectify that, it may be appropriate for us as external auditors to report this to the Office of the Scottish Charity Regulator (OSCR) [Refer recommendations CH1 and CH2 in the Action Plan.](#)

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## Recommendation 1

The trustees of the charities should consider how funds should be used in future to actively achieve their charitable objective. This could include taking steps to make their existence more widely known, and make applications more accessible

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## No objections to the annual accounts were received

The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The council complied with the regulations and there were no objections to the 2020/21 annual accounts.

## Good progress was made on prior year audit recommendations

**48.** The council has made good progress in implementing our prior year audit recommendations. Details of our follow-ups are set out in [Appendix 1](#).

## 2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

### Main judgements

Financial management is effective. Services were delivered within budget and reported a surplus of £0.585 million. In addition, £6.738 million of Covid-19 funding received was carried forward for future years.

Costs relating to the Covid-19 pandemic totalled £13.692 million in 2020/21. The council received £20.430 million of direct funding, and administered £24.305 million of agency income, provided by the Scottish Government in 2020/21.

The pandemic impacted progress on the council's capital projects, with slippage of 34 per cent against the 2020/21 programme.

### The council's financial management processes are effective

**49.** During the 2020/21 annual budget setting process we observed that elected members were provided with projected funding gaps and savings options early in the budget setting process to enable them to make soundly based decisions on closing any funding gap. Based on our observations of the budget setting process, we are satisfied that the council's budget setting process operates effectively.

**50.** Performance against budget and projected outturn was reported to members during the year through budgetary control reports, allowing action to be taken on any unplanned variances. Additionally, Covid-19 update papers at each council meeting provided information on additional funding and financial pressures on services.

### The council reported an in-year service surplus of £0.585 million. If funding carried forward to future years is included the overall underspend for the year is £5.633 million

**51.** In March 2020 the council approved a 4.84% increase to council tax and a general fund revenue budget of £229.157 million, which was an increase of £5.724 million from the 2019/20 final budget of £223.433 million. The council planned to balance the budget through the reprofiling of its loan fund repayments, capital receipts and using reserves of £2.110 million.

**52.** The budget was updated during the year to reflect budget revisions and additional funding provided by the Scottish Government, including Covid-related income, which resulted in a final planned net expenditure of £242.696m.

**53.** The council reported an overall service budget surplus in 2020/21 of £0.585 million. This excludes the Covid-19 funding and expenditure discussed at [Paragraph 56](#). The surplus was achieved due to management actions in areas such as: control of vacancies and staff cover, general process and efficiency reviews, spending control and implementation of agreed savings targets. There were no significant under and overspends in the services. The council achieved £0.887 million (97 per cent) of its £0.910 million planned efficiency targets. This is an increase from 2019/20, when 82 per cent of identified savings were achieved.

**54.** A significant proportion of the total Covid-19 funding, £6.738 million from a total of £20.430 million, has been carried forward to be spent in 2021/22. If this unspent Covid-19 related funding is included, the overall underspend for the year is £7.323 million.

**The council received £20.430 million of direct funding, and administered £24.305 million of agency income, to alleviate the impact of the Covid-19 pandemic on individuals, businesses and the economy**

**55.** The unprecedented impact on public finances of the Covid-19 pandemic is reported in the [Local Government in Scotland Overview 2021](#). Both the Scottish and UK governments have provided substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.

**56.** The pandemic had major implications for the council during 2020/21 in terms of the services it delivers and the suspension of non-essential projects and activities, including capital construction, particularly during the early part of the year. To ensure that members were sighted on the ongoing financial impact of the pandemic throughout the year, Covid-19 update reports were regularly provided to council meetings throughout 2020/21 identifying key issues for the Council, its residents and businesses, what the council was doing to assist, how services were impacted, and what the financial impact was anticipated to be.

**57.** During 2020/21 the council incurred total costs relating the Covid-19 pandemic of £13.692 million. The council received £20.430 million of additional Scottish Government funding towards the additional service costs associated with the Covid-19 pandemic through a number of support schemes. These schemes covered a range of areas including money for welfare and hardship funds, free school meals and community food funding, and additional teachers and support staff. A further £7.072 million of funding received in 2020/21 has been carried forward for spend on Covid-19 costs in 2021/22. This consists of £6.738 million from the Scottish Government, plus £0.334 million specifically for educational flexibilities.

**58.** The council was also required to administer £24.305 million of agency income for a number of Covid-19 support schemes, targeted at different business sectors. The majority of this expenditure (£14.6 million) was for the business support grant scheme.

**59.** Despite the impact of the pandemic on the economy, the council's in-year collection of council tax decreased only slightly from 95.15% in 2019/20 to 94.18% in 2020/21. This may be due to eased payment terms and follow-up processes.

### **The housing revenue account reported a surplus of £3.44 million due to delays in repairs and maintenance caused by Covid-19**

**60.** The council is required by legislation to maintain a separate housing revenue account and to ensure that rents are set a level which will at least cover the costs of its social housing provision. The council does not have the power to budget to accumulate HRA reserves.

**61.** In March 2020, the council approved a 1.9% increase in the average weekly rent levels for tenants for 2020/21. The rent level was set to reflect the income required to fund the revenue budget of £44.152 million. Significant resources are planned to be invested in the council's new house build and housing supply programme 'More Homes West Dunbartonshire', which aims to deliver 420 new council homes over the next four years. This was reflected in the capital investment budgeted for 2020/21 of £60.006 million.

**62.** In 2020/21, the council recorded a surplus on HRA services of £3.44million, which has been attributed to lower than expected repairs and maintenance expenditure as a result to Covid-19. As at October 2021, there were 1,121 outstanding repairs which had been reported prior to April 26 2021, when the housing repairs service was permitted to recommence. In common with the rest of the sector, the housing service faces specific skills shortages and higher than usual absence levels.

**63.** The council's total tenant rent arrears as at March 2021 were £3.621 million. This is a decrease of 8% from the level recorded in 2019/20 (£3.922 million). As we have already noted in this report in [Exhibit 2](#), there are improvements required to analyse rent arrears data by age for the disclosures in the annual accounts.

### **Tenants are facing lengthy waits to resolve housing repair issues as Covid-19 impacts service levels**

**64.** Issues relating to the Housing Repair telephone contact centre have been reported, with tenants facing a lengthy wait to resolve problems. The council has acknowledged the deterioration in service and is putting in place measures to alleviate this, including planned recruitment.

**65.** The council faces a challenge of operating these services from a home environment, in addition to service pressures from the backlog of repairs, and increased absence levels.



## The council's rent model is overdue for review

**66.** The council's current rent model for its housing stock, which bases charges on property size, property type and general quality was implemented in June 2010 at a meeting of the Housing, Environment and Economic Development Committee. At that time, the committee resolved that the model was due for review no more than 10 years after implementation, meaning that the review is now overdue.

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## Recommendation 2

Management should formally consider the requirement to review its rent model, and if it continues to meet the needs of the council and its tenants.

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## A trend of significant levels of delay to the council's capital projects continues, with 34% of planned capital expenditure slipping beyond milestones

**67.** We reported in the [Best Value Assurance Report \(June 2018\)](#) that there has been a trend of significant levels of capital slippage at the council over a number of years and recommended that the council review its project management processes and consider performing self-assessments to identify areas for improvement. In response to this recommendation the council agreed improvement actions to address the level of slippage. These actions were completed during 2018/19 and the council anticipated these would lead to improvements in the delivery of the capital programme going forward.

**68.** For 2020/21, the council approved a capital programme of £132.869 million split between £72.391 million for planned general services capital projects and £60.478 million for HRA capital works.

**69.** Total capital expenditure in 2020/21 was £92.184 million of which £42.612 million related to general services and £49.572 million to the HRA capital programme. The total in-year slippage was £44.808 million (34 per cent), with slippage of £31.072 million (34 per cent) against the general services programme and £13.736 million (34 per cent) against the HRA programme.

**70.** The overall level of capital slippage of 34 per cent for 2020/21 is a deterioration from 2019/20 when total slippage was 23 per cent. The majority of slippage occurred due to delays in starting individual projects. These delays occurred for various reasons, not all of which were within the council's control, and the pandemic was clearly a significant factor [Exhibit 4](#). However, the nature and scale of some of these delays suggest that there remains a level of optimism bias when setting project progress targets and completion dates.



## Planning permission has been approved for the £34 million regeneration plan for the Exxon site in Bowling, although completion dates have been pushed back to 2025

**71.** The Glasgow City Region City Deal was the first in Scotland and involves eight councils, including West Dunbartonshire, working together to deliver infrastructure, innovation and employment projects to improve their economic performance. Launched in August 2014, the £1.1 billion deal includes £500 million from the UK and Scottish governments over a 20-year period, plus £130 million from the eight councils. It is estimated that the deal will attract an estimated £3.3 billion of private-sector investment and create 29,000 permanent jobs

**72.** The project within the City Deal specific to the council is an infrastructure project at the Exxon site at Bowling to regenerate that site and to create a relief road along the A82 at Milton. This is anticipated to cost £34.1 million over 7 years with an expected £29.3 million (86%) funded through grants from the UK and Scottish governments and the remaining £4.8 million (14%) funded by contributions from the council. The project includes a proposal to create an industrial and commercial development at the site and plans for a new road to provide an alternative route in and out of West Dunbartonshire.

**73.** The council completed a deal in June 2020 to transfer ownership of the site to West Dunbartonshire Council, and secured planning permission in principal for the project in January 2021.

**74.** The final business case, which was initially forecast for December 2019, is now forecast to be considered in November 2022 to allow sufficient time for the detailed design to take place. Construction works are expected to commence in 2023, and the council is progressing with a number of third party landowners to conclude an transaction transfer of land required to deliver the infrastructure work. Completion is estimated in 2025. We will continue to monitor and report on progress with this significant project.

### Exhibit 4

#### Capital projects reporting significant slippage in 2020/21

Project	Forecast Spend (£m)	Actual Spend (£m)	Slippage (£m)	(%)	Explanation for slippage
District heating network expansion	5.500	0.000	5.500	100	Network expansion to Golden Jubilee National Hospital pending positive commercial discussions. Planned end date is 31/03/2022
Gruggies burn flood prevention	4.135	0.178	3.957	96	Delay due to alternative design solutions requiring to be considered. Options and recommendations to be presented for consideration in

Project	Forecast Spend (£m)	Actual Spend (£m)	Slippage (£m) (%)		Explanation for slippage
					advance of the approval and planning permissions. Planned end date 31/03/2023
<b>School estates improvement plan</b>	10.635	6.996	3.639	34	COVID-19 restrictions delayed project progress in 2020/21, with the Renton Campus site closed for 13 weeks. Planned end date 31/03/2024
<b>Vehicle replacement</b>	5.110	3.378	1.732	34	Orders have been placed, but vehicle manufacturers, parts and transport have all been affected by Covid-19. Planned end date 31/03/2021
<b>Posties park sports hub</b>	1.723	0.322	1.402	81	Work started in January 2021. A change of design was requested by planning and there was a delay since the contract was awarded. Planned end date 31/03/2021
<b>Affordable housing supply programme</b>	33.815	29.944	3.871	11	Slippage caused by increased complexities associated with the pandemic, and other smaller overspends. Planned end date 31/03/2025

Source: 2020/21 Capital Programme final outturn reported to June 2021 meeting of West Dunbartonshire Council

**The council has high levels of debt relative to annual revenue, with outstanding loans totalling £548 million. Interest rates are historically low but this is a potential risk for the council if rates increase.**

**75.** At 31 March 2021, the council's total outstanding borrowing noted on the balance stood at £548.659 million, an increase of £34.663 million on the 2019/20 level of £513.996 million. Loan repayments of £235.115 million were made during 2020/21, new loans of £270.250 million (long-term loans of £10 million and short-term loans of £260.250 million) were taken out during the year, plus accrual movements of £0.472 million. The additional borrowing was required to help finance the council's capital programme and short-term borrowing was used to take advantage of low interest rates.

**76.** Analysing both gross and net external debt as a proportion of annual revenue gives an indication of the relative indebtedness of the council. [Exhibit 5](#) shows both gross and net external debt as at 31 March 2021 as a percentage of

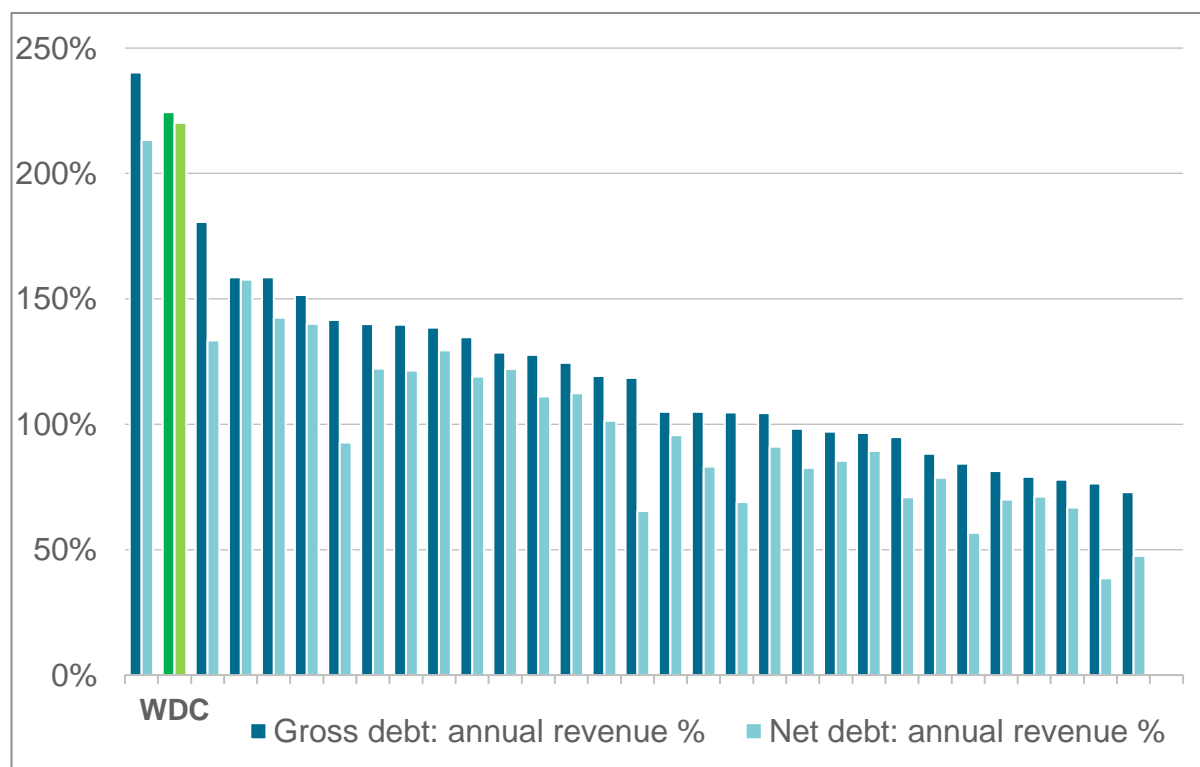
annual revenue (including HRA dwelling rents) for all Scottish councils (excluding Orkney Islands council which has net investments).

**77.** West Dunbartonshire Council is highlighted as having among the highest debt levels amongst local authorities in Scotland, as at 31 March 2021, as a percentage of annual revenue for the year (with net external debt being total external debt less short-term investments).

**78.** We recognise that the council's borrowing figure includes debt associated with both the HRA and the council's PPP assets which not all Scottish local authorities have, and that the current cost of borrowing is at historically low levels. However, the significant proportion of borrowing presents a potential future risk for the council if interest rates on debts increase.

## Exhibit 5

### Gross and net external debt of Scottish local authorities as a percentage of annual revenue for 2020/21



Source: Scottish councils' unaudited 2020/21 accounts (excluding Orkney Islands council)

## Financial systems of internal control operated effectively during the year

**79.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the council has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**80.** The findings from our interim work were reported in a management letter to the Section 95 Officer on 3 June 2021. We reported three control risks, one of these had an impact on our audit approach. This related to NDR reliefs, where we found that no verification was carried out on 'recurring' reliefs in 2020/21, however it was carried out for new applications. As a consequence, we carried out additional work on sample testing of NDR reliefs to ensure reliefs were granted appropriately. This testing did not identify any errors or issues.

**81.** The annual governance statement in the council's 2020/21 annual accounts refers to the fact that, on the basis of work completed by Internal Audit in 2020/21, reasonable assurance can be placed upon the adequacy and effectiveness of the council's internal control systems.

## 3. Financial sustainability

Financial sustainability looks forward to the medium and long term to consider whether the council is planning effectively to continue to deliver its services or the way in which they should be delivered

### Main judgements

The council is planning to deliver on its 2021/22 budget with additional Covid-19 funding.

Covid-19 funding has increased the council's reserves but these will be needed to meet ongoing costs of the pandemic on services. The council is projecting funding gaps increasing to £14.355 million by 2024/25

### The impact of the Covid-19 pandemic will place financial pressure on the council for future years, with projected funding gaps growing steadily to £14.355 million by 2024/25

**82.** The financial impact of the pandemic on West Dunbartonshire Council, in common with all other local authorities, is likely to extend across several years and could include a reduction in income as well as increased costs, such as staff costs, to cover the delivery of services. The priorities that demanded councils' attention before the pandemic have become even more pressing, such as reducing inequalities, investing in economic regeneration and housing, and improving outcomes for young people.

**83.** The council approved a total net revenue budget of £231.919 million for 2021/22 in March 2021. The budget has been revisited throughout the year as more information on additional funding is known. By October 2021 it had increased to £238.784 million as further government Covid-19 income was released. The council anticipates further funding being provided this year although the amounts have not been confirmed

**84.** The approved budget did not include the use of any of the new financial flexibilities available to mitigate, or defer, the financial impact of Covid-19. These flexibilities have been the subject of ongoing discussions between COSLA and the Scottish Government over the last year and permit:

- capital receipts being used to finance Covid-19 revenue expenditure
- flexibility to amend the accounting treatment of debt included in service concession contracts (for example, public private partnership) contracts, thereby reducing charges to services, and

- a Loans Fund repayment holiday to defer loans fund repayments due to be repaid in 2021/22.

**85.** As at end of September 2021, a relatively small projected annual overspend of £0.281 million was identified for 2021/22. This does not include any variance for Covid-19 spend which is anticipated to be fully funded by Scottish Government funding. It was also reported that savings and management adjustments actioned within 2021/22 are monitored with current indications showing that the total target of £3.212 million is on target to be fully achieved.

### **A long-term financial strategy is in place and has been updated to reflect the impact of the pandemic on service pressures**

**86.** The council has a long-term strategy in place which was updated in October 2021. It reflects the impact of the pandemic on financial and service pressures, identifies budget gaps and provides clear links to the council's strategic objectives. Given that financial settlements are only made annually, and the impact of Covid-19 presents a number of unknowns, it is difficult for the council to plan with absolute certainty. To address this, the council has included scenario planning and a risk assessment of the likely impact of any changes in assumptions.

**87.** Due to the Covid-19 pandemic, the funding position beyond 2021/22 is particularly uncertain, with all councils working to the one-year grant settlement. The long-term financial strategy has identified cumulative anticipated revenue funding gaps within General Services of £5.612 million for 2022/23; £12.414 million for 2023/24; and £14.355 million for 2024/25.

### **The council has increased usable reserves to £24.211 million, but these will be required in future for Covid-related spend**

**88.** Usable reserves are those that the council is able to apply to fund expenditure or reduce taxation, and comprise both capital and revenue reserves. The level of usable reserves held by the council increased by £8.377 million, from £15.834 million to £24.211 million during 2020/21, as shown in [Exhibit 6](#)

## Exhibit 6

### West Dunbartonshire Council's usable reserves

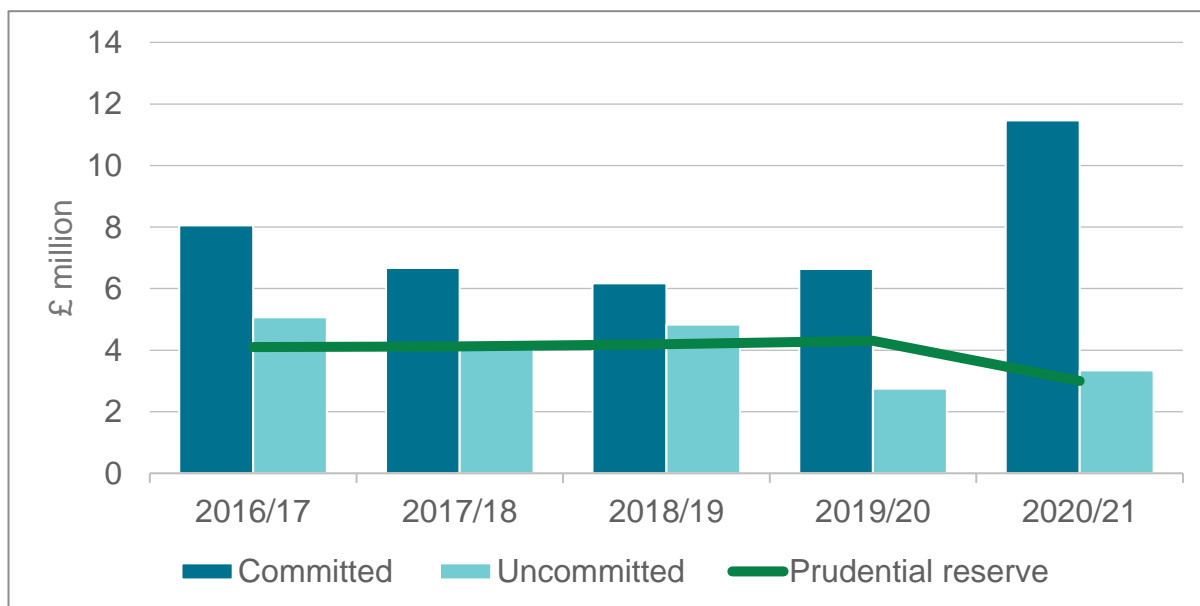
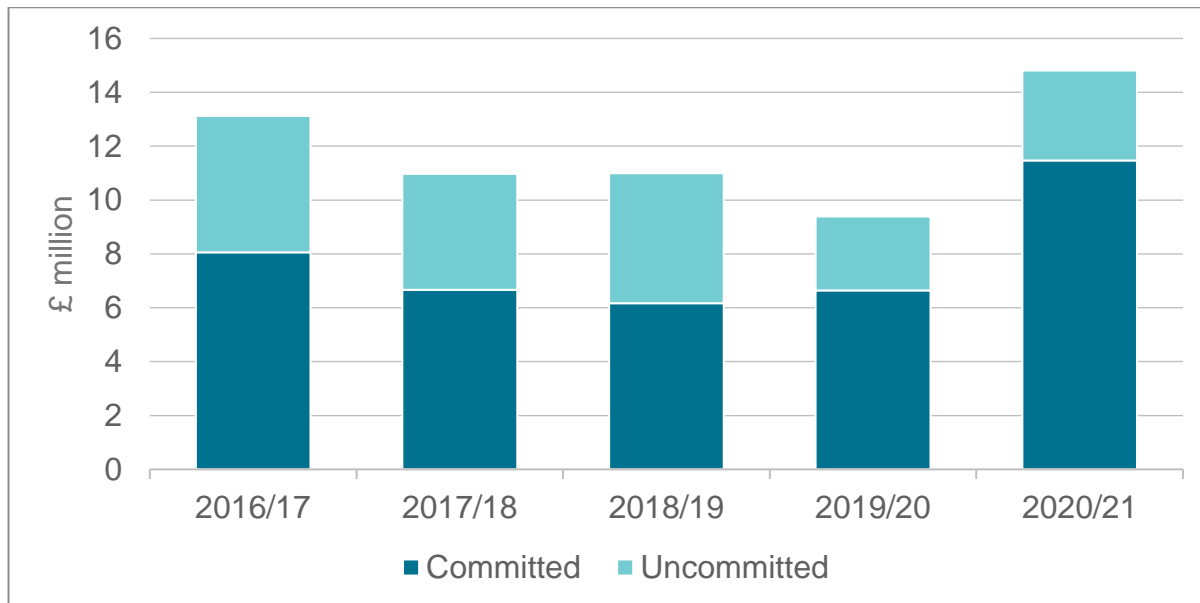
Reserve	31 March 2020 (£m)	31 March 2021 (£m)
General fund	9.395	15.028
Housing revenue account	3.924	7.364
Capital grants and receipts unapplied	0.132	0.042
Capital reserve	2.169	1.469
Other reserves	0.214	0.308
<b>Total usable reserves</b>	<b>15.834</b>	<b>24.211</b>

Source: Note 29, West Dunbartonshire Council Annual Accounts

**89.** In previous audit reports, we have highlighted the council's low value of usable reserves, and the updated long-term financial strategy recognises this risk. While the council generally operates within budgets each year, the level of usable reserve is historically low in comparison to other councils in Scotland. The overall position of the reserves was considered as part of the budget process for 2021/22.

**90.** There has been an increase in earmarked reserves of £5.633 million. The council received £20.430 million of funding from the Scottish Government to cover Covid-related costs and lost income. Like many authorities, the council has chosen to carry a proportion of this forward to 2021/22, applying £13.692 million of Covid-19 resources into 2020/21, and carrying forward a total earmarked reserve for Covid-19 costs of £7.072 million.

**91.** [Exhibit 7](#) provides an analysis of the general fund balance over the last five years split between the earmarked and uncommitted elements. In 2020/21, the unearmarked balance of £3.337 million was within the decreased prudential target of £3 million.

**Exhibit 7****Analysis of the general fund balance over past five years**

Source: West Dunbartonshire Council Annual Accounts 2016/17 to 2020/21

**92.** The Accounts Commission's [Local Government in Scotland Overview 2021](#) report highlighted that the increase in revenue reserves, as a result of Covid-19, would provide some additional flexibility for councils. However, it noted that councils should continue to recognise the ongoing sustainability challenges of using reserves to fund recurring expenditure, particularly as the impact and challenges of Covid-19 continue to develop. Members will need to take difficult decisions in the future, recognising that reserves can only be spent once.



## 4. Governance and transparency

The effectiveness of scrutiny and oversight and transparent reporting of information

### Main Judgements

The council's revised governance arrangements, introduced at the start of the pandemic, are appropriate and operated effectively during 2020/21.

The council conducts its business in an open and transparent manner and provided clear information for residents on services affected by the Covid-19 pandemic.

### **The council's revised governance arrangements have operated effectively and continued to support good governance.**

**93.** The council has made significant changes to its governance arrangements in response to the pandemic. These have been set out in the Annual Governance Statement within the annual report and accounts and included:

- The use of virtual meetings to allow necessary and urgent matters to be considered.
- Temporary delegations to allow services to continue.
- Use of the existing Scheme of Governance to enable decision making which would be previously have been undertaken by committee.
- A detailed approval log is maintained which includes approval requirements for any decisions with financial implications ensuring an audit trail.

**94.** Audit committees and Council meetings have been held remotely since June 2020, and service committees restarted with virtual meetings in August 2020. This allowed members to continue to undertake their scrutiny role appropriately. The meetings continued to be audio streamed and recordings made available after the meeting. Meetings continued to be held remotely into 2021/22 and the council now has a hybrid meeting system in place where members have the option to attend the chamber of attend virtually.

**95.** Remote meetings restrict wider attendance at committees, however meeting papers were available on the council's website to support transparency.

The website also allows the public to access a wide range of information including current service updates and restrictions due to Covid-19, advice for individuals and businesses and how to contact the Council or make a complaint.

**96.** The revised governance arrangements were appropriate and continue to demonstrate good governance and accountability.

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## **Good practice – Covid-19 elected member briefings**

The council has continued to produce regular and comprehensive elected member briefings. The content keeps members informed of any developments in relation to Covid-19 and the impact on delivery of services across West Dunbartonshire

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## **The council conducts its business in an open and transparent manner**

**97.** There continues to be an increasing focus on demonstrating the best use of public money. The council support open and transparent business in several ways such as:

- Live streaming and audio recording of council and service meetings. This was in place prior to the pandemic and continued throughout.
- Council and committee meeting papers and minutes are publicly available on the council website. Elected members briefings are also publicly available.
- The council website contains a wide range of information including the annual accounts, register of members' interests, fraud reporting policies and complaint procedures.

**98.** We conclude that the council continues to demonstrate a commitment to conducting business in an open and transparent manner.

## **Internal audit complies with the main requirements of the Public Sector Internal Audit Standards (PSIAS)**

**99.** The internal audit function at West Dunbartonshire Council is provided by its in-house internal audit team. 2020/21 was the first full year of the new shared management arrangement between West Dunbartonshire and Inverclyde Councils.

**100.** . As part of our planning process, we reviewed the council's internal audit arrangements in accordance with International Standard on auditing (UK) 610 (Using the Work of Internal Auditors). No issues were identified.

**101.** Our assessment of the internal audit function concluded that it has sound documentation and has a good standard of reporting procedures in place.

Internal audit comply with the main requirements of the Public Sector Internal Audit Standards (PSIAS).

## **Follow up of Compliance with Procurement Regulations**

**102.** In 2018 weaknesses were reported with the council's procurement arrangements. Since then the council has made improvements. In the 2019/20 Annual Audit Report we reported that for 2019/20 spend data, of the £152.239 million regulated procurement expenditure, £138.854 million or 91.2 per cent was compliant with the regulations.

**103.** The 2020/21 procurement report reports that of the £154.296 million regulated procurement expenditure, £151.863 million or 98.4 per cent was compliant with the regulations. The council is continuing to aim to achieve 100 per cent compliance.

## **Arrangements are in place for investigation and reporting data matches identified by the National Fraud Initiative**

**104.** The national Fraud Initiative (NFI) is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. Audit Scotland co-ordinate NFI in Scotland. Computerised techniques are used to compare information about individuals held by different public bodies, and on different financial systems, to identify matches that might suggest the existence of fraud or irregularity.

**105.** The current NFI exercise runs over 2020/21 and 2021/22, and participating bodies began to receive matches for investigation in January 2021. These matches are categorised by risk and all recommended matches, plus any further matches based on findings, should be investigated.

**106.** As at 15 September 2021, of the initial 5,916 matches received, 740 matches have been actioned and fraud of £2,802 identified.

**107.** The council has participated in the initiative for a number of years and has processes in place for investigating the data matches identified by the NFI and reporting the results to the Audit Committee.

## **Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate**

**108.** The council is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, it is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

**109.** The risk profile of public bodies during 2020/21 has been significantly affected by the Covid-19 pandemic. This is likely to have increased the risk of fraud and error as control environments and internal controls have had to change to allow for services to operate effectively and respond to issues in a timely manner. We have reviewed the arrangements put in place by West

Dunbartonshire Council to address any heightened risks and concluded that there are appropriate arrangements for the prevention and detection of fraud, error and irregularities.

**110.** In addition, we have reviewed the arrangements in place to maintain standards of conduct including financial regulations, counter fraud and corruption strategy and whistleblowing arrangements. These are established procedures for preventing and detecting any breaches of these standards including any instances of corruption.

**111.** We concluded that the council has appropriate arrangements in place for the prevention and detection of fraud, error and irregularities.

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## Good practice points

A sub-committee of the audit committee was formed to consider Audit Scotland's Covid-19 [Guidance for Audit and Risk Committees](#). The guide provides suggested questions to help committees effectively scrutinise and challenge the risks and issues emerging from Covid-19. The sub-group was formed of the chair of the committee, one member of the administration and two lay members of the committee with support from the Shared Service Manager – Audit & Fraud. The report, presented to the Audit Committee in June 2021, found that the committee was following the guidance with only one area, relating to keeping lay members informed with members briefing papers, where additional work was considered.

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# 5. Best Value

Using resources effectively and continually improving services.

## Main judgements

The council continues to make good progress in demonstrating evidence of improvement in its services and has a clear focus on delivering Best Value. The council has addressed the recommendations from the 2018 Best Value Assurance Report.

The council has effective systems in place to monitor and report its performance and drive continuous improvement.

The council's overall performance against national benchmarking shows a trend of long-term improvement. However the council reported a slight decline against its own set of strategic performance indicators for 2020/21.

Residents of West Dunbartonshire are generally satisfied with their services, with the highest levels of satisfaction with local schools in Scotland

## The council continues to make good progress in demonstrating evidence of improvement in its services and has a clear focus on delivering Best Value

**112.** Best value is assessed over the five-year audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five-year period.

**113.** The [Best Value Assurance Report \(June 2018\)](#) for West Dunbartonshire Council was published on 28 June 2018 and reported that the council had made significant improvements in how it works since the previous Best Value report in 2007. It highlighted that the council now demonstrates a focus on delivering Best Value and there was evidence of continuous improvement in its services. The report also included five recommendations which were endorsed by the Accounts Commission.

**114.** At its meeting on 29 August 2018, the council agreed a Best Value Assurance Improvement Plan which included actions to address all recommendations included in the BVAR. An update against the plan was reported to the Council meeting in February 2020. It noted that all recommendations within the BVAR Improvement Plan had been fully delivered and activity on driving Best Value will continue.

**115.** In 2018/19 and 2019/20 we reported a summary of the progress made against the BVAR recommendations. Progress against the outstanding actions is summarised in [Exhibit 8](#).

## Exhibit 8

### Progress against outstanding BVAR recommendations

Recommendation	Audit Scotland view on progress to date
To reduce the level of slippage on the capital plan, the council should review its project management processes.	<p><b>The review of the project management processes is complete. Covid-19 has impacted on progress with the capital programme</b></p> <p>As we detail in paragraphs 67 to 70, for 2020/21, the council has reported slippage against the 2020/21 capital programme. Although the project management improvements are complete, there are still delays in progressing projects.</p> <p>In 2020/21 these occurred for various reasons, not all of which were within the council's control, and the pandemic was clearly a significant factor. We will report an update in 2021/22.</p>
Some staff are finding the pace of change challenging and staff absence remains an issue. The council is taking positive steps to try and address this and should continue to explore opportunities for improvement.	<p><b>Improvement actions complete. There is evidence of improved sickness levels in some services</b></p> <p>We reported in 2018/19 that the council had taken a range of action to support staff and tackle sickness absence levels. The impact of these actions had not yet been reflected in the reported sickness absence figures, but we accepted that delivering such improvement would be a longer-term process.</p> <p>The latest data from the Local Government Benchmarking Framework data published showed that sickness absence per employee (excluding teachers) in West Dunbartonshire Council again decreased to an average of 11.4 days FTE per employee. This now places the council below the Scotland-wide average of 11.87 days lost.</p> <p>A similar improvement can be seen with teachers, with a further improvement of 5.46 FTE days lost in 2019/20, below the Scottish average of 6.34 days.</p> <p>The council's 2020/21 Annual Performance Report indicates that the equivalent figures have improved further to 8.94 for employees and 1.84 days for teachers. It should be noted that this is in the context of the pandemic where remote working was in place for many employees.</p> <p>There remain concerns. The council has reported challenges in the Housing Maintenance and Repairs team for example, where in September, approximately 10% of the building services workforce was absent. The highest reason given for absence was Covid-19.</p> <p>We will continue to review what the council reports on its sickness levels to ensure that the reported improvement and positive direction of travel is maintained going forward.</p>

### The council has effective systems in place to monitor performance and drive continuous improvement, which support scrutiny of service performance

**116.** The council has effective systems in place to monitor performance and drive continuous improvement. Members and officers effectively scrutinised how services perform:

- Each Strategic Service Management Team considers performance reports during routine management meetings.
- The Performance Monitoring and Review Group considers regular reports from across strategic areas through its online performance management system, Pentana. This monitors the performance indicators linked to the strategic plan.
- Service committees meet every quarter and get regular performance information.
- Service performance is reviewed through the Corporate Services Committee, Education Services Committee, Housing and Communities Committee and Infrastructure, Regeneration & Economic Development Committee and annually through the council.
- Officers and councillors have a good understanding of what the council has achieved and the challenges that remain.

**117.** Based on our attendance at Council and committee meetings during 2020/21 we have concluded that these performance monitoring and reporting arrangements continue to operate effectively and support scrutiny of service performance.

**There was a slight decline in performance against strategic indicators during 2020/21, with 15 per cent being significantly below target**

**118.** The Council's Strategic Plan 2017-22 contains five-year targets with monitoring and reporting on progress annually. Targets are set from a baseline and reviewed over time. Each target has annual milestones and performance against these is reported to the full Council each year in the annual performance report. These measures are considered the most relevant for evidencing the delivery of the key priority and outcome areas defined in the Strategic Plan.

**119.** The 2020/21 Annual Performance Report was reviewed by members in October 2021. This reported on progress against the milestones set for 2020/21 for the suite of 39 performance targets and showed that 49 per cent of targets were achieved during the year (down from 55 per cent in 2019/20) with 14 (36 per cent) of the targets narrowly missed and six (15 per cent) significantly missed, [Exhibit 9](#).



**Exhibit 9****Performance against Strategic Plan key priority and outcome areas**

Strategic Area	2019/20						2020/21					
	Green		Amber		Red		Green		Amber		Red	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
A strong local economy and improved job opportunities	6	60	3	30	1	10	4	40%	5	50%	1	10%
Supported individuals, families and carers living independently and with dignity	5	71	1	14	1	14	1	14%	4	57%	2	29%
Meaningful engagement with active, empowered and informed citizens who feel safe and engaged	2	33	3	50	1	17	4	67%	1	17%	1	17%
Open, accountable & accessible local government	5	100	0	0	0	0	5	100%	0	0%	0	0%
Efficient and effective frontline services that improve the everyday lives of residents	4	33	5	42	3	25	5	45%	4	36%	2	18%
<b>Total</b>	<b>22</b>	<b>55</b>	<b>12</b>	<b>30</b>	<b>6</b>	<b>15</b>	<b>19</b>	<b>49%</b>	<b>14</b>	<b>36%</b>	<b>6</b>	<b>15%</b>

**KEY:** Green – Target met / Amber – Target narrowly missed / Red – Target significantly missed

Source: West Dunbartonshire Council Annual Performance Report data 2019 and 2020/21

### **Progress has been made in some areas but the challenges of poverty and inequality have been exacerbated by the effects of the pandemic**

**120.** From review of the underlying performance data for the 2020/21 Annual Performance Report we noted good progress has been made in a number of areas including:

- Sickness absence statistics, with both employee and teacher rates improving steadily each year
- increasing the overall resident satisfaction with council services overall, from 87% to 89%



**121.** However, there remains particular challenges in the following areas:

- The average tariff score for pupils in West Dunbartonshire Council's most deprived areas
- Percentage of households in fuel poverty (30%)
- Percentage of citizens who agree the council listen to community views when designing and delivering services (67%)
- Percentage of total household waste that is recycled (34%)

### **The council's overall performance against national benchmarking shows a trend of long-term improvement**

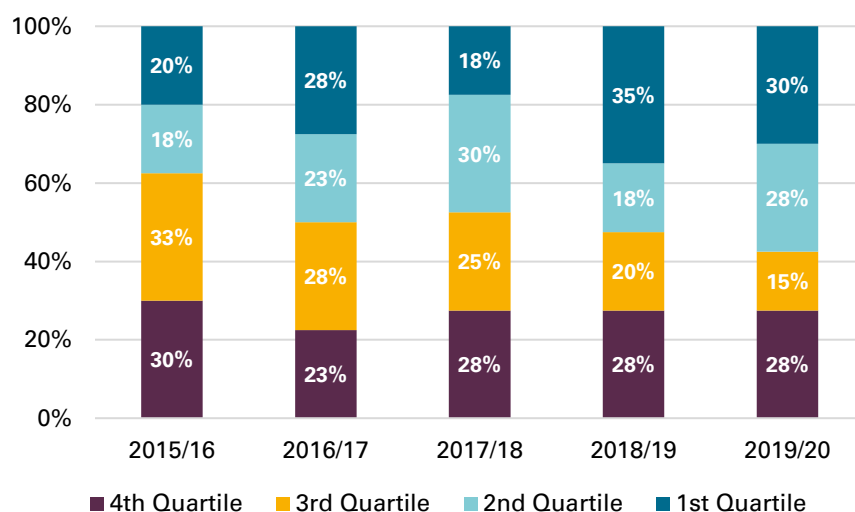
**122.** The council participates in the Local Government Benchmarking Framework (LGBF). The framework brings together a wide range of information about how all Scottish councils perform in delivering services, including the cost of services and how satisfied citizens are with them. The council says that the use of the LGBF allows it to self-assess its performance across years, and to compare performance with peers against an agreed suite of performance indicators, which will assist in achieving best practice and efficiencies.

**123.** The most recent [National Benchmarking Overview Report 2019/20](#) by the Improvement Service indicates there are signs of strain in performance, satisfaction, and system capacity beginning to emerge as a whole across Scotland. Performance improvements gained in recent years are now beginning to slow or decline across all key service areas. The report recognises that there are long-term funding pressures on councils and local services.

**124.** [Exhibit 10](#) shows the council's pace of improvement since 2015/16 compared to Scotland as a whole. This shows the number of indicators in the lowest quartile is relatively static at 28 per cent in recent years, but the number of indicators in the top two quartiles has also increased (from 53 per cent to 58 per cent) over the same period.

## Exhibit 10

### Performance on Local Government benchmark framework (LGBF) indicators over time



*Note: 1. The analysis is based on 40, mainly outcomes-based, indicators which were reported every year within the five-year period. The analysis excludes satisfaction and most cost-based indicators as high or low cost cannot be easily determined as positive or negative as these may be influenced by a council's priorities and local circumstances. Due to comparability issues, indicators related to education attainment have also been excluded.*

*2. The collection of some social care data included in the analysis was impacted by Covid-19 and these indicators have therefore been calculated slightly differently for 2019/20.*

Source: Audit Scotland; and Local Government Benchmarking Framework, Improvement Service, 2019/20

## Surveys show that residents of West Dunbartonshire are generally satisfied with a range of key services, with the highest levels of satisfaction with local schools in Scotland

**125.** The council has also achieved positive results for service satisfaction. The LGBF data includes indicators that assess residents' satisfaction with local services provided by the council and West Dunbartonshire Leisure Trust. These are based on results from national surveys but do not include, for example, satisfaction indicators on adult social care or housing. The latest data shows that the council's performance was in the top half for all seven of the reported satisfaction indicators, [Exhibit 11](#), with satisfaction levels with local schools being the highest in Scotland for the second year running.

**Exhibit 11****Performance against LGBF service satisfaction indicators – 2019/20**

Indicator	Satisfaction level (%)	Ranking out of 32 Scottish local authorities	Range of performance across local authorities (%)
Adults satisfied with local schools	87.8	1	58-88
Adults satisfied with refuse collection	82.6	8	56-91
Adults satisfied with street cleaning	68.9	9	51-78
Adults satisfied with leisure facilities	74.1	10	38-91
Adults satisfied with libraries	85	3	49-92
Adults satisfied with museums and galleries	69.2	12	43-90
Adults satisfied with parks and open spaces	86.5	13	38-91

*Note: Satisfaction levels are based on average responses to Scottish Household Surveys for 2017 to 2020..*

Source: Local Government Benchmarking Framework, Improvement Service, 2019/20

### **The council is meeting statutory performance indicators (SPIs) expectations on reporting its performance to the public**

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. In turn, councils have their own responsibility, under their Best Value duty, to report performance to the public. The commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced, and engaging performance information.

**126.** The Accounts Commission issued a revised 2018 Statutory Performance Information Direction in December 2018 which requires a council to report:

- Its performance in improving local public services provided by the council (on its own and with its partners and communities), and progress against agreed desired outcomes
- Its own assessment and independent audit assessments of how it is performing against its duty of Best Value, and how it plans to improve these assessments and how it (with its partners where appropriate) has engaged with and responded to its diverse communities.

**127.** West Dunbartonshire Council continues to participate in the Local Government Benchmarking Framework and publish this data and a range of

other performance information on the council website which adequately covers the requirements set out in the SPI direction issued by the Accounts Commission. As noted above, the council agreed a Best Value Assurance Improvement Plan in response to the 2018 BVAR and progress was reported to Council in February 2020.

### **National performance audit reports**

**128.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2020/21, Audit Scotland published a number of reports were issued which may be of interest to the body. These are outlined in [Appendix 3](#).

# Appendix 1

## Action plan 2020/21

### 2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Analysis of rent arrears</b></p> <p>Our review of the underlying records for the Housing Revenue Account (HRA) identified that the council is currently unable to analyse overdue rent arrears by age of the debt.</p> <p><i><b>Risk – the disclosures in the accounts for rent arrears may contain errors, and the council may be unable to adequately identify rent arrears which should be written off.</b></i></p>	<p>The council should explore improving its systems capability to provide an analysis of rent arrears by age of the debt.</p> <p><a href="#">Paragraphs 60-63</a></p>	<p>An extract will be developed from the Housing Management System.</p> <p><b>Chief Officer – Housing and Employability</b></p> <p><b>31 March 2022</b></p>
<p><b>2. Review of rent model</b></p> <p>The council's current rent model for its housing stock, which bases charges on property size, property type and general quality was implemented in June 2010 at a meeting of the Housing, Environment and Economic Development Committee. At that time, the committee resolved that the model was due for review no more than 10 years after implementation, meaning that the review is now overdue.</p> <p><i><b>Risk – the rent model does not meet the needs of the council and its tenants.</b></i></p>	<p>The rent model should be reviewed to ensure it meets the needs of the council and its tenants.</p> <p><a href="#">Paragraph 64</a></p>	<p>The rent model will be reviewed and reported to Council.</p> <p><b>Chief Officer – Housing and Employability</b></p> <p><b>30 June 2022</b></p>

Issue/risk	Recommendation	Agreed management action/timing
<b>Recommendations for charities administered by West Dunbartonshire Council</b>		
<b>CH1. Governance and investment documentation</b> As previously reported: <ul style="list-style-type: none"> <li>• The Deed of Trust for the Dunbartonshire Educational Trust Scheme 1962 and UIE award require to be updated.</li> <li>• The governing documentation for the McAuley Price for Mathematics is not available and a new trust deed is required.</li> </ul> <p><i><b>There is a risk that the Trust does not hold the title to the investment. There is also a risk of delay in issuing awards.</b></i></p>	Management should progress these issues to ensure that adequate governance and investment document is maintained for all trust funds administered by West Dunbartonshire Council. <a href="#">Paragraphs 37-47</a>	Following correspondence with the Scottish Charity Regulator (OSCR), the Council submitted to OSCR an Application for Approval of a Charity Reorganisation Scheme under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005. The response of OSCR is awaited.  Work will continue to finalise and renew the Deeds of Trust and options around the investment documentation.  <b>Chief Officer – Regulatory &amp; Regeneration</b> <b>31 March 2022</b>
<b>CH2. Dormant trusts</b> As previously reported, some of the trusts have been dormant for a number of years and annual activity on all trusts is minimal.  <p><i><b>There is a risk that funds are lying dormant and do not provide public benefit</b></i></p>	The council should investigate whether schemes of amalgamation and rationalisation of trust funds could be prepared that would allow, through the alteration of objects and the merging and de-restriction of funds, increased flexibility in terms of potential beneficiaries and awards.  <a href="#">Paragraphs 37-47</a>	Options on ensuring the Trusts are active and not dormant will be reviewed and appropriate actions implemented, including any reports to members for approval.  <b>Chief Officer - Resources</b> <b>31 March 2022</b>

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<b>PY1. General fund loans fund repayments</b> The scheduled loans fund repayments were adjusted by	Management should review the scheduling of the general fund loans fund repayments to ensure they comply with	<b>Complete</b> We have reviewed the scheduling of loans fund repayments for 2020/21 and

Issue/risk	Recommendation	Agreed management action/timing
<p>£1.6 million to mitigate the impact of budget pressures.</p> <p>The loans fund repayments do not comply with the council's accounting policy. This is reported as an unadjusted misstatement in the accounts.</p> <p>Management should review the scheduling of the general fund loans fund repayments to ensure they comply with the council's accounting policy.</p>	<p>the council's accounting policy.</p>	<p>confirmed that they are in line with the council's policies.</p>
<p><b>PY2. Untaken annual leave accrual</b></p> <p>Our review of the untaken annual leave accrual identified an error within the calculations. 17 members of staff were duplicated within two tabs. This resulted in a decrease of £85,000 in the accrual.</p> <p><b>There is a risk that the annual leave accrual is not properly calculated.</b></p>	<p>Management should review its procedures for calculating the annual leave accrual.</p>	<p><b>Complete</b></p> <p>We reviewed the methodology and working papers which support the calculation of the untaken leave accrual. No issues were identified in 2020/21.</p>
<p><b>PY3. Financial guarantees</b></p> <p>West Dunbartonshire Council issued letters of comfort of both West Dunbartonshire Leisure Trust and Clydebank Property Company.</p> <p>These letters were provided due to the ongoing circumstances surrounding Covid-19 and constitute as financial guarantees. However, the detail had not been included in the annual accounts.</p>	<p>Management should ensure that details of any financial guarantees provided are adequately disclosed within the annual accounts.</p>	<p><b>Complete</b></p> <p>Appropriate disclosures have been made in the 2020/21 accounts relating to the financial guarantees provided.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p><b>There is a risk that the annual accounts are not complete and transparent.</b></p>		
<p><b>PY4. Debtors and creditors overstatement</b></p> <p>After the submission of the unaudited accounts, the council identified an error within receivables and payables. Both were overstated by £0.670 million, resulting in a nil net effect.</p> <p><b>There is a risk that the figures in the Balance Sheet are overstated.</b></p>	<p>Management should review the year-end procedures to ensure that journals are correctly posted.</p>	<p><b>Ongoing</b></p> <p>As reported in <a href="#">Exhibit 2</a>, our review of supporting documentation for trade payables identified a £1.3m prepayment which resulted in an adjustment to both debtors and creditors. Management should continue to ensure that journals are reviewed for accuracy.</p>
<p><b>PY5. Capital project delays</b></p> <p>There were significant delays in a number of capital projects during 2019/20. The nature and scale of some of these delays suggest that there is still a level of optimism bias when setting project start dates for the annual capital programme.</p> <p><b>There is a risk that the delivery of the annual capital programme is impacted by unrealistic or overly optimistic scheduling.</b></p>	<p>When developing future capital programmes officers should ensure they set realistic start dates for each project, and give due consideration to all factors that could impact on the commencement and progress of each project.</p>	<p><b>Ongoing</b></p> <p>As we have reported in <a href="#">paragraph 69</a>, 34 per cent of the capital programme has been identified as slippage, suggesting there remains a level of unrealistic or overly optimistic scheduling.</p>
<p><b>PY6. Revised financial plans to reflect Covid-19</b></p> <p>The council's long-term financial strategy was developed prior to the Covid-19 pandemic.</p> <p><b>The assumptions made in the Council's long-term financial strategy are out of date as they do not take into account the financial impact of Covid-19.</b></p>	<p>The council should review its long-term financial strategy to reflect the impact of Covid-19 on the council's finances going forward, including scenario planning of key financial assumptions.</p>	<p><b>Complete</b></p> <p>We reviewed the most recent long-term financial plan and our findings are reported at <a href="#">Paragraph 86</a>. The plan adequately reflects the significant impact of Covid-19 on the council's future finances.</p>



Issue/risk	Recommendation	Agreed management action/timing
<p><b>PY7. Uncommitted general fund balance</b></p> <p>The uncommitted general fund balance of £2.752 million at 31 March 2020 was below the prudential reserve target of £4.122 million, set by the Council for 2019/20. In addition, Covid-19 is placing a significant financial pressure on the council during 2020/21.</p> <p><b>There is a risk that the council will not have sufficient free reserves to respond to future unforeseen events.</b></p>	<p>The Council should consider how the uncommitted general fund balance could be increased back to the prudential reserve target.</p>	<p><b>Complete</b></p> <p>At the council meeting in November 2021, the long-term financial strategy was refreshed and the prudential target was set at two per cent of the net budget. As reported in the annual accounts, the prudential reserves target for the general fund is now £3m and the level of reserves is £3.337m. The level of reserves remains low, but the prudential target for 2020/21 has been met.</p>

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by the management override of controls</b></p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to management override of controls.</p>	<ul style="list-style-type: none"> <li>• Review of the Annual Governance Statement and the assurances obtained by the Section 95 officer in support of the statement.</li> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates.</li> <li>• Focused testing of accruals and prepayments.</li> <li>• Evaluation of significant transactions that are outside the normal course of business.</li> </ul>	<p>No unusual or inappropriate transactions were identified as part of the detailed testing of journal entries.</p> <p>A review of accounting estimates did not show any instance of bias.</p> <p>Focussed testing of regularity and cut-off assertions did not reveal any lapses in controls.</p> <p>No significant transactions outside the normal course of council business were identified.</p> <p><b>Our conclusion is that there is no evidence of management override of controls</b></p>
<p><b>2. Risk of material misstatement caused by fraud in revenue recognition</b></p> <p>As set out in ISA (UK) 240, there is a presumed risk of fraud in the recognition of income.</p> <p>The extent and complexity of the council's funding streams means there is a risk that income may be misstated and result in material</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on significant income streams.</li> <li>• Detailed testing of revenue transactions focussing on the areas of greatest risk.</li> <li>• Review of budget monitoring reports focussing on significant budget variances.</li> </ul>	<p><b>Results and conclusion:</b> On completion of our interim work for 2020/21 we reconsidered this risk considering the results of our interim audit work and the requirements laid out in auditing standards. As a result, we have now rebutted the presumption that a significant material risk exists from fraud over income recognition. This is based on the extent of income which is received from other parts of</p>

Audit risk	Assurance procedure	Results and conclusions
misstatement in the financial statements.		the public sector, including Scottish Government Funding.
<p><b>3. Risk of material misstatement caused by fraud in expenditure</b></p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.</p> <p>The extent and complexity of the council's expenditure means there is a risk that expenditure may be misstated and result in a material misstatement in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Analytical procedures on significant expenditure streams.</li> <li>• Detailed testing of expenditure transactions, including cut-off testing, focussing on the areas of greatest risk.</li> <li>• Audit testing of grants, including the sample testing of expenditure and housing benefit transactions.</li> <li>• Review of budget monitoring reports focussing on significant budget variances.</li> <li>• Audit work on the National Fraud Initiative matches.</li> </ul>	<p><b>Results and conclusion:</b> On completion of our interim audit work for 2020/21 we reconsidered this risk taking into account the results of our interim audit work and the requirements laid out in auditing standards. As a result, we have now rebutted the presumption that a significant material risk exists from fraud over expenditure. This is based on the extent of expenditure which is issued to other parts of the public sector, including expenditure on the IJBs.</p> <p>For the areas that are subject to some risk, we have considered the incidence of fraud using National Fraud Initiative and Counter Fraud Service outcomes. We have assessed that the volume of transactions, that would need to be fraudulent to prove a material risk, is implausible.</p>
<p><b>4. Estimation and judgements</b></p> <p>There is a significant degree of estimation and judgement in the measurement and valuation of some material account areas, including:</p> <ul style="list-style-type: none"> <li>• Non-current asset values which rely on expert valuations and management assumptions.</li> <li>• The value of the council's pension liability which is an estimate based on information provided by</li> </ul>	<ul style="list-style-type: none"> <li>• Review of the work of the valuer, including focused substantive testing of the classification and valuation of assets.</li> <li>• Confirm asset values in valuation certificates are correctly reflected within the 2020/21 accounts.</li> <li>• Review of the work of the actuary, including consideration of the appropriateness of the actuarial assumptions used.</li> </ul>	<p><b>Results:</b> Our review of the council of the internal and external valuation team confirmed the appropriateness of the methodology and assumptions used.</p> <p>We assessed the reliability of the actuary and reviewed their work. No issues were noted.</p> <p>Pension disclosures agreed in full to information from actuaries, or to financial records where applicable. This included verification of</p>

Audit risk	Assurance procedure	Results and conclusions
<p>management and actuarial assumptions.</p> <ul style="list-style-type: none"> <li>• The council's provisions for doubtful debts which are based on management's assessment of the recoverability of debts.</li> <li>• The value of other provisions which are based on management's assessment of the value and probability of potential future outflows.</li> </ul> <p>This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Review of council's procedures for ensuring actuarial valuations provided are appropriate and include assumptions relating to relevant legal rulings.</li> <li>• Confirm pension valuations in actuarial report are correctly reflected within the 2020/21 accounts.</li> <li>• Review the provision for doubtful debts calculations to assess whether they are reasonable and complete based on the risk that the debt will not be recovered.</li> <li>• Review the basis for other provisions recognised, including detailed testing to source documentation where required.</li> </ul>	<p>pension entries in the audited accounts to the IAS19 report.</p> <p>On completion of our interim work in 2020/21 we reconsidered the risk of estimated and judgements relating to the council's provision for doubtful debts.</p> <p>As a result, we have now rebutted the presumption that a significant material risk exists in this area. This is based on there being several provisions covering different account areas (e.g. council tax and housing) that are individually immaterial. All such provisions would have to be misstated for there to be a material error, given the historical lack of issues with these estimates, this is unlikely.</p> <p><b>Conclusion:</b> Satisfactory</p>
<p><b>5. Covid-19 funding streams</b></p> <p>Councils are receiving additional funding to cover Covid-19 costs and are responsible for approving and distributing various grants and payments across almost 50 new funding streams.</p> <p>Due to the volume and complexity of the various schemes there is an increased risk of fraudulent claims and payments. In addition, there is a risk that the funding streams are not properly accounted for and disclosed in the 2020/21 annual accounts.</p>	<ul style="list-style-type: none"> <li>• Review Scottish Government and CIPFA/LASAAC guidance.</li> <li>• Review of the controls in place for the payment of grants, with emphasis on the business support grant payments.</li> <li>• Review of accounting treatment and disclosures in 2020/21 annual accounts to ensure this is consistent with relevant guidance.</li> </ul>	<p><b>Results:</b> On completion of our interim work for 2020/21 we reconsidered this risk. Significant amount of these funding streams would have to be misstated for there to be a material error. In addition, a significant portion of funding streams were classified as agency income, ie administered by West Dunbartonshire Council on the Scottish Government's behalf.</p> <p>We reviewed the controls the council has in place and found no issues to report. We concluded this no longer presented a significant material risk in this area.</p> <p><b>Conclusion:</b> Satisfactory</p>

Audit risk	Assurance procedure	Results and conclusions
<p><b>6. Covid-19 financial flexibilities</b></p> <p>Councils are permitted to apply a range of financial flexibility options to mitigate some of the impact of Covid-19 during 2020/21 and 2021/22. These include flexibilities around:</p> <ul style="list-style-type: none"> <li>• The use of capital receipts for revenue expenditure.</li> <li>• The accounting treatment of debt included in service concession arrangements.</li> <li>• Annual loans fund repayments.</li> </ul> <p>Additional guidance is expected on how these items should be treated in the council's annual accounts and management has yet to determine whether they will opt to utilise any of the available financial flexibilities during 2020/21.</p> <p>The technical nature of these items presents a risk of a material misstatement in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Review Scottish Government and CIPFA/LASAAC guidance.</li> <li>• Discussions with management during the year to consider the accounting treatment of any financial flexibilities utilised.</li> <li>• Review of accounting treatment and disclosures in 2020/21 annual accounts to ensure this is consistent with relevant guidance.</li> </ul>	<p><b>Results:</b> On completion of our interim work for 2020/21 we reconsidered this risk as the council was not exercising any financial flexibilities, therefore, this was no longer considered to be a significant material risk.</p> <p><b>Conclusion:</b> Satisfactory</p>
<p><b>7. Remuneration Report disclosures</b></p> <p>During 2020, the Council approved a restructuring of the corporate management team. As these changes were made midway through the 2020/21 financial year they will impact on the disclosures required within the financial statements.</p> <p>There is a risk that the appropriate disclosures, in line with the <a href="#">Local Authority Accounts (Scotland)</a></p>	<ul style="list-style-type: none"> <li>• Review of the remuneration report within the 2020/21 annual accounts to ensure that required information is disclosed for all relevant officers.</li> </ul>	<p><b>Results:</b> On completion of our interim work for 2020/21 we reconsidered this risk as we no longer consider this to be an area of significant material risk.</p> <p><b>Conclusion:</b> Satisfactory</p>

Audit risk	Assurance procedure	Results and conclusions
<p><a href="#">Regulations 2014</a>, are not made.</p>		
<p><b>8. Untaken annual leave accrual</b></p> <p>We have previously reported audit adjustments relating to the council's untaken annual leave accrual due to errors in the year-end calculation for the annual accounts.</p> <p>In 2020/21, there is an increased risk that any error in the calculation could result in a material misstatement. This is due to the council's revised policy for carrying forward leave during the Covid-19 pandemic, and the likelihood that this will result in staff having higher untaken leave balances at the year-end than in previous years.</p>	<ul style="list-style-type: none"> <li>Review of procedures put in place for the 2020/21 untaken annual leave accrual calculation.</li> <li>Review of the 2020/21 untaken annual leave accrual calculation during the financial statements audit.</li> </ul>	<p><b>Results:</b> On completion of our interim work for 2020/21 we reconsidered this risk as we no longer consider this to be an area of significant material risk.</p> <p><b>Conclusion:</b> Satisfactory</p>

## Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>9. Services pressures created by Covid-19</b></p> <p>The Covid-19 pandemic continues to place significant pressure on the provision of council services.</p> <p>There is risk that the pressures caused by the pandemic will impact on the council's ability to meet its strategic objectives.</p>	<ul style="list-style-type: none"> <li>Ongoing monitoring of the council's performance reporting, and other reports and briefings on service impact of Covid-19.</li> <li>Review of annual performance report.</li> </ul>	<p><b>Results:</b> As we have reported in <a href="#">paragraph 53</a>, the council has delivered services in 2020/21 reporting a small surplus against budget, with around £7 million of Covid-19 funding carried forward to 2021/22.</p> <p><b>Conclusion:</b> The council recognises that the pandemic will continue to place financial pressures going forward for years to come.</p>
<p><b>10. Financial sustainability</b></p> <p>The Council has a projected funding gap of £5.751 million for 2021/22 and a cumulative</p>	<ul style="list-style-type: none"> <li>Continue to monitor the financial position throughout the year and provide an update</li> </ul>	<p><b>Results:</b> As we have reported in <a href="#">paragraph 53</a>, the council achieved a £0.585m surplus against budgeted</p>



Audit risk	Assurance procedure	Results and conclusions
<p>gap of £12.747 million by 2022/23. At the time of writing this plan, the most up to date revenue position shows a projected annual adverse variance of £2.099 million. Of this projection, £2.102 million is due to the projected impact of Covid-19.</p> <p>Part of the council's budget pressures come from funding its high levels of borrowing.</p> <p>We also reported in 2019/20 that the Council's unearmarked balance of £2.752m was below its prudential target of £4.305 million.</p> <p>There is a risk that the council's financial position may not be sustainable in the long term.</p>	<p>in the 2020/21 Annual Audit Report.</p> <ul style="list-style-type: none"> <li>Consider the long-term affordability of budget decisions, including any planned use of reserves.</li> <li>Ongoing assessment of the council's long-term financial strategy, including the assumptions used.</li> <li>Review of the longer-term financial impact of the Covid-19 pandemic.</li> </ul>	<p>expenditure for 2020/21. Due to the Covid-19 pandemic, the funding position beyond 2021/22 is particularly uncertain, with all councils working to the one-year grant settlement. The long-term financial strategy has identified cumulative anticipated revenue funding gaps within General Services rising to £14.355m for 2024/25.</p> <p><b>Conclusion:</b> Satisfactory.</p>
<p><b>11. Capital project delays</b></p> <p>Gross capital expenditure (including HRA) is projected to be significantly underspent against the original budget for 2020/21. The majority of this is due to the impact of Covid-19 and the ongoing restrictions on capital works.</p> <p>There is a risk that the council's ability to deliver against its strategic plan is affected by the delays and additional costs for investment and improvements to the asset base.</p>	<ul style="list-style-type: none"> <li>On-going monitoring of capital budget plans and reports.</li> <li>Follow up of the 2017/18 Best Value Assurance Report recommendations and report an update in the 2020/21 Annual Audit Report.</li> </ul>	<p><b>Results:</b> As we have reported in <a href="#">paragraph 70</a>, 34 per cent of the capital programme has been identified as slippage,</p> <p><b>Conclusion:</b> Although Covid-19 is likely to have had a significant impact on the capital programme, there remains a risk of unrealistic or overly optimistic scheduling. We will continue to monitor progress in this area.</p>

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# Appendix 3

## Summary of national performance reports 2020/21

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### April

[Affordable housing](#)

### June

[Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway](#)

[Local government in Scotland Overview 2020](#)

### July

[The National Fraud Initiative in Scotland 2018/19](#)

### January

[Digital progress in local government](#)

[Local government in Scotland: Financial overview 2019/20](#)

### February

[NHS in Scotland 2020](#)

### March

[Improving outcomes for young people through school education](#)

### May 2021

[Local Government in Scotland Overview 2021](#)



# West Dunbartonshire Council

## Proposed 2020/21 Annual Audit Report

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## Audit Committee

17 November 2021

### West Dunbartonshire Council and its group Audit of 2020/21 annual accounts

#### Independent auditor's report

1. Our audit work on the 2020/21 annual accounts is now substantially complete. Subject to the receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 17 November 2021 (the proposed report is attached at [Appendix A](#)).

#### Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit Committee's consideration our draft annual report on the 2020/21 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

#### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to bring to your attention.

#### Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Audit Committee, we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

#### Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

**9.** A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

## Appendix A: Proposed Independent Auditor's Report

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

#### Reporting on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of West Dunbartonshire Council and its group for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements and Balance Sheets, the council-only Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement, the Council Tax Account and the Non-Domestic Rates Account, and notes to the financial statements group and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the council and its group as at 31 March 2021 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. my responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Conclusions relating to going concern basis of accounting

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

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

##### Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Chief Officer – Resources and West Dunbartonshire Council for the financial statements**

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

In preparing the financial statements, the Chief Officer - Resources is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Council is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

### **Reporting on other requirements**

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

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

### **Statutory other information**

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

### **Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

## Use of my report

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

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

17 November 2021





## Appendix B: Letter of Representation (ISA 580)

**Fiona Mitchell-Knight,**  
**Audit Director**  
Audit Scotland  
4<sup>th</sup> Floor  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow G2 1BT

Dear Audit Director

### **West Dunbartonshire Council** **Annual Accounts 2020/21**

1. This representation letter is provided about your audit of the annual accounts of West Dunbartonshire Council for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Chief Executive and Corporate Management Team, the following representations given to you in connection with your audit of West Dunbartonshire Council's annual accounts for the year ended 31 March 2021.

#### **General**

3. West Dunbartonshire Council and I have fulfilled our statutory responsibilities for the preparation of the 2020/21 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by West Dunbartonshire Council have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

#### **Financial Reporting Framework**

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (2020/21 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the West Dunbartonshire Council [and its Group] at 31 March 2021 and the transactions for 2020/21.

## Accounting Policies & Estimates

**7.** All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2020/21 accounting code where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to West Dunbartonshire Council's circumstances and have been consistently applied.

**8.** The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

## Going Concern Basis of Accounting

**9.** I have assessed West Dunbartonshire Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on West Dunbartonshire Council's ability to continue as a going concern.

## Assets

**10.** Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2021 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

**11.** I carried out an assessment at 31 March 2021 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

**12.** I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2021.

**13.** There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

**14.** Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

## Liabilities

**15.** All liabilities at 31 March 2021 of which I am aware have been recognised in the annual accounts.

**16.** Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2021 of which I am aware where the conditions specified in the 2020/21 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2021. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

**17.** Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2021 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

**18.** The accrual recognised in the financial statements for holiday untaken by 31 March 2021 has been estimated on a reasonable basis.

**19.** The pension assumptions made by the actuary in the IAS 19 report for West Dunbartonshire Council have been considered and I confirm that they are consistent with management's own view.

**20.** There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Contingent liabilities**

**21.** There are no significant contingent liabilities, other than those disclosed in Note 32 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and IAS 37.

**22.** With specific reference to equal pay claims I can confirm that it is not possible to quantify the contingent liability.

### **Fraud**

**23.** I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

**24.** I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

### **Related Party Transactions**

**25.** All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2020/21 accounting code. I have made available to you the identity of all the West Dunbartonshire Council's related parties and all the related party relationships and transactions of which I am aware.

### **Remuneration Report**

**26.** The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

### **Management commentary**

**27.** I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

### **Corporate Governance**

**28.** I confirm that the West Dunbartonshire Council has undertaken a review of the system of internal control during 2020/21 to establish the extent to which it complies with proper practices

set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

**29.** I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2021, which require to be reflected.

### **Group Accounts**

**30.** I have identified all the other entities in which West Dunbartonshire Council has a material interest and have classified and accounted for them in accordance with the 2020/21 accounting code. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

### **Events Subsequent to the Date of the Balance Sheet**

**31.** All events subsequent to 31 March 2021 for which the 2020/21 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

**Stephen West**

**Chief Officer – Resources, and Section 95 Officer**



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## **Audit Committee**

17/11/2021

## **Audit of Dr A K Glen and West Dunbartonshire Trust Funds Annual Report and Financial Statements for the year ended 31 March 2021**

### **Independent auditor's report**

1. Our audit work on the 2020/21 annual report and financial statements is now substantially complete. Subject to receipt of a revised set of financial statements for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 17 November 2021 (the proposed report is attached at [Appendix A](#)).

### **Annual audit report**

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. The findings from our audit are set out within our annual audit report for West Dunbartonshire Council 2020/21. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual report and financial statements. There are no significant findings from the audit of the charitable trusts.

3. This report will be issued in final form after the financial statements have been certified.

### **Unadjusted misstatements**

4. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

### **Fraud, subsequent events and compliance with laws and regulations**

7. In presenting this report to the Audit Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-

compliance with laws and regulations affecting the entity that should be brought to our attention.

### **Representations from Section 95 Officer**

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual report and financial statements, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual report and financial statements prior to the independent auditor's report being certified.



## **APPENDIX A: Proposed Independent Auditor's Report**

### **Independent auditor's report to the trustees of Dr A K Glen & West Dunbartonshire Trust Funds and the Accounts Commission**

#### **Report on the audit of the financial statements**

##### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual report and financial statements of Dr A K Glen & West Dunbartonshire Trust Funds for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2021 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

##### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Responsibilities of the trustees for the financial statements**

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charities, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

## **Reporting on other requirements**

### **Statutory other information**

The trustees are responsible for the statutory other information in the annual report and financial statements. The statutory other information comprises the Trustees' Annual Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

### **Opinion prescribed by the Accounts Commission**

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

### **Matters on which I am required to report by exception**

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### **Use of my report**

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

Christopher Gardner  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite,  
The Athenaeum Building, 8 Nelson Mandela Place  
Glasgow, G2 1BT

17th November 2021

**Christopher Gardner is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.**

## **APPENDIX B Letter of Representation (ISA 580)**

Christopher Gardner  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite,  
The Athenaeum Building, 8 Nelson Mandela Place  
Glasgow, G2 1BT

Dear Mr Gardner,

**Charitable Trusts administered by West Dunbartonshire Council – Annual accounts 2020/21. Dr A K Glen Trust (Registered Charity SC018701) and West Dunbartonshire Trust Funds (Registered Charity SC025070)**

**Annual report and financial statements for the year ended 31 March 2021**

1. This representation letter is provided about your audit of the financial statements of the registered charities listed above for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements properly presents the financial position of each of these registered charities as at 31 March 2021 and their receipts and payments for the year then ended.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the trustees of the registered charitable trusts, the following representations given to you in connection with your audit for the year ended 31 March 2021.

### **General**

3. I acknowledge my responsibility and that of West Dunbartonshire Council, as the administering authority, for the preparation of the financial statements on behalf of the trustees. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual report and financial statements have been made available to you for the purposes of your audit. All transactions undertaken by the registered charitable trusts have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the annual report and financial statements of the charities submitted for audit are the only trusts which fall to be audited under the provisions of the Local Government (Scotland) Act 1973.

5. The information given in the Trustees Reports presents a balanced picture of each charity and is consistent with the financial statements.

6. I confirm that there are no uncorrected misstatements.

## **Financial Reporting Framework**

7. The financial statements have been prepared in accordance with the requirements of Local Government (Scotland) Act 1973 including all relevant presentation and disclosure requirements. The financial statements also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 and guidance issued by the Office of the Scottish Charity Regulator (OSCR).

8. Disclosure has been made in the financial statements of all matters necessary for them to properly present the transactions and state of affairs of each charity for the year ended 31 March 2021.

## **Accounting Policies & Estimates**

9. The financial statements have been prepared on receipts and payments basis in accordance with applicable regulations and the founding documents of each charitable trust.

## **Going Concern Basis of Accounting**

10. I have assessed Dr A K Glen Trust and West Dunbartonshire Trust Fund's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on

Dr A K Glen Trust and West Dunbartonshire Trust Fund's ability to continue as a going concern. A number of the trusts have been dormant in recent years. The Trustees have assessed the ability of the registered charitable trust to continue as a going concern, and have disclosed in the financial statements any material uncertainties that have arisen as a result.

## **Assets**

11. The cash fund and investments shown in the statement of balances at 31 March 2021 were owned by the charities. Assets are free from any lien, encumbrance or charge. There are no plans or intentions that are likely to affect the carrying value of classification of the assets within the financial statements.

## **Fraud**

12. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

13. There have been no actual or alleged frauds or irregularities involving trustees or staff of West Dunbartonshire Council that could affect the financial statements of the charitable trusts.

### **Corporate Governance**

14. The business of the charitable trusts is recorded in the systems of West Dunbartonshire Council. As section 95 officer for West Dunbartonshire Council, I confirm that there are no issues or deficiencies in internal control that require to be disclosed within the financial statements of the charitable trusts.

### **Events Subsequent to the Date of the Balance Sheet**

15. There have been no material events since the date of the statement of balances which necessitate revision of the figures in the financial statements or notes thereto, including contingent assets and liabilities.

16. Since the date of the statement of balances no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

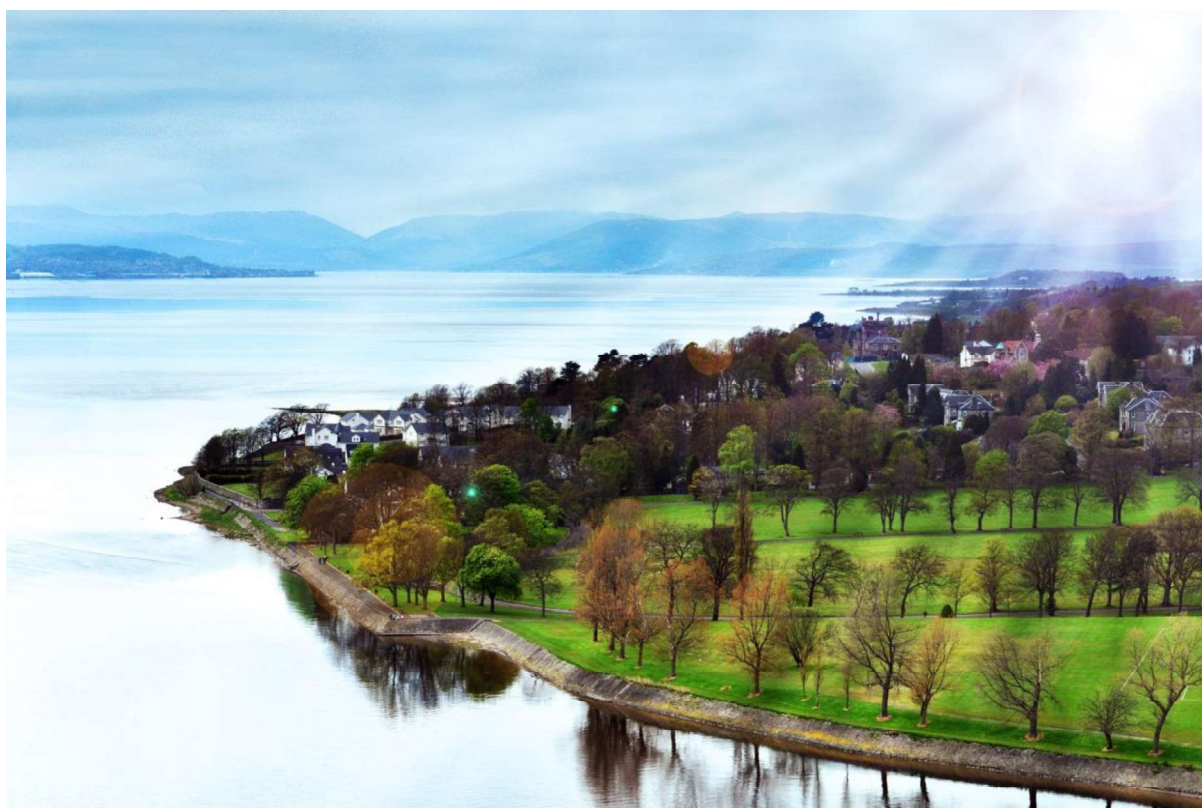
Yours sincerely,

**Chief Officer – Resources, West Dunbartonshire Council, for and on behalf of the trustees of the charities administered by West Dunbartonshire Council**

# **AUDITED ANNUAL ACCOUNTS**

## **FOR THE YEAR ENDED**

### **31 MARCH 2021**



West   
Dunbartonshire  
COUNCIL

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## **Management Commentary**

### **1. Introduction**

This publication contains the financial statements of both West Dunbartonshire Council and its group for the financial year ended 31 March 2021 and its main purpose is to demonstrate the stewardship of public funds entrusted to the Council. This Management Commentary aims to provide clear information about the council's performance during the financial year 2020/21 and the financial position as at the financial year end 31 March 2021. The Management Commentary is intended to give an easy to understand guide to the most significant matters of the Council's business during the year - including progress against key performance indicators, a description of the principal risks and uncertainties facing the council and the likely impact of the actions to mitigate these risks. In addition, it provides some detail on the council's future plans.

### **The Council**

Following local government reorganisation in Scotland, under the Local Government (Scotland) Act 1994, West Dunbartonshire Council was established in 1996. It is an average sized Council in Scotland 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.

Excluding casual staff, the council employed (as at 1st April 2021) a headcount of 5,943 employees (or 4,997 full time equivalent employees). These figures comprise a combination of permanent and fixed-term employees as well as apprentices, serving a population of approximately 88,930 (1.7% of overall Scotland population) from the 2019 mid-year estimates – a reduction of 200 from 89,130 from the 2018 figures, being a year-on-year reduction of 0.2% compared to a Scottish average of an increase of 0.5%. The council is generally accepted to suffer from economic deprivation, for example, the percentage of economically active people at a working age in employment is 73.9% (Scotland 74.8%); and life expectancy at birth is 75 years (males) and 79.2 years (females) (Scotland 77.1 years (male) and 81.1 years (female)).

The Council is led by 22 councillors, elected every five years to represent the residents within the area. Following the Local Government elections in May 2017, the Council has a minority SNP administration with Councillor Jonathan McColl as its Leader.

The senior management structure consists of the Chief Executive (Joyce White), eight Chief Officers, with the Integration Joint Board (referred to as Health and Social Care Partnership or HSCP) being managed at a senior level by the Chief Officer (Beth Culshaw) and four Heads of Service. In addition the Council retains 20% of the time of the former Strategic Director of Regeneration, Environment and Growth who from October 2020 was seconded to the Glasgow City Region for a 2 year period.

The council has one Arms' Length Organisation – West Dunbartonshire Leisure Trust – which operates certain services on the council's behalf.

The council also owns a regeneration company: Clydebank Property Company. In April 2021 the West Dunbartonshire Energy Company was incorporated which is an energy generation company 99.9% owned by the Council.

## Management Commentary (Cont'd)

### **2. The Strategic Plan**

Nationally, the Scottish Government sets out its joint priorities and local authorities, together with their community planning partners agree a planned approach aligned to these through the Local Outcome Improvement Plan (LOIP). The council's LOIP, covering the period from 2017 to 2027, feeds through into its Strategic Plan. Within the council's 2017 to 2022 Strategic Plan, the council committed to improving outcomes in key areas in order to deliver on its vision that:

*West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way*

Supporting the [Strategic Plan](#) each Chief Officer has developed service Delivery Plans, each highlighting priorities and objectives which are set out and designed to support the delivery of the council's Strategic objectives. These plans are refreshed annually and progress reported to relevant Committees every 6 months. On 1 July 2015 the HSCP was formed and generated its own Strategic Plan, linked to the council's and to the LOIP.

The Strategic Plan identified 5 priorities aligned to the council's vision, as follows:

- A strong local economy and improved job opportunities;
- Supporting individuals, families and carers living independently and with dignity;
- Meaningful engagement with active, empowered and informed citizens who feel safe and engaged;
- Open, accountable & accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of residents.

### **Performance Reporting**

The council monitors and reports its performance against these priorities through the Strategic Plan Scorecard (SPS); where planned performance targets are monitored through a suite of key performance indicators. Performance is reported to Council and Committees for scrutiny and identification of any required remedial action. The council also publishes an annual Public Performance Report which provides residents with a summary of progress being made.

In conjunction with this internal SPS, the council (together with all Scottish local authorities) measures a common set of performance indicators called the Local Government Benchmarking Framework. Using the same indicators across all councils allows comparisons of performance, identification of best practice and enables councils to learn from each other. Full details of the most up to date performance information are available on the council's website at: [www.west-dunbarton.gov.uk/council/performance-and-spending/](http://www.west-dunbarton.gov.uk/council/performance-and-spending/)

### **The Council's Budgets in 2020/21**

The Council approved the 2020/21 budget on 4 March 2020 based on band D council tax at £1,293.55. The revenue budget was set at £229.157m (as detailed in the table below) to be funded by Scottish Government Grant (£190.157m); council tax (£36.890m), with a net contribution from reserves for the remainder (£2.110m).

<b>Service Area</b>	<b>Budget (£m)</b>
Corporate Services	19.179
Educational Services	101.304
Infrastructure, Regeneration and Economic Development	25.497
Housing and Communities	3.418
Health & Social Care Partnership, including Criminal Justice	72.392
Loan charges	7.072
Other	0.295
<b>Total</b>	<b>229.157</b>

## Management Commentary (Cont'd)

### 2. The Strategic Plan (Cont'd)

The budget was updated during the year for a number of variables, resulting in a final planned net expenditure to £242.696m. The year end revenue budgetary position is detailed on page 6 of this commentary.

Council on 4 March 2020 also approved the revised capital plan with a planned General Services spend in 2020/21 of £66.937m, re-phased capital from the previous year and in-year additional projects increasing the planned spend to £72.391m. This investment is funded from a range of sources including: government grants and council ongoing revenue. Major areas of investment are economic regeneration, schools modernisation, roads and infrastructure and a range of other council assets.

Council on 4 March 2020 approved the Housing Revenue Account budget and agreed an increase in council house rents of 1.9% and a capital investment for 2020/21 of £60.006m, re-phased capital from the previous year and further in-year changes updated the planned spend for 2020/21 to £60.478m. The year end revenue budgetary position is detailed on page 7 of this commentary, with the capital year end budgetary position shown on page 11.

### 3. 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 2021. The council operates two main Funds in running its services:

1. The General Fund - for all expenditure and income associated with running of all council services except the provision of council houses. This fund is funded mainly from Scottish Government grant and council tax; and
2. The Housing Revenue Account - all expenditure and income associated with the provision of council housing and is funded primarily through rental income from tenants.

The Financial Statements comply with the Code of Practice on Local Authority Accounting in United Kingdom. Two major categories of expenditure are included in the financial statements, as follows:

1. Revenue expenditure - represents the day to day running costs incurred to provide services; and
2. Capital expenditure - is the cost of buying, constructing and improving the assets which the council uses to provide services.

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

- **the Comprehensive Income and Expenditure Statement** - shows the income and expenditure for all council services. It is shown on page 39;
- **the Movement in Reserves Statement** - shows how the Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the General Fund for the year. It also highlights movement on all other reserves held on the council's Balance Sheet (including the Housing Revenue Account). It is shown on page 40. Further information on each of the reserves held and how it may be used is also detailed within notes 30 and 31 on pages 98 to 102; and
- **the Housing Revenue Account** - shows the income and expenditure for council housing services for the year. It is shown on pages 104 to 106 which also includes the Statement of Movement on the Housing Revenue Account Balance.
- **Capital expenditure** is analysed in note 20 on page 85 which details the capital expenditure and the sources of finance used to fund the capital plan investment in 2020/21.
- **the Balance Sheet** on page 41 summarises the assets and liabilities of the council. It is a statement of the resources of the council and the means by which they have been financed. It is also a report on the council's financial position at one particular point in time, a snapshot of its financial affairs at the close of the year expressed in accounting terms.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

- **the Cash Flow Statement** on page 42 shows the inflows and outflows of cash arising from transactions with third parties on both day to day revenue transactions and on 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.
- **Notes to the Core Financial Statements** are provided on pages 43 to 103 and give further information and analysis of each statement, including the main accounting policies detailed on pages 43 to 56.

### Comprehensive Income and Expenditure Statement

#### **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 committee structure.

Income from council tax, non-domestic rates, capital and revenue support grants was £272.024m with a net expenditure on services for the year of £250.107m (shown on page 39 - Net Cost of Services).

Due to tight financial control over service spending, the council was able to return an in year surplus from services of £0.585m against budget (2019/20 £0.586m surplus). A number of favourable variances (particularly within Corporate Services and Infrastructure, Regeneration and Economic Development service areas) are due to specific management action in areas such as: control of vacancies and staff cover; general process and efficiency reviews; specific restructuring of service delivery; spending control; and implementation of agreed savings targets. Although, there is an element of demand led favourable variances, the level of favourable variance has been partially offset due to spend pressures, particularly within vacant building costs (such as former HSCP properties and the Playdrome) and within Educational Services (Additional Support Needs demands). During the Council's annual budget process, efficiencies are identified and agreed for action. These savings are monitored monthly as part of the budgetary control process. For 2020/21 the savings monitored were valued at £0.910m, with £0.887m being achieved with the shortfall being attributed to an impact of COVID-19.

The council's in-year collection of council tax decreased slightly from 95.15% in 2019/20 to 94.18% in 2020/21. Uncollected council tax is pursued for collection after the end of the financial year. It is anticipated that the majority of the reduction in in-year collection rates was due to the financial impact of COVID-19 on the ability of people to pay Council Tax on time. During the initial lockdown and throughout the period since the pandemic started the Council has eased payment terms and follow-up processes to assist residents impacted. It is anticipated that the delay in payment will be caught-up in future years.

After taking account of the increase in general earmarked balances since 31 March 2020 (£6.060m), the net commitment to future budgets (£1.012m, included within the overall earmarked balance) and the in-year budgetary position (£0.585m), the overall surplus for the year was £5.633m. During 2020/21 significant Scottish Government funding was received to support the Council in relation to COVID-19 costs, lost income and recovery. A significant proportion of this is able to be carried-forward to 2021/22 and indeed some was intended by the Scottish Government for use in 2021/22. As a result there is an increase in earmarked reserves from this source. This results in an accumulated surplus at 31 March 2021 of £15.028m (as shown on page 40), compared to the previous year value of £9.395m). This includes an earmarked amount of £11.691m leaving £3.337m available for future use. Of the earmarked reserves £7.072m is for COVID-19 purposes leaving £4.619m of general earmarked reserves, of which £1.553m is set aside for the Council's Change Fund and £0.252m remains of the Apprenticeship Fund.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

This un-earmarked balance compares with that of £2.752m as at 31 March 2020 and shows that the un-earmarked reserve position has increased by £0.585m during the year. The council's Prudential Reserves Policy is to retain a prudential reserve of 2% of net expenditure (excluding requisitions to HSCP, Valuation Joint Board, SPT, etc.) in order to safeguard assets and services against financial risk. The current target prudential reserves level for the General Fund is £3.000m and the position at financial year end is higher than this by £0.337m (the main reason for this position is due to financial performance in 2020/21). The General Fund's budgetary performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

	Original Budget £000	Revised Budget £000	Spend Against Budget £000	Variance £000	£000
Total General Services Reserves Held as at 31/3/20					(9,395)
Corporate Services	19,179	19,654	19,227	(427)	
Educational Services	101,304	101,718	101,635	(83)	
Infrastructure, Regeneration and Economic Development	25,497	24,991	24,262	(729)	
Housing and Communities	3,418	4,976	5,571	595	
Health & Social Care Partnership, including Criminal Justice	72,392	72,616	72,616	0	
Loan charges	7,072	7,072	6,897	(175)	
Other (including one-off covid spend)	295	11,669	11,865	196	
Total Expenditure (1)	229,157	242,696	242,073	(623)	
Council Tax	(36,890)	(36,620)	(36,620)	0	
Revenue Support Grant/ NDR	(190,157)	(203,966)	(203,928)	38	
Use of Reserves	(2,110)	(2,110)	(2,110)	0	
Total Income (2)	(229,157)	(242,696)	(242,658)	38	
Net Budgetary Control Position (3) = (1) + (2)				(585)	
Earmarked during year*				1,012	
Net movement in Earmarked balances				(6,060)	
<b>Movement in Reserves from 1/04/20 to 31/03/21</b>					<b>(5,633)</b>
<b>Total General Services Reserves Held as at 31/3/21</b>					<b>(15,028)</b>
Net decrease in the Movement in Reserves before transfer to Statutory Reserves					(4,241)
Transfer from statutory reserves					(1,392)
					<b>(5,633)</b>

The movement of £5.633m noted above reflects the in-year movement in the General Fund balance (i.e. opening balance 1 April 2020 of £9.395m and the closing balance as at 31 March 2021 of £15.028m) and is further detailed within the Movement in Reserves Statement on page 40. The following table sets out a reconciliation of the surplus on the provision of services within the Comprehensive Income and Expenditure Statement (page 39) of £2.742m to the revenue budgetary outturn of £0.585m.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

	£000	£000
<b>Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement</b>		<b>2,742</b>
<u>Removal of statutory adjustments not included in budget outturn (note 6):</u>		
Reversal of entries included in the surplus/ deficit on the provision of services in relation to capital expenditure (including depreciation and impairment)	(12,910)	
CFCR	8,911	
Pension adjustment	(16,604)	
Statutory repayment of debt	10,819	
Transfer to other statutory reserves	(115)	
Net gain / (loss) on sale of non current assets	(883)	
Other adjustments	6	(10,776)
<b>Deficit on Provision of Services in Note 13 - Expenditure and Funding Analysis</b>		<b>(8,034)</b>
<u>Adjust for movements to/from other statutory reserves</u>		
HRA reserve	3,793	
Other reserves	(1,392)	2,401
<b>Movement in General Fund Balance</b>		<b>(5,633)</b>
<u>Adjustments for earmarked funds:</u>		
Net Commitment to in-year budget not spent at 31 March 2021	(1,012)	
Movement in earmarked sums	6,060	5,048
<b>Net General Fund budgetary control position 2020/21</b>		<b>(585)</b>

#### Housing Revenue Account (HRA)

By law the council maintains a separate account for the running and management of its housing stock and had 10,153 housing units at 31 March 2021 (10,042 31 March 2020), movement as follows:

<b>Opening house numbers</b>	<b>10,042</b>
Disposals	0
Demolitions	0
Buy back	16
New builds	95
<b>Closing house numbers</b>	<b>10,153</b>

After the impact of earmarked balances, the account shows a surplus for the year of £3.440m. In line with the prudential reserves policy (2% of expenditure), the target reserves level for the HRA for 2020/21 is £0.923m. Taking account of the in-year surplus (£3.440m), the brought forward balance from the previous year £3.924m, the balance available to the HRA for future use is £7.364m, (earmarked reserves of £6.441m and free reserves of £0.923m). The HRA's budget performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use. Further information is noted on pages 104 to 106.

	Budget £000	Spend Against Budget £000	Variance £000	£000
Total HRA Reserves Held as at 31/3/20				<b>(3,924)</b>
Total Expenditure	44,152	40,730	(3,422)	
Total Income	(44,152)	(44,170)	(18)	
Net Budgetary Control Position			(3,440)	
Net transfer from earmarked balances			0	
<b>Movement in Reserves from 1/04/20 to 31/03/21</b>				<b>(3,440)</b>
<b>Total HRA Reserves Held as at 31/3/21</b>				<b>(7,364)</b>

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

The net budgetary position on the HRA Statement noted above of £3.440m compares to the surplus noted within the HRA Income and Expenditure Statement (page 105) as detailed below:

	£000	£000
<b>(Surplus)/Deficit for the year on HRA Services</b>		<b>(8,297)</b>
<u>HRA Movement in Reserves</u>		
Adjustments to the revenue resource	(9,152)	
Adjustments between Revenue and Capital Resources	13,656	
Transfers (to)/from Other Statutory Reserves	353	4,857
<b>Movement in the HRA Reserve</b>		<b>(3,440)</b>
<u>Adjustments for earmarked funds:</u>		
Use of earmarked sums		0
<b>Net HRA budgetary control position 2020/21</b>		<b>(3,440)</b>
<b>HRA reserve as at 1 April 2020</b>		<b>(3,924)</b>
Use of earmarked sums		0
Transfer of surplus to reserves		(3,440)
<b>HRA reserve as at 31 March 2021</b>		<b>(7,364)</b>

Spend relating to the net budget position of £3.440m surplus is included within note 15 (Expenditure and Funding Analysis) on pages 75 to 79.

#### **Reserves**

As at 31 March 2021, the usable reserves currently held by the council are noted below, with further information on the future use of such reserves detailed within notes 30 and 31 on pages 98 to 102.

	<b>General Services £000</b>	<b>HRA £000</b>	<b>Total £000</b>
Unearmarked Reserve	3,337	923	4,260
Earmarked Reserve	11,691	6,441	18,132
<b>Total Revenue Reserve</b>	<b>15,028</b>	<b>7,364</b>	<b>22,392</b>
Capital Receipts Reserve	0	0	0
Capital Grants Unapplied	42	0	42
Capital Reserve	1,469	0	1,469
Other Reserves	308	0	308
<b>Total Usable Reserves</b>	<b>16,847</b>	<b>7,364</b>	<b>24,211</b>
Prudential Target	3,000	923	

#### **Provisions**

The council currently has no provisions held on its Balance Sheet as at 31 March 2021.

#### **Cash Flow Statement**

The council's cash flow statement shows a decrease of cash and cash equivalents of £4.797m during 2020/21 (see page 42) mainly as a result of borrowing for capital spend on non-current assets.

## **Management Commentary (Cont'd)**

### **3. Overview of Core Financial Statements (Cont'd)**

#### **COVID-19**

The financial analysis provided above takes into account the COVID-19 impact. The pandemic resulted in significant periods of lockdown and restrictions on normal daily life over the whole of 2020/21. This had a financial impact on the council, however there has been significant additional funding support received from the Scottish Government to assist the direct costs of COVID-19 on the council, such as: expenditure on cleaning, PPE; lost income due to closure of services; costs of Education recovery, etc. As a result, for 2020/21, there has therefore been no net financial impact.

Government imposed lockdowns and restrictions on daily life have resulted in closures for different periods of time of all educational provision and cultural and leisure provision, and has significantly reduced activity in relation to building works, roads works, outdoor services and changes to waste management. Offices and face-to-face service provision have been significantly reduced. A large number of staff have been able to work from home and educational hubs and crisis and support provision has been implemented to support residents most in need of support. Social care services have continued though, in some cases, in a different or reduced format as risk has been balanced with need and due to high numbers of staff being impacted either by infection or isolating. Through the lockdown period staff have been advised to stay at home except for those where it has been deemed that it was essential that they physically attend work. Sickness rates have varied across services with a short peak in COVID-related absence offset generally by a reduction in other absences. The Council has followed Scottish Government procurement guidance in relation to supporting businesses through the crisis. A number of capital projects have been delayed due to COVID-19 as can be seen from the budgetary summary on page 11.

With significant disruption on how services are being delivered throughout 2020/21 the CMT developed plans to capture the shift from business as usual activity and ensure the council continued to meet requirements and achieve the strategic priorities set out in the Strategic Plan. This planning activity took into consideration the reflective learning from the first phase of responding to the pandemic and engaging with key stakeholders in planning future service provision. Regular COVID-19 Update reports have been provided to Council and regular Elected Member briefings on COVID-19 issues have been provided throughout. Initial temporary governance arrangements put in place at the time of the initial lockdown from March 2020 were removed as Council and Committee meetings were enabled through remote access. Further information regarding this is noted within page 22 and page 23.

During the year the Scottish Government provided revenue funding to the council for general COVID-19 use plus further funding for specific COVID-related purposes in 2020/21. In addition funding was provided in 2020/21 that was able to be carried forward to 2021/22 or specifically provided with the intention of use in 2021/22. The total funding provided by the Scottish Government to the Council for COVID-19 costs in 2020/21 was £20.430m. This excludes funding provided to the HSCP for social care costs.

During 2020/21 the Council has applied £13.692m of the 2020/21 COVID-19 resources during 2020/21 and carried forward £6.738m into 2021/22, being £1.973m from general COVID-19 funding and £4.765m from targeted COVID-19 funding. In addition, the Council has also identified £0.334m budget to be carried into 2021/22 specifically for educational flexibilities, resulting in a total earmarked position for COVID-19 of £7.072m.

The funds for 2021/22 have been earmarked within reserves for use in 2021/22.

The Scottish Government also provided capital resources relating to specific COVID-19 related purposes of £0.701m which has all been spent/committed in line with Scottish Government expectations.

In addition the Scottish Government has enabled a number of fiscal flexibilities which were available to be accessed during 2020/21 if required, however this has not been required due to the funding provided being sufficient to cover the net additional costs of COVID-19.



## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

The Scottish Government, as part of its strategy to mitigate the effect of COVID-19 on employment, business and the economy, provided significant levels of funding to Councils to pay to businesses in the form of business support grants.

For 2020/21 the council processed and paid to businesses £24.305m and a total of £30.609m by the end of May 2021 for these purposes through a range of different approaches implemented by the Scottish Government at different times of the year and targeted at different business sectors. The administration of the grants was time consuming given the number of grant applications and the payment timelines were specified outwith Council control. However funding was provided by the Scottish Government to fund the additional workload.

#### **Balance Sheet**

The Balance Sheet on page 41 shows that during 2020/21, the net assets have increased by £33.717m (from £284.912m to £318.629m). The main movement is due to an increase in the value of non-current assets following a formal valuation the housing dwellings which was due as part of a 5-year rolling valuation programme. There has also been movement within borrowing, in line with spend and funding agreed within the capital plan; and movement within debtors and creditors.

#### **Pension Assets and Liabilities**

The Balance Sheet on page 41 shows an assessed pension fund liability of £163.165m, using a snapshot valuation at 31 March 2021. Further information on this is provided in note 13 on pages 70 to 75. The valuation states that assets held at the valuation date were sufficient to cover 85.6% of accrued liabilities (85.6% in 2019/20). The pension scheme liability has increased by £29.538m as advised by the appointed actuaries, and this is mainly as a result of the downwards movement in the assumptions of future pension, and salary increases and discount rate. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned recent increases in employers' contributions 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 citizens. The remit for the council's Strategic Asset Management Group is to ensure the most efficient use of these assets in pursuit of the council's strategic priorities. The Group manages this through ongoing review of the overarching Strategic Asset Management Plan, which is then supported by a number of individual Asset Management Plans (including properties, infrastructure, vehicles and equipment, etc.).

The council requires to assess the value of assets held based on current market conditions, while in the current year particular assets have increased in value by £62.825m. At the same time, impairment and downward revaluations have reduced the value of other assets held by the council by £21.405m, resulting in a net increase in value of £41.420m. 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 Treasury Strategy for 2020/21 was agreed by the Council on 4 March 2020. The council raised new long term loans of £10.000m (2019/20 £50.868m) and short term loans of £260.250m (2019/20 £218.744m) and repaid naturally maturing debt of £235.115m (2019/20 £201.304m). The total outstanding long term debt (excluding PPP debt) as at 31 March 2021 was £274.237m (2019/20 £276.905m) including £109.778m (2019/20 £115.241m) for the council's housing stock. The total outstanding short term debt was £274.466m (2019/20 £237.011m), including £93.994m (2019/20 £98.671m) for the housing stock. The interest and expenses rate charged by the council's loans fund was 2.29% (2.58% in 2019/20). Due to the current interest rates, the Council has followed a strategy to maximise the benefit in short term borrowing to fund capital expenditure.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

#### 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 and have resulted in increases to both the General Services and Housing capital programmes for 2020/21 and beyond. The Council's [Treasury Management Strategy](#) and [Capital Strategy](#) are approved at Council as part of the budget setting package. Details of the capital expenditure and financing are shown in note 20 on page 85. Total gross capital expenditure amounted to £92.184m the split between General Services and HRA is noted in the table below. The main capital projects progressed during 2020/21 were:

General Services	HRA
Replacement of Elderly Care Homes	Void Housing Strategy Programme
District Heating Network	Building external component renewals
Queens Quay Regeneration	Statutory compliance works
A811 Lomond Bridge	Targeted EESSH compliance works
Community Capital Fund	Heating Improvement works
Local Economic Development	Affordable Housing Supply Programme

During 2020/21, the council had budgeted capital expenditure of £132.869m with an actual in year spend of £92.184m. The unspent amount (£40.685m) includes overspends, underspends and slippage, as noted within the table below. The total slippage on planned spend was £44.808m – 33.72% of the overall capital programme which is summarised in the following table:

	Original Budget £000	Actual Spend £000	Variance £000	Overspend £000	Underspend £000	Slippage £000
<b>Service</b>						
Corporate Services	3,391	1,155	(2,236)	0	(280)	(1,956)
Education	15,573	9,686	(5,887)	118	0	(6,005)
Infrastructure, Regeneration and Development	46,446	24,327	(22,119)	757	0	(22,876)
Housing and Communities	139	186	47	0	0	47
Miscellaneous Services	3,502	4,200	698	698	0	0
Health and Social Care Partnership	3,340	3,058	(282)	0	0	(282)
<b>General Services</b>	<b>72,391</b>	<b>42,612</b>	<b>(29,779)</b>	<b>1,573</b>	<b>(280)</b>	<b>(31,072)</b>
HRA	60,478	49,572	(10,906)	2,912	(82)	(13,736)
<b>Total</b>	<b>132,869</b>	<b>92,184</b>	<b>(40,685)</b>	<b>4,485</b>	<b>(362)</b>	<b>(44,808)</b>

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

The majority of the slippage has occurred within a small 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 2020/21 onwards. The most significant slippage was experienced against the following projects:

<b>General Services</b>	
District Heating Expansion	Network expansion to GJNH (Golden Jubilee National Hospital) will commence pending positive commercial discussions with GJNH. Progress expected in 2021/22.
Gruggies Burn Flood Prevention	Delay due to alternative design solutions requiring to be considered. Options and recommendations to be presented for consideration in summer 2021 in advance of the approval and planning permissions
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.
Schools Estate Improvement Plan	COVID-19 restrictions delayed project progress in 2020/21, with the Renton Campus site closed for 13 weeks
Posties Park	Work in 2020/21 were delayed due to COVID-19 restrictions.
<b>HRA</b>	
New house build	Due to a number of different complexities there were delays to getting on site across each of the new build sites.
Projects to deliver housing strategies (Buy Backs)	These are subject to stringent criteria to ensure accountability and value for money for tenants and involves several key stakeholders which resulted in time delays
Doors/Windows	Completions have been affected by windows supply delay and extended lockdown restrictions
Targeted EESSH compliance work	Tier 4+ restrictions impacted upon progress toward the year end
Building external components	Tier 4+ restrictions impacted upon progress toward the year end

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

The council entered into a PPP for the provision of three new 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 22 on pages 86 to 87.

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.

## **Management Commentary (Cont'd)**

### **3. Overview of Core Financial Statements (Cont'd)**

#### **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 109 to 119 consolidate the council's Financial Statements, the Common Good and Trust Funds and six other entities (including two further subsidiaries – West Dunbartonshire Leisure Trust and Clydebank Property Company). The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £36.611m creating an overall net asset of £355.240m. This includes the combined pension liability of these organisations similar to that of the council. 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.

### **4. The Financial Outlook, Key Risks and the Future**

In setting the budget for 2021/22, the council faced a number of significant financial pressures resulting from reducing government funding, inflationary pressures and service demand increases and the ongoing impact of the economic position and welfare reform.

The council's Long Term Financial Strategy (LTFS) published in November 2020 highlighted that the pressure on public finances is expected to continue for the next 5 years. Local Government is not one of the "protected" spend areas within the Scottish Government's budget, which means it is likely that ongoing real terms funding reductions will be experienced.

At the same time demand for services is expected to continue to increase, driven by demographic change and policy pressures. The Scottish Government settlement for 2021/22 was a further one year settlement though the settlement was better than had been anticipated. It is not clear, due to ongoing potential impacts to the economy arising from EU Exit and the ongoing impact of COVID-19 as to what funding settlements will look like into the future and whether longer terms settlements will be possible.

The LTFS is reviewed annually providing analysis of issues for the next three financial years and some higher level analysis and risks over the next 10 years. The strategy aims to allow the council to plan ahead and take appropriate action to maintain budgets within expected levels of funding.

Following the setting of the budget in March 2021, budgeting projections identified expected gaps of £4.891m in 2022/23 and a further £5.644m for 2023/24. The strategy will be reviewed by council later in 2021 and in setting the budget for 2022/23. At the Council meeting on 22 March 2021 the updated General Fund capital plan was approved. At a Council meeting on 3 March 2021 the HRA revenue budget for 2020/21 and the updated 5 year HRA capital plan were approved. The capital plans include funding for a number of projects over the next three years and the revenue impact of these investments will be built into future revenue plans.

#### **COVID-19**

The pandemic continues into financial year 2021/22 with restrictions remaining as at the beginning of the financial year. Due to extensive vaccination implementation it is hoped that the ongoing restrictions on daily life will be able to be lifted gradually during 2021/22. At this stage it is impossible to predict the future impact of the pandemic in 2021/22, the financial impact to the council and the economic impact on the UK, Scottish and local economies.

The ongoing financial impact will be reported to Members and it may be necessary for the Council to make decisions on future service delivery depending on the totality of the financial impact and Government funding availability. As is detailed above the Scottish Government has provided significant (mainly) revenue financial support for 2020/21 and also for 2021/22 and it is anticipated that any financial impact on the Council in 2021/22 will be fully funded by such financial support. In addition the Scottish Government has enabled a number of fiscal flexibilities which can be accessed during 2021/22 if required.

## **Management Commentary (Cont'd)**

### **4. The Financial Outlook, Key Risks and the Future (cont'd)**

The “new normal” may have an impact on service demand and the consequences of this will have to be clearly laid out within the current performance management and reporting framework and in future service and budget planning. It will be important for the Council, at the appropriate time, to carry out a post-incident review and highlight any lessons learned.

Currently the Scottish Government has provided significant additional resource and flexibilities to assist the Council to date, though the availability of further funding is unclear and uncertain – should the pandemic generate further significant waves of infection and further government impositions. In such circumstances, there is a risk that Council will require to consider service reductions and potential use of reserves to manage the financial impact. Currently it is not clear as to the ongoing future financial impact of COVID-19 on the Council and its reserves.

#### **Management of Risk**

The main financial risks identified by the council over the medium and long term are highlighted within the council's Long Term Financial Strategy and includes:

- the unknown position from government on future funding levels particularly given the ongoing decline in council population;
- the unknown financial implications of COVID-19 and funding support from Scottish Government;
- the impact of the ongoing implementation of Universal Credit and the potential impact of previously implemented austerity measures on the economic strength of the West Dunbartonshire population and business base;
- changing demands and needs for council services (particularly in relation to older people); and
- council also plans major investment in a number of significant capital projects which will change the way in which some services are delivered and are partially funded through projected revenue savings – there is a risk that expected savings are not as planned.

The Annual Governance Statement, shown on pages 20 to 29, 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 Scottish Government changed council tax rules 2017/18 and there is potential for further reform of local government funding and organisation over the next few years.

#### **The Future**

In recognition of the projected ongoing financial position, the council continues to identify service redesign and business transformation options and these will be reported to appropriate committees during 2021/22. Significant cost reductions have been generated through planned actions to generate savings and more efficient ways of working. As stated above the financial impact of COVID-19 places a further layer of uncertainty and financial risk to the ongoing Council funding and the ability to continue to provide services on an ongoing basis.

A number of major projects have been underway during 2020/21 as follows:

## Management Commentary (Cont'd)

### The Financial Outlook, Key Risks and the Future (cont'd)

- **Glasgow City Region City Deal** – the council, together with a number of other Scottish local authorities, is participating in the Glasgow Region City Deal which will see over £1.1 billion invested in the area. The City Deal consists of a number of significant capital projects across the area together with employability projects – in order to generate economic regeneration and additional jobs. The project within the City Deal specific to the council is an infrastructure project at the Exxon site at Bowling to regenerate that site and to create a relief road along the A82 at Milton. The project development is progressing with the outline business case approved during 2016/17 and the next stage being the approval of the final business case;
- **Development of Queens Quay and District Heating** – the council, in partnership with the private sector, are funding the redevelopment of Queens Quay in Clydebank – bringing a significant former industrial site back into use. This project will be home to a new council-run care home for older people; a new medical centre run by the Greater Glasgow Health Board; around 1,000 new homes; and new commercial provision. This longer term project should support the economic development of Clydebank and is expected to generate net in-migration to West Dunbartonshire. In 2016/17 council and the Scottish Government approved the development of an innovative district heating system on this site to provide heat to all of the existing and new provision within Queens Quay and beyond. Significant physical progress was achieved on these various elements of the wider regeneration project during 2020/21 with the energy centre becoming operational, the care home opening for residents and the commencement of the building of the first tranche on new housing on site;
- **UK withdrawal from the European Union** - in line with recommendations from Audit Scotland, an ongoing assessment of the risk to the council arising from the UK's withdrawal from the European Union continues. This allows the Corporate Management Team to conclude that the risks to the council are generally low, but not fully defined. The council continues a watching brief on developments and reviews the identified risks on an ongoing basis;
- **Strategic Programmes** – in the most recent Long Term Finance Strategy to November 2020 Council a number of potential change areas were identified. These are under consideration for development and implementation to assist close future funding gaps. Many of the previous projects are complete or near completion and senior management monitors progress on agreed efficiency projects through the Recovery and Renewal Board and budgetary control reports provide updates on progress to Members. Where appropriate, business cases will be developed, and where required, reports will come to future Council and Committees for consideration; and
- **Council's More Homes Strategy** – plans have been approved for the council to deliver over 1,000 new affordable homes within the area over the period to 2021 and though delayed somewhat by COVID-19 during 2020/21 new homes were beginning to be handed over to the Council by builders and thereafter to new tenants. This strategy is expected to produce net in-migration and regeneration, as well as provide modern affordable housing.

### 5. Other Information

#### **Asset Management**

The council has a significant investment embedded in assets, comprising offices, schools, vehicles, houses, ICT infrastructure and equipment, etc. and it is important that these are managed in an efficient and effective manner. The council has an overarching Asset Management Strategy which was refreshed in December 2016 along with the Property Asset Management Plan at the same time. Service specific Asset Plans covering Open Spaces, Roads Structures, Housing and Vehicle, Fleet and Plant were all approved at the relevant service committees during 2017. The next update required is for the Asset Management Strategy and Property Asset Plan at the end of 2021 therefore no updates are required to any existing plans during financial year 2020/21. In addition an asset disposal strategy is in place to maximize the benefit from assets that the council no longer requires and this strategy is important in generating capital receipts to support elements of the capital plan.

## **Management Commentary (Cont'd)**

### **5. Other Information (cont'd)**

#### **Best Value Assurance Report**

During 2017/18 the council was audited under the revised Best Value audit approach, where the auditors reviewed the council's approach to strategic planning, financial planning, workforce planning, partnership working, performance reporting and continuous improvement. The report by the Accounts Commission was published on 28 June 2018 and was positive and showed that the council had made significant progress since the previous Best Value report in 2006 and follow-up reports to 2010. Five areas for improvement were identified and improvement actions now implemented in full on these areas – more detail is provided within the Annual Governance Statement within these accounts.

#### **Carbon Emissions and Energy Consumption**

The council is on track to meet the targets set out in the Carbon Management Plan, emitting a total of 24,394 tonnes of carbon dioxide from our operations in 2019/20. This equates to a 7% reduction against the previous financial year, or a 26% total reduction overall against the 2012-13 baseline year. The council approved a new Climate change Strategy in November 2020 which will set a target to reduce WDC carbon emissions to 'net zero' by 2045 which will align with Scottish Government targets.

#### **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. An equal pay audit has recently been produced and a Members Briefing provided in June 2020 on the outcome.

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

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

#### **Consultation and Communication with Workforce**

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

#### **Remuneration Report**

This report presents information on the remuneration of senior elected members and senior officers within the council (pages 30 to 38).

## Management Commentary (Cont'd)

### 5. Other Information (cont'd)

#### Financial Performance Indicators

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

2019/20 Outturn			2020/21 Target	2020/21 Outturn
<b>Housing Performance</b>				
8.38%	Percentage of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	18.11%
791	number of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	1,718
9.64%	Current / former / total tenant arrears as a percentage of net rent due in year	Demonstrates the Council's effectiveness in collecting local housing rents	10.50%	8.53%
£3.922m	Amount of current/ former/ total tenant rent arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£3.621m
100%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the HRA has, in comparison to the agreed minimum	100%	100%
2.00%	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%	2.00%
(£0.033m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	(£0.040m)
97.22%	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	92.21%
<b>General Services Performance</b>				
£5.40	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£5.00	£6.84
15.59%	Council tax as a percentage of overall funding	Demonstrates the amount of budget raised through council tax	n/a	15.98%
95.15%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	93.50%	94.18%
£34.230m	Amount of income from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	n/a	£35.624m
64%	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%
1.28%	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%	2.19%
(£2.076m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£0.585m
99.74%	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	99.74%
<b>Prudence And Affordability – Capital</b>				
4.59%	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	4.65%	4.07%
25.55%	Ratio of financing costs to net revenue stream – HRA	Demonstrates how much of the HRA revenue budget is used to support previous capital investment	22.56%	23.59%
£600.739m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£650.789m	£646.190m
£613.938m	External Debt Levels (including PPP)	The amount of external debt held by the Council. Increases due to funding of the capital programme	£647.920m	£644.951m

### 6. Where to find more information

**In This Publication** - An explanation of the Financial Statements which follow 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.westdunbartonshirecouncil.gov.uk/)) or from Finance Services, 16 Church Street, Dumbarton, G82 1QL.



## **Management Commentary (Cont'd)**

### **7. Conclusion**

The financial results show the council's finances in a fairly healthy position and, considering the ongoing significant financial pressures being faced by the council, we have successfully managed our affairs within the budget set and the financial objectives prescribed. This is a satisfactory outcome and reflects well on both the efforts and professionalism of management, budget holders and on the council's financial management and monitoring procedures. However the impact of covid-19 moving into financial year 2021/22 will certainly bring challenges in terms of cost and uncertainty around availability of Scottish Government funding to support such cost implications. 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 Jonathan McColl**  
**Leader of the Council**  
**Date: 17 November 2021**



**Joyce White**  
**Chief Executive**  
**Date: 17 November 2021**



**Stephen West**  
**Chief Officer - Resources**  
**Date: 17 November 2021**

## Statement of Responsibilities

### The Authority'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;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014 and the Coronavirus (Scotland) Act 2020) and so far as is compatible with legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003); and
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were authorised for issue on 17 November 2021.

Signed on behalf of West Dunbartonshire Council



**Councillor Jonathan McColl**  
**Leader of the Council**  
**Date: 17 November 2021**

### The Chief Officer - Resources Responsibilities:

The Chief Officer - Resources is responsible for the preparation of the Authority'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 Code).

In preparing this Statement of 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; and
- 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; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements give a true and fair view of the financial position of the local authority (and its group) at the reporting date and the transactions of the local authority (and its group) for the year ended 31 March 2021.



**Stephen West**  
**Chief Officer - Resources**  
**Date: 17 November 2021**

## Annual Governance Statement

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

### Scope of Responsibility

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

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

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

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

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

### The Purpose of the Governance Framework

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

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

The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of the approval of the Statement of Accounts.

## **Annual Governance Statement (Cont'd)**

### **The Governance Framework**

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

- the overarching strategic vision and objectives of the council are detailed in the Strategic Plan 2017/22, which sets out the key priorities of the council and key outcomes the council is committed to delivering with its partners, as set out in the Local Outcome Improvement Plan;
- Services are able to demonstrate how their own activities link to the council's vision and priorities through their Delivery Plans. Performance management and monitoring of service delivery is reported through service committees regularly. The CMT monitors performance information regularly. The council regularly publishes information about its performance;
- The West Dunbartonshire Community Alliance, which supports Community Planning West Dunbartonshire, represents the views of community organisations, communities of interest and geographical communities. In addition the council has an Engaging Communities Framework in place which sets out our approach to engaging with citizens, community organisations and stakeholders. Consultation on the future vision and activities of the partnership is undertaken in a range of ways, including seeking the views of the Alliance and through specific service consultations and the council actively engages with its partners through community planning arrangements;
- The council has adopted a Code of Conduct and associated employment policies for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members in a localised format. In addition, the council has in place a protocol on member/ officer relations and an inter-party protocol;
- The council operates within an established procedural framework which incorporates a Scheme of Delegation, Standing Orders and Financial Regulations. These describe the roles and responsibilities of Elected Members and officers and are subject to regular review. The council facilitates policy and decision making through the agreed committee structure;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the council's Chief Financial Officer as Section 95 Officer. The system of internal financial control is based on a framework of regular management information, the Financial Regulations, administrative procedures (including separation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the council;
- The council's approach to risk management is set out in the Risk Management Framework. A strategic risk register is in place and an update report on this is regularly submitted to the Corporate Services Committee and Audit Committee. The approach is embedded within the council's strategic planning and performance management framework with regular reporting of risk management reported to service committees; and
- Comprehensive arrangements are in place to ensure Elected Members and officers are supported by appropriate training and development.

### **Review of Effectiveness**

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

The council's current Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. An assessment of the council's compliance with the Code of Good Governance is supported by a process of self-assessment and assurance certification by Chief Officers and the outcome of this assessment was reported to the Audit Committee on 16 June 2021.

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

## **Annual Governance Statement (Cont'd)**

### **Review of Effectiveness (cont'd)**

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

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

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 and reports to the Audit Committee. An annual programme of work is determined and undertaken by Internal Audit, approved by the Audit Committee, based upon an established risk based methodology. The Shared Service Manager – Audit & Fraud provides an independent opinion on the adequacy and effectiveness of the council's System of Internal Financial Control.

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

It is our view that the council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify areas of weakness. This is corroborated by an annual assurance statement prepared by the Shared Service Manager – Audit & Fraud stating that reasonable assurance can be placed upon the adequacy and effectiveness of the council's internal control systems. Due to the COVID-19 pandemic, some audits from 2020-21 could not be carried out and have been rescheduled to take place in early 2021-22. However the overall audit plan is set within the context of a multi-year approach to audit planning such that key risk areas are reviewed over a 5 year cycle.

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

### **COVID-19**

The significant incident which began in late March 2020 and the council's responses as a Category 1 responder during the COVID-19 pandemic tested how well the Council's risk management, governance and internal controls framework is operating. There were examples of innovations, new business processes and solutions, and new technology being embraced in order to deliver services to the community in its role as a Category 1 responder to carry out the following three essential functions: Caring for the Vulnerable; Liaising with Resilience Partners; and Supporting Economic Recovery. This was achieved using amended governance arrangements for a period of time during 2020/21, new ways of decision-making, leadership and implementation including virtual meetings, conference calls and systems remote access. Meetings of the Audit Committee and Council have been held remotely since June 2020 to allow Members to undertake their scrutiny role and service Committees also re-started in August 2020. Regulatory Committees, Planning and Licensing, were briefly interrupted but recommenced from May 2020.

There were regular Elected Member briefings and cross party meetings in order to further share updates on the developments as a result of the COVID-19 pandemic. It was agreed at the Cross Party Group that committee business would be kept to a minimum with only necessary and urgent papers being considered by committee. A small number of temporary delegations were agreed to enable services within Regulatory to continue, assist with the preparation of the annual accounts and deal with taxation matters. The Council's existing Scheme of Governance was also used to enable decisions to be taken which would normally be taken by committee. A report was presented to Council in June 2020 which provided an update in relation to actions and decisions taken under the

## **Annual Governance Statement (Cont'd)**

### **COVID-19 (Cont'd)**

revised governance arrangements put in place following the Government lockdown on 24 March 2020. A link to this report can be found [here](#).

Subsequently COVID-19 Update reports were regularly provided to Council meetings throughout 2020/21 identifying the key issues for the Council, its residents and businesses, what the Council was doing to assist, how services were impacted, and what the financial impact was anticipated to be.

All members of the council's Senior Leadership Team and key stakeholders are participants in a variety of Local Authority specific COVID-19/Business Continuity response groups supported by the Civil Contingencies Service. A comprehensive COVID-19 Impact Risk Register has been developed covering all aspects of service delivery affected by the pandemic which is maintained on a weekly basis.

During 2020-21 the Audit Committee formed a sub-group to consider the COVID-19 Guidance for Audit and Risk Committees which was produced by Audit Scotland. The outcome of this exercise was reported to the 16 June 2021 Audit Committee meeting and confirmed that the council has maintained consistent essential services for its communities whilst adapting to provide alternative on-line/virtual services wherever possible. The council's strong collaborative approach has continued to be effective at achieving a unified response, working with key partners including the NHS, Police Scotland, the voluntary sector and other community groups and the response to the crisis has added assurance to the council's business continuity plans, communications strategy and governance arrangements.

With significant disruption to how services were delivered over the year which has the potential to continue in the short and medium term as the pandemic develops, the CMT developed plans to capture the shift from business as usual activity and ensure the council continued to meet requirements and achieve the strategic priorities set out in the Strategic Plan.

This planning activity took into consideration reflective learning from the first phase of responding to the pandemic and engaging with key stakeholders in planning future service provision.

The financial impact of implementing the required changes to services and service delivery models (e.g. to support social distancing requirements, support staff with the appropriate PPE and manage the new and changing levels of need and demand) was significant and likely to be ongoing and evolving as the pandemic continues into 2021/22.

A detailed approval log is being maintained and scrutinised by senior management, including approval requirements of any decisions with financial implications for the council. The "new normal" may have an impact on service demand and means of delivery and the consequences of this will have to be clearly laid out within the current performance planning, management and reporting frameworks.

### **Governance Issues and Planned Actions**

The following main issues and areas for improvement during 2020/21 have been identified through the self-assessment exercise carried out by Chief Officers against key aspects of the Code of Good Governance:

## Annual Governance Statement (Cont'd)

### Governance Issues and Planned Actions (Cont'd)

Improvement Area identified by 2020/21 Exercise	Responsible Officer
Embedding Be the Best Conversations within all service teams.	Chief Officer, Resources Chief Officer, Citizen, Culture and Facilities Chief Officer, Supplies, Distribution and Property
Following COVID-19 work is required in some services to review and update business continuity planning documentation.	Chief Officer, Housing and Employability
Business Classification Scheme will be rolled out to relevant service areas.	Chief Officer, People and Technology
Due to COVID-19 restrictions during 2020-21, some services have been unable to access offices and therefore physical access to hard copy files for destruction has not been possible. This will be resumed in line with easing of restrictions.	Chief Officer, Regulatory and Regeneration Chief Officer, People and Technology
Improvement activity is ongoing within teams in order to develop and maintain strong supervision practices.	Chief Officer, HSCP
Although the Health and Safety team undertake the co-ordination role of Health and Safety Executive inspection reports to ensure that action plans are put in place, there is a need to ensure that there is regular review of action plan progress which will be included on agendas for 121 meetings between Chief Executive and Chief Officers going forward.	Chief Executive/Chief Officers
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	Data Protection/Information Governance Officer
Within HSCP, work is ongoing with Healthcare Improvement Scotland in respect of self-evaluation activity.	Chief Officer, HSCP
Within HSCP, continue to undertake targeted interventions for areas with higher absence levels to support line managers and ensure individual absences are being managed in an appropriate manner to support return to work.	Chief Officer, HSCP
Within HSCP, governance processes developed for tracking of audit action plans and ensuring action deadlines are met will continue to be embedded.	Chief Officer, HSCP
Continue to develop plans in response to the ageing population. We continue to develop and review services in response to the changing demographic.	Head of Health and Community Care
Review of Learning Disability Service to improve on ways of working to ensure the service is fit for the future demands. Service Improvement lead aligned to service. Full review to be picked up as part of renewal and recovery work.	Head of Mental Health, Addictions & Learning Disabilities
Improved case recording and assessment for children and families who receive statutory social work services.	Head of Children's Health Care and Criminal Justice
A Project Overview document has been developed and approved by the Integrated Housing Project Board in relation to the IHMS. This document is being utilised to manage all remaining Phase 2 implementation items.	Chief Officer, Housing and Employability
At the appropriate time a post-incident review will be carried out in relation to the COVID-19 Pandemic highlighting any lessons learned which will inform future emergency response and recovery arrangements.	Chief Executive

## Annual Governance Statement (Cont'd)

### Governance Issues and Planned Actions (Cont'd)

In the 2019/20 Annual Governance Statement officers identified a range of areas for improvement during 2020/21. The following table provides an update on progress with these with a number having been completed or are areas which continue to have ongoing focus:

Improvement Area identified by 2019/20 Exercise	Status
Within HSCP, there are occasions when complaints timescales are being missed due to the complexity of response or NHS Policy where the Chief Officer approves all responses. HSCP-wide improvements are currently being reviewed to ensure full compliance.	Complete  A review of the complaints process and timescales for responses took place in early 2021.
Within HSCP, improvement is required in relation to streamlining community engagement and service user feedback across services. Self-evaluation and benchmarking activity takes place but a review of services is planned to ensure that the service is meeting user needs. This will be embedded within service delivery plans which are currently being developed.	Ongoing  Self evaluation and benchmarking activity takes place as standard across Adult Protection Committee activity as well as peer audit of casefiles across all Adult services. Work is ongoing with Healthcare Improvement Scotland in respect of self-evaluation activity.  Quality Assurance practices include an element of self- evaluation for example complaints audits.
Within HSCP, stronger governance is required in relation to tracking of action plans and ensuring action deadlines are met.	Ongoing  Action plans are in place for external and internal audit reports which are monitored and reported to WDC Audit Committee.  Audit Actions are now reviewed at Chief Officer and Heads of Service 1 to 1 meetings.  Chief Internal Auditor now attends HSCP SMT meetings to discuss outstanding actions and progress which is providing a focus in this area.
Continue to lead the implementation of and embed the Contract and Supplier Management Policy across services.	Complete  The target for compliance for 2020-21 was set at 75% and this has been achieved.
Further develop the Workforce Management System	Ongoing  Good progress has been made in the ongoing development of enhanced functionality of this system.
Maintenance of HRA housing rental income stream following full rollout of Universal Credit (UC) and other welfare reforms. This requires to be monitored as this income stream will be impacted issues arising from COVID-19.	Complete  All income and arrears levels are monitored on a weekly basis with processes in place to ensure early engagement with any tenant that fails to pay the rent due in order to provide support, assistance and avoid escalation of arrears.



## Annual Governance Statement (Cont'd)

### Governance Issues and Planned Actions (Cont'd)

Improvement Area identified by 2019/20 Exercise	Status
	<p>We have streamlined the processing of payments received from Department for Work and Pensions (DWP), with them now received electronically with automation of payments into rent accounts therefore reducing technical arrears and removing need for contact with these tenants.</p> <p>We have a very good relationship with the local DWP/UC team to ensure any issues identified are resolved and have quarterly meetings with them to ensure continual improvement of the processes.</p> <p>We have fully utilised the discretionary housing payment fund to assist tenants impacted by COVID-19 and other welfare reforms and also provided financial support to those impacted by COVID-19 via hardship payments and funding provided by Scottish Government.</p>
<p>Consolidation of Procurement and Commissioning arrangements ensuring compliance and efficiencies. There are still a number of risk areas contained within the HSCP procurement pipeline priorities.</p> <p>The HSCP SMT has agreed that Commissioning resource requires to be strengthened and a commissioning manager post will be advertised in 20/21.</p>	<p>Complete</p> <p>Procurement request form is completed for all exercises above £50k (new contracts, renewals and call off contracts).</p> <p>Compliance has improved in the current financial year to between 96% and 100% across the Heads of Service.</p> <p>Strong links have been developed between the Corporate Procurement Unit, HSCP Finance and HSCP Services.</p> <p>The HSCP Procurement Pipeline continues to be progressed and a number of Contract Strategies have been approved by the Tendering Committee in 2020/21 and a number of contracts have now been awarded.</p>
<p>Continue to develop plans in response to the ageing population. We continue to develop and review services in response to the changing demographic.</p>	<p>Ongoing</p> <p>We are working across Greater Glasgow and Clyde, through the Falls and Frailty Steering Group to ensure we are developing services in a collegiate way, that gets the most optimum performance of the whole system.</p> <p>Additionally, as a result of the pandemic, we are mindful of the isolation and physical deconditioning that many older people will have experienced. We are developing plans to respond to these new needs.</p>

## Annual Governance Statement (Cont'd)

### Governance Issues and Planned Actions (Cont'd)

Improvement Area identified by 2019/20 Exercise	Status
Review of Learning Disability Service to improve on ways of working to ensure the service is fit for the future demands. Service Improvement lead aligned to service. Full review to be picked up as part of renewal and recovery work.	Ongoing  Full review has been delayed due to the pandemic. As we move out of this into recovery planning, the Learning Disability review is back on the agenda and work has already begun to scope out current services and possible vision for the future, to ensure that it meets strategic priorities. A new manager has been appointed to the learning disability service who will link with the Service Improvement Lead and new Organisational Development manager and drive forward the review.
Improved case recording and assessment for children and families who receive statutory social work services.	Ongoing  Review of Care First case recording system by Information Team to be scheduled following lockdown. A HSCP-wide review will be taken forward as part of redesign activity.  Case sampling for children on the child protection register will report to the Child Protection Committee after June 2020. Lead Officer in post January 2021 and initial review has been undertaken. Further programme of quality assurance being developed for 2021/22.
Further efforts to reduce absence, supporting both staff wellbeing and containing costs	Ongoing  Targeted interventions for areas with higher absence levels to support line managers and ensure individual absences are being managed in an appropriate manner to support return to work.
Continue the implementation of the strategic improvement framework activity on benchmarking, including customer feedback and proof of "best value"	Complete  This is embedded within delivery plans.
The new integrated housing management system went live in November 2019. There were and continue to be challenges with the system and a monitoring and development action plan will be in place for 2020/21 to ensure that remaining issues are fully addressed.	Ongoing  A Project Overview document has been developed and approved by the Integrated Housing Project Board. This document is being utilised to manage all remaining Phase 2 implementation items. Ad hoc issues experienced in the live system follow a process of being logged on the IHMS Team's issue log, resolved internally where possible, and escalated utilising the suppliers support portal where required.

## Annual Governance Statement (Cont'd)

### Governance Issues and Planned Actions (Cont'd)

Improvement Area identified by 2019/20 Exercise	Status
At the appropriate time, a post-incident review will be carried out in relation to the COVID-19 Pandemic highlighting any lessons learned which will inform future emergency response and recovery arrangements.	<p>Ongoing, as the pandemic remains.</p> <p>The CMT have developed plans to ensure the council can continue to meet requirements and achieve the strategic priorities set out in the Strategic Plan. This planning activity considered the reflective learning from the first phase of responding to the pandemic and ongoing engagement with key stakeholders in planning future service provision.</p> <p>The Audit Committee considered the Audit Scotland COVID-19 Guide for Audit and Risk Committees and concluded that the Council's response to the crisis has added assurance to the council's business continuity plans, communications strategy and governance arrangements.</p>

### Best Value Assurance Report

Audit Scotland reported a Best Value Assurance Report on West Dunbartonshire Council to the Accounts Commission on 28 June 2018 which contained five recommendations, all of which are now complete.

### Health and Social Care Integration

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

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

The financial arrangements for the council's funding to the HSCP are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP are aligned with council policy and budgeting approaches, particularly in relation to ensuring any efficiency targets for the HSCP funding from the council are planned for and appropriate efficiencies are approved by the HSCP. On an ongoing basis council continues to receive budgetary control information in relation to HSCP services funded by the council.

### Compliance with Best Practice

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

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

## Annual Governance Statement (Cont'd)

### Compliance with best practice (Cont'd)

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

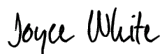
The council complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Service Organisations 2019". The council's Chief Internal Auditor has responsibility for the council's Internal Audit function and is professionally qualified and suitably experienced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

#### **Assurance**

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2020/21 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principle objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment with plans in place to address improvement areas.



**Councillor Jonathan McColl**  
**Leader of the Council**  
**Date: 17 November 2021**



**Joyce White**  
**Chief Executive**  
**Date: 17 November 2021**



**Stephen West**  
**Chief Officer – Resources**  
**Date: 17 November 2021**

## Remuneration Report

### Introduction

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

#### **a) Remuneration - Councillors**

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2020 (SSI No. 2020/26). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as the Leader of the Council, the Civic Head (Provost), Senior Councillors and Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the council's political management structure. The regulations stipulate that in addition to the Leader of the Council and the Provost, West Dunbartonshire can appoint a maximum of ten Senior Councillors. The level of remuneration paid to the Leader of the Council, Provost and Senior Councillors is detailed in Table 1.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2020/21 the salary for the Leader of West Dunbartonshire Council was £35,713. The Regulations also state that the maximum yearly amount that may be paid to the Provost (£26,785) is 75% of the total yearly amount payable to the Leader of the Council.

The Regulations also state the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the council may have. The maximum yearly amount that may be paid to a Senior Councillor (£26,785) is 75% of the total yearly amount payable to the Leader of the Council. For 2020/21 the total yearly amount payable by the council for remuneration of all of its Senior Councillors shall not exceed £223,200. The council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. Council policy is to pay Senior Councillors a salary of £22,320, per the decision at Council on 17 May 2017 for 2017/18 onwards.

During 2020/21, the Council agreed the appointment of a Council Leader, Provost, Bailie and 8 Senior Councillors and the remuneration due paid to the 8 Senior Councillors totalled £178,587 (£175,105 in 2019/20 for those Senior Councillors). 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 2021 are shown in Table 5 on page 36.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost, Bailie and Senior Councillors was agreed at a meeting of the full Council on 17 May 2017. The [report to Council](#) and the [Register of Members' Expenses](#) is available online.

## Remuneration Report (Cont'd)

### a) Remuneration – Councillors (Cont'd)

**Table 1: Remuneration of Senior Councillors**

Name	Position	Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in-kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
Jonathan McColl	Leader of Council Convener of Community Planning West Dunbartonshire Management Board Convener of Recruitment & Individual Performance Management Committee Convener of Sub Committee on Scheme of Delegation	35,713	0	0	35,713	34,944
William Hendrie	Provost	26,785	0	0	26,785	26,208
Karen Conaghan	Depute Provost Convener of Appeals Committee Convener of Educational Services Committee	22,338	0	0	22,338	21,917
Caroline McAllister	Depute Leader (to 29/3/2021)	22,275	0	0	22,275	21,917
Denis Agnew	Bailie Convener of Cultural Committee	22,320	0	0	22,320	21,840
Ian Dickson	Convener of Corporate Services Committee Convener of Licensing Board	22,338	0	0	22,338	21,917
Diane Docherty	Convener of Housing & Communities Committee	22,338	0	0	22,338	21,917
Jim Finn	Convener of Licensing Committee Convener of Planning Committee Convener of Tendering Committee	22,320	0	0	22,320	21,840
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee	22,338	0	0	22,338	21,917
Marie McNair	Convener of Integration Joint Board (HSCP)	22,320	0	0	22,320	21,840
John Mooney	Convener of Audit Committee	22,320	0	0	22,320	21,840

**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 2020/21 have only been included for Senior Councillors.

#### **Remuneration paid to all Councillors**

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

2019/20	2020/21
£	£
454,811 Salaries	459,853
19,096 Expenses	2,083
<b>473,907 Total</b>	<b>461,936</b>

## Remuneration Report (Cont'd)

### b) Remuneration - Senior Employees and Senior Employees of Subsidiaries

**Note:** The annual return of Councillors' salaries and expenses for 2020/21 is available for any member of the public to view at all council libraries and public offices during normal working hours and is also available on the council website at <https://www.west-dunbarton.gov.uk/council/councillors-and-committees/councillors-allowances/>

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 CO/150 sets the amount of salary for the Chief Officials of West Dunbartonshire Council for the period 2018 to 2021. The post of Chief Officer Health and Social Care Partnership is a joint post between West Dunbartonshire Council and NHS Greater Glasgow and Clyde. The post of Chief Officer Roads & Neighbourhood is a joint post between West Dunbartonshire Council and Inverclyde Council.

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 2:

Name	Position at 31/03/21	Salary, Fees & Allowances 2020/21	Election Duties 2020/21	Total Remuneration 2020/21	Total Remuneration 2019/20
		£	£	£	£
<b>Remuneration of Senior Employees</b>					
Joyce White	Chief Executive	132,585	813	133,398	134,795
Richard Cairns	Strategic Director of Regeneration, Environment & Growth (seconded role from 1/10/2020)	115,158	0	115,158	112,086
Jonathan Hinds	Head of Children's Healthcare & Criminal Justice - Chief Social Work Officer	88,190	0	88,190	84,963
Laura Mason	Chief Officer - Education, Learning & Attainment	89,645	0	89,645	85,597
Stephen West	Chief Officer - Resources - S95 Officer	93,588	0	93,588	91,326
Peter Hissett	Chief Officer - Regulatory & Regeneration	91,062	0	91,062	90,836
Victoria Rogers	Chief Officer - People & Technology	91,062	0	91,062	86,028
Angela Wilson	Chief Officer - Supply, Distribution & Property	115,158	0	115,158	114,036
Peter Barry	Chief Officer - Housing & Employability	91,062	0	91,062	85,838
Malcolm Bennie	Chief Officer - Citizen, Culture & Facilities	89,534	0	89,534	85,304
<b>Remuneration of Senior Employees of Subsidiaries</b>					
John Anderson	General Manager of West Dunbartonshire Leisure	76,912	0	76,912	74,503

There were no elections during 2020/21. The election amount recorded in 2020/21 is a payment made during 2020/21 for the General Election held in 2019. Total remuneration 2019/20 includes election payments for senior employees.

Details of the post of Chief Officer-Health & Social Care Partnership are included in the remuneration report of the Integration Joint Board. West Dunbartonshire Council funds 50% of this post and NHS Greater Glasgow fund the remaining 50%.

Details of the post of Chief Officer - Roads & Neighbourhood (shared post with Inverclyde Council) are included in the remuneration report of Inverclyde Council. West Dunbartonshire Council funds 50% of this post which was £56,670 (including employer on costs).

The amounts for post of Strategic Director of Regeneration, Environment & Growth relate to the salary, fees and allowances and employer pension contributions paid by WDC. Glasgow City Council fund 75% of the salary and pension contributions for the seconded role.

## Remuneration Report (Cont'd)

### b) Remuneration - Senior Employees and Senior Employees of Subsidiaries (cont'd)

#### Notes

1. The term *senior employee* means any local authority employee:
  - who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
  - who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
  - whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.
2. The figure for gross salary, fees and allowances shown for senior employees for the year ended 31 March 2021 includes any amounts received for the roles performed for West Dunbartonshire in the elections. There were no elections during 2020/21. There were two elections during 2019/20 (namely: European Election (23/5/2019) and General Election 12/12/2019);
3. The Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

### c) Remuneration of Employees receiving more than £50,000

Council employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in the table 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.

**Table 3: Remuneration of Employees**

	<b>Number of Employees</b>	
	<b>2020/21</b>	<b>2019/20</b>
£50,000 - £54,999	140	98
£55,000 - £59,999	43	30
£60,000 - £64,999	22	47
£65,000 - £69,999	52	22
£70,000 - £74,999	3	1
£75,000 - £79,999	0	1
£80,000 - £84,999	2	4
£85,000 - £89,999	6	5
£90,000 - £94,999	7	4
£110,000 - £114,999	0	3
£115,000 - £119,999	3	0
£130,000 - £134,999	1	1
<b>Total</b>	<b>279</b>	<b>216</b>



## Remuneration Report (Cont'd)

### d) Pension Benefits

Pension benefits for Councillors and most local government employees are provided through the Local Government Pension Scheme (LGPS). Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The pension entitlements for the year to 31 March 2021 are shown in Table 5 on pages 36. The table details the pension entitlement and contributions made by West Dunbartonshire 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 60<sup>th</sup> 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 4 provides information on these tiered contribution rates.

**Table 4: Contribution Rate**

	Contribution rate 2020/21	Contribution rate 2019/20
<b>The tiers and members contribution rates for 2020/21 whole time pay:</b>		
<b><u>Local Government employees</u></b>		
On earnings up to and including £22,200 (£21,800)	5.50%	5.50%
On earnings above £22,200 (£21,800) and up to £27,100 (£26,700)	7.25%	7.25%
On earnings above £27,100 (£26,700) and up to £37,200 (£36,600)	8.50%	8.50%
On earnings above £37,200 (£36,600) and up to £49,600 (£48,800)	9.50%	9.50%
On earnings above £49,600 (£48,800)	12.00%	12.00%
<b>The tiers and members contribution rates for 2020/21 actual pay:</b>		
<b><u>Teachers</u></b>		
On earnings up to and including £28,168 (£27,697)	7.20%	7.20%
On earnings above £28,168 (£27,697) and up to £37,918 (£37,284)	8.70%	8.70%
On earnings above £37,918 (£37,284) and up to £44,961 (£44,209)	9.70%	9.70%
On earnings above £44,961 (£44,209) and up to £59,586 (£58,590)	10.40%	10.40%
On earnings above £59,586 (£58,590) and up to £81,253 (£79,895)	11.50%	11.50%
On earnings above £81,253 (£79,895)	11.90%	11.90%

## **Remuneration Report (Cont'd)**

### **d) Pension Benefits (Cont'd)**

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 1/49<sup>th</sup> of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> 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).

## Remuneration Report (Cont'd)

### d) Pension Benefits (Cont'd)

**Table 5: Pension Benefits of Senior Councillors; Senior Employees and Senior Employees of Subsidiaries**

		In-year pension contributions		Accrued pension benefits	
Name	Position at 31/03/21	For year to 31 March 2021	For year to 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Senior Councillors</b>		£	£	£	£
Jonathan McColl	Leader of Council Convener of Community Planning West Dunbartonshire Management Board Convener of Sub Committee on Scheme of Delegation Convener of Recruitment & Individual Performance Management Committee	6,893	6,744	8,643	7,701
Denis Agnew	Bailie Convener of Cultural Committee	4,308	4,215	7,324	6,808
John Mooney	Convener of Audit Committee	4,308	4,215	3,867	3,364
Karen Conaghan	Depute Provost Convener of Appeals Committee Convener of Educational Services Committee	4,298	4,206	1,785	1,309
Ian Dickson	Convener of Corporate Services Committee Convener of Licensing Board	4,298	4,206	1,785	1,309
Diane Docherty	Convener of Housing & Communities Committee	4,298	4,206	1,785	1,309
Jim Finn	Convener of Licensing Committee Convener of Planning Committee Convener of Tendering Committee	4,308	4,215	4,357	3,839
Caroline McAllister	Depute Leader (to 29/3/2021)	4,298	4,206	1,785	1,309
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee	4,298	4,206	1,785	1,309
<b>Senior Employees</b>					
Joyce White	Chief Executive	25,667	25,882	38,005	34,669
Richard Cairns	Strategic Director of Regeneration, Environment & Growth (seconded role from 1/10/2020)	22,157	21,518	70,397	66,414
Jonathan Hinds	Head of Children's Healthcare & Criminal Justice - Chief Social Work Officer	16,970	16,324	60,163	56,502
Laura Mason	Chief Officer - Education, Learning & Attainment	17,302	16,520	135,105	122,157
Stephen West	Chief Officer - Resources - S95 Officer	18,009	17,443	127,902	121,856
Peter Hissett	Chief Officer - Regulatory & Regeneration	17,535	16,480	94,312	84,998
Victoria Rogers	Chief Officer - People & Technology	17,535	16,480	69,349	62,250
Angela Wilson	Chief Officer-Supply, Distribution & Property	22,157	21,518	159,556	152,976
Peter Barry	Chief Officer - Housing & Employability	17,535	16,480	57,241	51,216
Malcolm Bennie	Chief Officer - Citizen, Culture & Facilities	17,263	16,354	17,502	14,968
<b>Senior Employees of Subsidiaries</b>					
John Anderson	General Manager of West Dunbartonshire Leisure	14,799	14,370	57,718	54,740

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 2021 for Senior Councillors are shown in Table 5, together with the contribution made by West Dunbartonshire Council to each Senior Councillor's pension during the year. Senior councillors omitted from the table above are not members of the Local Government Pension Scheme.

## Remuneration Report (Cont'd)

### e) Exit Packages

A number of exit packages were agreed, at a total cost of £0.060m for 2020/21, as shown in the following Table 6.

**Table 6**

Banding	Number of departures		Total cost	
	2020/21	2019/20	2020/21	2019/20
			£	£
£0 - £20,000	4	10	8,033	51,385
£20,001 - £40,000	2	0	57,403	0
£60,001 - £150,000	0	3	0	331,996
<b>Total</b>	<b>6</b>	<b>13</b>	<b>65,436</b>	<b>383,381</b>

Note: there were no compulsory packages in this or the previous financial year.

### f) Trade Union Facility Time

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

Details of the facility time within West Dunbartonshire Council during the year to 31 March 2021 is shown in Table 7 below. Further detail can be found at:

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

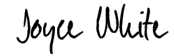
**Table 7**

Education Function Employee		All Other Function Employee	
Number of Employees	FTE employee Number	Number of Employees	FTE employee Number
34	32	70	68
Percentage of Time Spent on Facility		Percentage of Time Spent on Facility	
Percentage	Number of Employees	Percentage	Number of Employees
Less < 1%	30	Less < 1%	46
1-50%	2	1-50%	22
51%-99%	2	51%-99%	0
100%	0	100%	2
Total cost of facility time		Total cost of facility time	
£51,376		£93,051	
Total pay bill		Total pay bill	
£6,077,392		£158,635,179	
Percentage of Pay Bill Spent on Facility		Percentage of Pay Bill Spent on facility	
0.85%		0.06%	
Paid TU Activities		Paid TU Activities	
4.32%		20.97%	

## Remuneration Report (Cont'd)



**Councillor Jonathan McColl**  
**Leader of the Council**  
**Date: 17 November 2021**



**Joyce White**  
**Chief Executive**  
**Date: 17 November 2021**

## 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.

Further detail on the expenditure and income within the Net Cost of Services below is available in Note 15 on page 75.

Restated 2019/20 Gross Expenditure £000	Restated 2019/20 Gross Income £000	Restated 2019/20 Net Expenditure £000	Note		2020/21 Gross Expenditure £000	2020/21 Gross Income £000	2020/21 Net Expenditure £000
75,579	(48,907)	26,672		<b>Service</b>	67,986	(42,105)	25,881
111,239	(13,250)	97,989		Corporate Services	116,612	(17,593)	99,019
62,458	(20,310)	42,148		Educational Services	67,809	(17,814)	49,995
				Infrastructure, Regeneration and Economic Development			
36,454	(32,701)	3,753		Housing and Communities	37,083	(32,922)	4,161
32,714	(42,640)	(9,926)		Housing Revenue Account	34,003	(43,354)	(9,351)
22	(6,127)	(6,105)		Miscellaneous Services	8,597	(6,117)	2,480
170,336	(95,582)	74,754		Health and Social Care Partnership	177,261	(101,678)	75,583
2,336	0	2,336		Requisitions	2,339	0	2,339
<b>491,138</b>	<b>(259,517)</b>	<b>231,621</b>		<b>Net Cost of Service (1)</b>	<b>511,690</b>	<b>(261,583)</b>	<b>250,107</b>
		1,463		(Gain) / loss on Disposal of Fixed Assets			883
		<b>1,463</b>		<b>Other Operating Expenditure (2)</b>			<b>883</b>
		(35,296)		Council Tax			(36,765)
		(84,847)	10	Non-Domestic Rates			(55,963)
		(103,571)	10	Revenue Support Grant			(153,086)
		(27,876)	10	Recognised Capital Income (Grants, Contributions & Donations)			(26,210)
		<b>(251,590)</b>		<b>Taxation and Non-specific Grant Income (3)</b>			<b>(272,024)</b>
		(255)	27	Interest Earned			(165)
		19,372	27	External Interest Payable / Similar Charges			19,180
		1,380		Impairment Loss - Debtors			1,382
		0	27	(Gain)/Loss early settlement of borrowing			0
		5,172	13	Pension Interest Cost/Expected Return on Pension Assets			3,379
		<b>25,669</b>		<b>Finance/Investment Income and Expenditure (4)</b>			<b>23,776</b>
		<b>7,163</b>		<b>(Surplus)/Deficit on Provision of Services (5) = (1)+(2)+(3)+(4)</b>			<b>2,742</b>
		(9,838)		(Surplus)/Deficit arising from revaluation of property, plant and equipment			(49,393)
		(96)		(Surplus)/Deficit on revaluation of available for sale assets			0
		(91,163)	13	Actuarial (gains)/losses on pension fund assets and liabilities			12,934
		<b>(101,097)</b>		<b>Other Comprehensive (Income) and Expenditure (6)</b>			<b>(36,459)</b>
		<b>(93,934)</b>		<b>Total Comprehensive (Income) and Expenditure (5) + (6)</b>			<b>(33,717)</b>

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, 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 authority'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.

Usable Reserves										
	General Fund balance £000	HRA Balance £000	Capital Receipts Reserve £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
Note										
<b>2020/21</b>										
Opening Balance at 1 April 2020	(9,395)	(3,924)	0	(132)	(2,169)	0	(214)	(15,834)	(269,078)	(284,912)
<b>Movement in reserve 2020/21</b>										
Total Comprehensive Expenditure and Income	11,039	(8,297)	0	0	0	0	0	2,742	(36,459)	(33,717)
Adjustments between accounting basis and funding basis under regulations	(15,280)	4,504	0	(279)	0	(916)	0	(11,971)	11,971	0
<b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>	<b>(4,241)</b>	<b>(3,793)</b>	<b>0</b>	<b>(279)</b>	<b>0</b>	<b>(916)</b>	<b>0</b>	<b>(9,229)</b>	<b>(24,488)</b>	<b>(33,717)</b>
Transfers to/from other statutory reserves	(1,392)	353	0	369	700	916	(94)	852	(852)	0
<b>Closing Balance at 31 March 2021</b>	<b>(15,028)</b>	<b>(7,364)</b>	<b>0</b>	<b>(42)</b>	<b>(1,469)</b>	<b>0</b>	<b>(308)</b>	<b>(24,211)</b>	<b>(294,418)</b>	<b>(318,629)</b>
<b>2019/20</b>										
Opening Balance at 1 April 2019	(10,998)	(1,606)	0	(278)	(2,847)	0	(362)	(16,091)	(174,887)	(190,978)
<b>Movement in reserve 2019/20</b>										
Total Comprehensive Expenditure and Income	25,351	(18,188)	0	0	0	0	0	7,163	(101,097)	(93,934)
Adjustments between accounting basis and funding basis under regulations	(22,616)	15,516	0	(159)	0	(498)	0	(7,757)	7,757	0
<b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>	<b>2,735</b>	<b>(2,672)</b>	<b>0</b>	<b>(159)</b>	<b>0</b>	<b>(498)</b>	<b>0</b>	<b>(594)</b>	<b>(93,340)</b>	<b>(93,934)</b>
Transfers to/from other statutory reserves	(1,132)	354	0	305	678	498	148	851	(851)	0
<b>Closing Balance at 31 March 2020</b>	<b>(9,395)</b>	<b>(3,924)</b>	<b>0</b>	<b>(132)</b>	<b>(2,169)</b>	<b>0</b>	<b>(214)</b>	<b>(15,834)</b>	<b>(269,078)</b>	<b>(284,912)</b>

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

2019/20			2020/21
£000	Note		£000
1,011,526	16	Property, Plant and Equipment	1,111,227
175	17	Intangible Assets	271
23		Long Term Debtors	22
1,406	19	Heritage Assets	1,406
495		Long Term Investments	489
<b>1,013,625</b>		<b>Long Term Assets</b>	<b>1,113,415</b>
8,053	18	Asset Held for Sale	7,755
1,231		Inventories	1,338
43,051	23	Short Term Debtors	66,620
17,038	26	Cash and Cash Equivalents (net)	12,241
<b>69,373</b>		<b>Current Assets</b>	<b>87,954</b>
(232)	29	Provisions	0
0		Donated Inventories	(53)
(42,167)	28	Short Term Creditors	(72,858)
(237,091)	27	Short Term Borrowing	(263,861)
(3,605)	22	PPP	(3,677)
<b>(283,095)</b>		<b>Current Liabilities</b>	<b>(340,449)</b>
<b>799,903</b>			<b>860,920</b>
(276,905)	27	Long Term Borrowing	(284,798)
(96,337)	22	PPP and Finance Lease Liabilities	(92,615)
(134,077)	13	Net Pensions Liability	(163,615)
(7,672)	10	Capital Grants Receipts in Advance	(1,263)
<b>(514,991)</b>		<b>Long Term Liabilities</b>	<b>(542,291)</b>
<b>284,912</b>		<b>Net Assets</b>	<b>318,629</b>
<b>Represented by:</b>			
15,834	MIR/30	Usable Reserves	24,211
269,078	MIR/31	Unusable Reserves	294,418
<b>284,912</b>		<b>Total Reserves</b>	<b>318,629</b>

The unaudited Financial Statements were authorised for issue on 23 June 2021 and the audited Financial Statements were authorised for issue on 17 November 2021.

*Stephen West*

Stephen West  
Chief Officer - Resources  
West Dunbartonshire Council  
Date: 17 November 2021



## 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 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 council.

2019/20 £000		2020/21 £000	2020/21 £000
	<b>Operating Activities</b>		
7,163	<b>Net deficit on the provision of services</b>		<b>2,742</b>
(28,538)	Depreciation, amortisation and impairment	(39,121)	
(1,463)	Net gain/loss on fixed assets	(884)	
(20,024)	Movement in pension liabilities	(16,604)	
171	Movement in inventories	54	
(2,151)	Movement in debtors	21,536	
2,664	Movement in creditors and provisions	(25,795)	
(1,106)	Other non-cash movements	351	
<b>(50,447)</b>	<b>Adjustments to net deficit on the provision of services for non-cash movements</b>		<b>(60,463)</b>
22	Financing movements	6	
27,876	Investing movements	26,210	
<b>27,898</b>	<b>Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities</b>		<b>26,216</b>
<b>(15,386)</b>	<b>Net cash inflow from Operating Activities</b>		<b>(31,505)</b>
109,681	Purchase of property, plant and equipment and intangible assets	88,866	
(803)	Proceeds from sale of property, plant and equipment and intangible assets	(1,284)	
(4,005)	Movement on long term investments	(6)	
(28,632)	Other receipts from investing activities	(17,810)	
<b>76,241</b>	<b>Net cash outflows from investing activities</b>		<b>69,766</b>
(269,612)	Cash receipts of short-term and long-term borrowing	(270,250)	
3,160	Repayment of PPP liabilities	3,652	
201,304	Repayment of short-term and long-term borrowing	235,115	
0	Debtors held for agency payments	42	
0	Creditors held for agency payments	(2,023)	
<b>(65,148)</b>	<b>Financing Activities</b>		<b>(33,464)</b>
<b>(4,293)</b>			<b>4,797</b>
12,745	Cash and cash equivalents at the beginning of the reporting period		17,038
17,038	Cash and cash equivalents at the end of the reporting period		12,241
<b>(4,293)</b>	<b>Movement – (Increase)/ Decrease in Cash</b>		<b>4,797</b>

## **Notes to the Financial Statements**

### **Note 1 - Accounting Policies**

#### **1. General Principles**

The Financial Statements summarises the council's transactions for the 2020/21 financial year and its position at the year end of 31 March 2021. 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 2020/21 ("the code") and the Service Reporting Code of Practice 2020/21, 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.

#### **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 sale of goods is recognised when the council transfers the significant risks and rewards of ownership to the purchaser and when it is probable that the economic benefits associated with the transaction will flow to the council;
- revenue from the provision of services is recognised when the council can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the council;
- 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 on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract;
- where 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; and
- 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.

#### **3. Changes in Accounting policies, Estimates and Errors**

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

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

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

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 4. Charges to Revenue for Property, Plant and Equipment

Council Services and Trading Accounts 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; and
- 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.

#### 5. Intangible assets

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

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

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

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

#### 6. Property, Plant and Equipment

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

##### Recognition

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

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

##### Measurement

Initially measured at cost, comprising of:

- purchase price (the council has no de minimum 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; and
- the initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

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

Where property, plant or equipment are acquired in exchange for a non monetary asset or assets, or a combination of monetary and non monetary assets, the cost of the acquired item shall be measured at fair value unless there is no economic substance to the exchange transaction, or the fair value of neither the asset received nor the asset given up can be reliably measured. The acquired item is measured at fair value even if the council cannot immediately derecognise the asset given up. The acquired item is measured at the carrying amount of the asset given up if it is not measured at fair value.

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

<b>Asset Type</b>	<b>Valuation Method</b>
Infrastructure, community and assets under construction assets	Historic Cost
Council dwellings	Fair value - determined in accordance with existing use value of social housing (EUV-SH)
Other buildings	Fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value
Plant and equipment and other non property assets	Fair value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for fair value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class

##### Revaluation

Assets included in the Balance Sheet at fair value are re-valued regularly to ensure their carrying amount is not materially different from the fair value at the year end, as a minimum every 5 years. The programme of revaluation for 2020/21 and planned each of the following four years is as follows:

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

2020/21	Any properties not previously re-valued / general re-appraisal / HRA housing stock;
2021/22	Offices / depots/ cemeteries/ crematorium lodges;
2022/23	All council non-operational properties/ HRA housing stock;
2023/24	Schools/school houses/ social work homes/adult training centres/ community education centres/early education centres; and
2024/25	Halls/ Public conveniences/ libraries/ outdoor centres/ golf course/ pavilions/ sports centres/ swimming pools/ travellers site/ car parks/ HRA housing stock.

In addition to assets being revalued within the programme of revaluation assets will be revalued in any given year if any of following 3 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; and
- Where the combined value of building historic cost and any enhancement expenditure incurred since the last revaluation date spend is less than £2m but the value of the enhancement expenditure exceeds 50% of building historic cost and in value is more than £0.500m then the asset will be revalued.

Valuations in 2020/21 have been carried out by an external valuer. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

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

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total gain); 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.

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

#### Impairment

Where impairment losses are identified, they are accounted for in the same way as revaluation decreases.

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.

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

##### Disposals

When it becomes apparent that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classed as either a surplus asset or an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and the fair value less sale costs.

Assets to be scrapped are not re-classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, both the carrying amount in the Balance Sheet and receipts from disposal are transferred to the Surplus and Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement as part of a gain or loss on sale. 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 or the Capital Fund and can only be used for new 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.

##### 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 are as follows:

Council dwellings	10 to 80 years	straight line
Other buildings	15 to 80 years	straight line
Regeneration activity	10 to 120 years	straight line
Open spaces	10 to 120 years	straight line
Infrastructure	15 to 120 years	straight line
Vehicles, plant, equipment	5 to 20 years	straight line
Intangibles	5 to 10 years	straight line
Other	10 to 120 years	straight line

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

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.

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

##### Tangible fixed assets and depreciation – Common Good Assets

All assets valued over £6,000 are capitalised and valued at market value. Depreciation is charged on assets other than Investment assets on a straight line basis over their estimates life. The Fund only holds investment assets.

#### 7. Assets Held for Sale

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

#### 8. Heritage assets

Heritage assets are presented separately in the balance sheet from other property, plant and equipment. The assets are measured at historic cost or fair value. Where the council considers that it is not practical to obtain a reliable valuation, the asset is not recognised on the Balance Sheet. Where assets are measured at fair value, valuations are made by any method that is appropriate:

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

## **Notes to the Financial Statements (Cont'd)**

### **Note 1 - Accounting Policies (Cont'd)**

#### **9. Construction Contract (Work in Progress)**

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

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

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

Work in progress is valued at cost plus an appropriate proportion of overheads, together with attributable profits and allowances for foreseeable losses.

#### **10. Employee Benefits**

##### **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.

##### **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 accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Account when the authority 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.

##### **Post Employment Benefits**

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

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



## **Notes to the Financial Statements (Cont'd)**

### **Note 1 - Accounting Policies (Cont'd)**

#### **10. Employee Benefits (cont'd)**

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.

#### **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.

#### **11. Events after the reporting period**

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

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

#### **12. 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.

#### **13. 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.

## **Notes to the Financial Statements (Cont'd)**

### **Note 1 - Accounting Policies (Cont'd)**

#### **13. Financial liabilities (Cont'd)**

Gains and losses on the repurchase or early settlement of borrowing are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement regulations allow the impact on the General Fund balance to be spread over future years. Premiums and discounts that were on the balance sheet as at 31 March 2007 are written off in accordance with the schedules in place at that time, however premiums and discounts that are incurred as a result of transactions that have taken place since 1 April 2007 are written off in accordance with regulations as follows:

##### **Modified Loans**

- both old and new premiums and discounts are amortised over the life of the new loan using the effective interest rate as noted above.

##### **Unmodified Loans**

- new premiums and discounts are written off over the life of the new loan (if fixed) or over a maximum of 20 years (if variable or with an option to vary);
- old premiums are written off over a maximum of 20 years; and
- old discounts are written off over a maximum of 5 years.

##### **Straight Repayment**

- both old and new premiums and discounts are written off over a maximum of 5 years.

#### **14. Financial Assets**

Financial assets are classified using a principles based approach with the accounting treatment being determined by both the particular characteristics of the individual instrument and the overarching investment strategy under which the instrument has been acquired or originated. Three classes of financial asset have been identified:

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

##### **Amortised Cost**

For assets carried at amortised cost interest is credited (using the effective interest rate) and movements in impairment loss allowances are debited or credited to surplus or deficit on the provision of services with no recognition of gains or losses in fair value until reclassification or derecognition of the asset.

##### **Fair Value Through Other Comprehensive Income**

For assets carried at fair value through other comprehensive income movements in amortised cost are debited or credited to the surplus or deficit on the provision of services with movements in fair value debited or credited to other comprehensive income and expenditure.

##### **Fair Value Through Profit or Loss**

For assets carried at fair value through profit or loss all gains or losses are posted to surplus or deficit on the provision of services as they arise.

## **Notes to the Financial Statements (Cont'd)**

### **Note 1 - Accounting Policies (Cont'd)**

#### **14. Financial Assets (Cont'd)**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments

#### **Loans and receivables**

Loans and receivables 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.

They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Where considered material movements in impairment loss allowances are also debited or credited as appropriate. For most other the loans that the council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where soft loans are made and are material, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service line) for the present value of the interest that will be foregone over the life of the loan, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the community groups, with the difference increasing the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year – the reconciliation of amounts debited or credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### **Instruments entered into since 1 April 2006**

Any financial guarantees the council has committed to since 1 April 2006 have been recognised at fair value and assessed for probability of the guarantee being called and the likely amount payable under the guarantee. Any material provision for this has been recognised in the Financial Statements to the extent that provisions might be required or a contingent liability note is needed.

#### **15. Fair Value Measurement**

The council measures some of its non-financial assets and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset

The council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 15. Fair Value Measurement (Cont'd)

When measuring fair value of a non-financial asset, the council takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the council's financial statements are categorised within the fair value hierarchy as follows:

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

#### 16. Government grants and contributions

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

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

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

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

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.

#### 17. Inventories

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

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

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 18. Leases

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

#### Council as Lessee

##### Finance Leases

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

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

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

##### Operating Leases

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

#### 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); and
- 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

## **Notes to the Financial Statements (Cont'd)**

### **Note 1 - Accounting Policies (Cont'd)**

#### **18. Leases (Cont'd)**

of the interest in the asset is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

#### Operating Leases

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

#### **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 2020/21. 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.

#### **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.

#### **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.

#### **22. Impairment of Debt**

Any changes to the impairment value of debt is charged to the appropriate line in the Comprehensive Income and Expenditure Statement. This includes impairment of outstanding Council Tax, Non Domestic Rates, Rent and other sundry debt. To calculate the level of impairment required consideration is given to the type of debt, the age of debt, arrangements for repayment by the debtor, historic movement of the debt.

## Notes to the Financial Statements (Cont'd)

### Note 1 - Accounting Policies (Cont'd)

#### 23. 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.

#### 24. 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.

#### 25. Loans Advances Repayment

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

### Note 2 – Critical Judgement in Applying Accounting Policies

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

**Public Private Partnership (PPP) and Design-Build-Finance-Maintain (DBFM)** - The council has entered into a PPP contract for the provision of three secondary schools and one primary school. The Council has also entered into a DBFM contract for one secondary school. The contracts include the build of the schools as well as their maintenance and provision of related facilities over the period of each contract. After consideration of International Financial reporting Interpretations Committee IFRIC12 (Service Concession Arrangements), it has been concluded that these are service concession arrangements and the council controls the services provided under the scheme and ownership of the schools will pass to the council at the end of the contracts for no additional charge. The assets used to provide services at the schools are recognised on the council's Balance Sheet as operational assets and as a finance lease liability. The value of these assets (£107m) is included within the Property, Plant and Equipment (note 16) and the liability within note 22 - Private Finance Initiatives and similar Contracts (£96m).

**Public Sector Funding** – There is a high degree of uncertainty about future levels of funding for local government. The Council has a Longer Term Financial Strategy, updated and reported to Council annually, which provides a list of current assumptions over a 10 year period regarding funding. However, the council has determined that this uncertainty is not yet sufficient to provide an indication that the assets held might require to be impaired as a result of a need to close facilities and reduce levels of service provision.

**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 acting as an agent this funding is reported in the Agency Services note and is not reflected in the Council's income and expenditure, but with any amounts owed to/ from the Council held within its Balance Sheet. This has increased in 2020/21 given the large amount of funding provided by the Scottish Government through the Council to businesses and individuals affected by the Covid 19 pandemic. Any agency funding is noted within Note 9 (Agency

## Notes to the Financial Statements (Cont'd)

### Note 2 – Critical Judgement in Applying Accounting Policies (Cont'd)

Services), with further detail of covid-related grants shown and cross referred in Note 10 (Grant Income).

**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 and reported in (Note 29). The Council has made provision for pay elements and claims where it has had previous claims to base the provision on. If the liability can not be quantified, it will be disclosed as a Contingent Liability (Note 32). As can be seen, most of these involve ongoing or prospective legal action so the outcome and potential amounts involved can not be determined with any level of accuracy.

### 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 made by the council 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 authority's balance sheet as at 31 March 2021, for which there is a significant risk of material adjustment in the forthcoming financial year are noted below. Examples are provided of each potential uncertainty and the effect it would have within the Financial Statement are also noted. These examples provide an understanding of the significance of a small change in the estimation assumption:

Estimation assumptions which impact within the next 12 months:

Item	Uncertainty	Potential effect
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. The council's valuers considered uncertainty regarding the valuation of assets following covid and have concluded that the valuations are not subject to 'material valuation uncertainty' due to in the current economic climate as at the valuation date.	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 £918.586m. During 2020/21 the assets that were revalued are now held in the Balance Sheet to a total value of £29.326m for General Services and £425m for HRA The impact for each 1% change in these valuations would be £0.293m General Services and £4.250m HRA 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. Any change would also impact on annual depreciation charges.
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 lives of assets were too high, it is estimated that the annual depreciation charge for buildings would increase by £1.585m for every year that useful lives had to be reduced, resulting in a further charge to that value through the Comprehensive Income and Expenditure Statement and the value of the assets held in the council's Balance Sheet would also be reduced by the same value. Any change would not affect the reserves position of the council.



## Notes to the Financial Statements (Cont'd)

### Note 3 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (cont'd)

Item	Uncertainty	Potential effect
Arrears and bad debts	As at 31 March 2021, the council had a balance of various debtors of £66.620m with a sliding scale of bad debt provision written against each type, depending on the age of the debt. For example of the council tax debt of £40.279m, the council holds £24.292m as a provision for doubtful debts; of the debt held for HRA rents of £3.621m, £2.229m is held as a provision for doubtful debts.	If collection rates were to deteriorate, the provision for bad debts would require to be reviewed to consider the appropriate level of provision. If a 10% increase was considered appropriate, this would result in a further £2.429m being required to be provided for for council tax provision and £0.223 for an HRA rent provision. Any change in the provision would affect the reserves position of the Council. However, based upon prior experience, in year movements and with each type of debt considered individually, the bad debt provision is considered adequate.
Fair Value Measurements	When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in the assumptions used could affect the fair value of the council's assets and liabilities. Where Level 1 inputs are not available, the council utilises relevant experts to identify the most appropriate valuation techniques (for example for surplus assets and non-current assets held for sale, the council's estates valuer and for financial instruments the council's treasury advisors). Information about the valuation techniques and inputs used in determining the fair value of the council's assets and liabilities is disclosed in notes 16, 18 and 27.	The authority uses the discounted cash flow (DCF) model to measure the fair value of financial instruments. Surplus assets and non-current assets held for sale have been based on the market value approach. Market conditions are such that similar properties are marketed, purchased and sold actively. The significant observable inputs used include current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland for surplus assets and non-current assets held for sale and discount rates for financial instruments. Significant changes in any of these would result in significantly lower or higher fair value measurement for financial instruments as detailed in note 25. Significant changes to the key inputs for non-financial assets would have a significant impact on the value of the properties. However as the properties are valued annually and form a small proportion in relation to the value of the council's overall portfolio the impact of any changes would be limited.

## Notes to the Financial Statements (Cont'd)

### Note 3 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (cont'd)

Estimation assumptions which impact longer term:

Item	Uncertainty	Potential effect
Pension liability	Estimation of the net 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 11 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 liability can be measured. For example, a decrease in the discount rate of 0.5% would increase the pension liability held on the Balance sheet by 10% or £111.989m; and increase in the pension rate by 0.5% would increase the pension liability held on the Balance sheet by 8% or £93.954m. However, the assumptions interact in complex ways. During 2020/21 the appointed actuaries advised that the net liability had increased year on year by £29.538m as a result of estimates being updated and an update to the assumptions. The current liability held in the council's balance sheet is £163.615m.

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

For 2020/21, 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:

- Amendments to IFRS3 Business Combinations;
- Amendments to IFRS9, IAS39 and IFRS7: Interest Rate Benchmark Reform; and
- Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16: Interest Rate Benchmark Reform (phase 2).

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

IFRS16 Leases will require local authorities that are lessees to recognise these leases on their Balance sheet as right-of-use assets along with the corresponding liabilities, except for low value and short term leases. As a result of COVID-19 response, CIPFA/LASACC have deferred implementation of this until 1 April 2022.

## Notes to the Financial Statements (Cont'd)

### Note 5 - Material Items of Income and Expense

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. Material items of expenditure charged to services in the year are shown in the table below:

Item	Nature	£000
Unitary Charge Payment	Public Private Partnership agreement for the provision of 3 secondary schools and one primary school	12,023
Insurances	Insurance premiums for all policies	2,647
Landfill Tax	A tax paid on the disposal of waste. It is payable to Her Majesty's Revenue and Customs (HMRC)	2,794
Housing Benefit received	Benefit received to support customers on low incomes with housing rent costs	35,217
Housing Benefit paid	Benefit paid to support customers on low incomes with housing rent costs	(34,262)
Care Homes	Cost of providing care home services by external providers	9,369
Supplementation	Residential Accommodation for adults and children with disabilities	23,447
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Day Support	2,432
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Payments to Clients	5,178
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Payments to external fostering agencies	2,746
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Payments to Voluntary Organisations	1,436
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Payments to other bodies	3,283

## Notes to the Financial Statements (Cont'd)

### Note 6 – Adjustments between funding accounting basis and funding basis under regulations

This note provides further breakdown of the adjustments summarised in the Movement in Reserves Statement on page 40. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable and unusable is given in notes 30 and 31 on pages 98 to 102.

#### 2020/21

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants and Receipts Unapplied Account £000	Capital Reserve £000	Capital Fund £000	Other Reserves £000	Total Usable Reserves £000
<b>Usable Reserves</b>								
<b>Adjustments to the Revenue Resources</b>								
Pension Costs (transferred to (or from) the Pensions Reserve)	(15,967)	(637)	0	0	0	0	0	(16,604)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	3	3	0	0	0	0	0	6
Holiday Pay (transferred to the Accumulated Absences Reserve)	(117)	2	0	0	0	0	0	(115)
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(4,390)	(8,520)	0	0	0	0	0	(12,910)
	<b>(20,471)</b>	<b>(9,152)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(29,623)</b>
<b>Adjustments between Capital and Revenue Resources</b>								
Transfer of non-current asset sale gain/loss from revenue to the Capital Receipts Reserve	(883)	0	883	0	0	0	0	0
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	5,800	5,019	0	0	0	0	0	10,819
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	274	8,637	0	0	0	0	0	8,911
	<b>5,191</b>	<b>13,656</b>	<b>883</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,730</b>
<b>Adjustments to the Capital Resources</b>								
Disposal of non-current asset sale proceeds	0	0	(2,167)	0	0	0	0	(2,167)
Transfer from the Capital Receipts Reserve to the Capital Fund/ Capital Grants and Receipts Unapplied Account	0	0	1,284	(368)	0	(916)	0	0
Application of capital grants to finance capital expenditure	0	0	0	89	0	0	0	89
	<b>0</b>	<b>0</b>	<b>(883)</b>	<b>(279)</b>	<b>0</b>	<b>(916)</b>	<b>0</b>	<b>(2,078)</b>
<b>Total Adjustments</b>	<b>(15,280)</b>	<b>4,504</b>	<b>0</b>	<b>(279)</b>	<b>0</b>	<b>(916)</b>	<b>0</b>	<b>(11,971)</b>

## Notes to the Financial Statements (Cont'd)

### Note 6 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2020/21

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
<b>Unusable Reserves</b>						
<b>Adjustments to the Revenue Resources</b>						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	16,604	0	0	<b>16,604</b>
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	(6)	<b>(6)</b>
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	115	0	<b>115</b>
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	12,910	0	0	0	0	<b>12,910</b>
	<b>12,910</b>	<b>0</b>	<b>16,604</b>	<b>115</b>	<b>(6)</b>	<b>29,623</b>
<b>Adjustments between Capital and Revenue Resources</b>						
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	(10,819)	0	0	0	0	<b>(10,819)</b>
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(8,911)	0	0	0	0	<b>(8,911)</b>
	<b>(19,730)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(19,730)</b>
<b>Adjustments to the Capital Resources</b>						
Disposal of non-current asset sale proceeds	2,167	0	0	0	0	<b>2,167</b>
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	(9,012)	9,012	0	0	0	<b>0</b>
Write out Revaluation Reserve of Disposals	(426)	426	0	0	0	<b>0</b>
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	0	<b>0</b>
Application of capital grants to finance capital expenditure	(89)	0	0	0	0	<b>(89)</b>
	<b>(7,360)</b>	<b>9,438</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,078</b>
<b>Total Adjustments</b>	<b>(14,180)</b>	<b>9,438</b>	<b>16,604</b>	<b>115</b>	<b>(6)</b>	<b>11,971</b>

## Notes to the Financial Statements (Cont'd)

### Note 6 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2019/20

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants and Receipts Unapplied Account £000	Capital Reserve £000	Capital Fund £000	Other Reserves £000	Total Usable Reserves £000
<b>Usable Reserves</b>								
<b>Adjustments to the Revenue Resources</b>								
Pension Costs (transferred to (or from) the Pensions Reserve)	(19,157)	(868)	0	0	0	0	0	(20,025)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	12	10	0	0	0	0	0	22
Holiday Pay (transferred to the Accumulated Absences Reserve)	(953)	(40)	0	0	0	0	0	(993)
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(5,478)	4,816	0	0	0	0	0	(662)
	<b>(25,576)</b>	<b>3,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(21,658)</b>
<b>Adjustments between Capital and Revenue Resources</b>								
Transfer of non-current asset sale gain/loss from revenue to the Capital Receipts Reserve	(201)	(1,262)	1,463	0	0	0	0	0
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	3,161	4,463	0	0	0	0	0	7,624
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	0	8,397	0	0	0	0	0	8,397
	<b>2,960</b>	<b>11,598</b>	<b>1,463</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,021</b>
<b>Adjustments to the Capital Resources</b>								
Disposal of non-current asset sale proceeds	0	0	(2,266)	0	0	0	0	(2,266)
Transfer from the Capital Receipts Reserve to the Capital Fund/ Capital Grants and Receipts Unapplied Account	0	0	803	(305)	0	(498)	0	0
Application of capital grants to finance capital expenditure	0	0	0	146	0	0	0	146
	<b>0</b>	<b>0</b>	<b>(1,463)</b>	<b>(159)</b>	<b>0</b>	<b>(498)</b>	<b>0</b>	<b>(2,120)</b>
<b>Total Adjustments</b>	<b>(22,616)</b>	<b>15,516</b>	<b>0</b>	<b>(159)</b>	<b>0</b>	<b>(498)</b>	<b>0</b>	<b>(7,757)</b>

## Notes to the Financial Statements (Cont'd)

### Note 6 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2019/20

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
<b>Unusable Reserves</b>						
<b>Adjustments to the Revenue Resources</b>						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	20,025	0	0	20,025
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	(22)	(22)
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	993	0	993
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	662	0	0	0	0	662
	<b>662</b>	<b>0</b>	<b>20,025</b>	<b>993</b>	<b>(22)</b>	<b>21,658</b>
<b>Adjustments between Capital and Revenue Resources</b>						
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	(7,624)	0	0	0	0	(7,624)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(8,397)	0	0	0	0	(8,397)
	<b>(16,021)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(16,021)</b>
<b>Adjustments to the Capital Resources</b>						
Disposal of non-current asset sale proceeds	2,266	0	0	0	0	2,266
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	(8,373)	8,373	0	0	0	0
Write out Revaluation Reserve of Disposals	(2,890)	2,890	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	0	0
Application of capital grants to finance capital expenditure	(146)	0	0	0	0	(146)
	<b>(9,143)</b>	<b>11,263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,120</b>
<b>Total Adjustments</b>	<b>(24,502)</b>	<b>11,263</b>	<b>20,025</b>	<b>993</b>	<b>(22)</b>	<b>7,757</b>

## **Notes to the Financial Statements (Cont'd)**

### **Note 7 – Events After the Balance Sheet Date**

The draft Financial Statements were authorised for issue by the Chief Officer - Resources on 23 June 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place after this date provide information about conditions existing as at 31 March 2021, the figures in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information.

### **Note 8 – Related Parties**

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

#### **Central and Scottish Government**

The council received £209.049m (2019/20 £188.418m) of revenue government grants and £25.839m (2019/20 £27.338m) of capital grants from the Scottish Government (with £2.489m due to the council at the year end); and other grants of £54.895m (2019/20 £53.675m) as shown in Note 10 Grant Income (with £0.751m due to the council at the year end).

#### **Strathclyde Pension Fund**

The council is an admitted body to the local government pension scheme and has made payments as shown in Note 13 Defined Benefit Pension Schemes. The balance owed to the pension fund at the year end was £1.966m.

#### **Joint Boards**

The council is a member of the Joint Boards for Valuation and Strathclyde Partnership for Transport and the council's contributions are disclosed within the Group Accounts. The council is also a partner in the West Dunbartonshire Health and Social Care Partnership and provided funding in year of £70.873m (2019/20 £67.584m).

#### **West Dunbartonshire Leisure Trust**

The council has representation on the Board of Trustees, with three of the nine Trustees being Council elected members, with the council contributing £5.128m to the Trust in 2020/21 (including a transfer of Scottish Government grant funding due to loss of income caused by COVID-19) and received from the Trust £0.081m.

#### **Clydebank Property Company**

The company is owned by the council which holds 100% of the issued share capital. The council holds an investment of £0.273m within its Balance Sheet and has full representation on the Board of Directors, with each of the three Directors of the company being senior officers within the council. The company paid a dividend to the council in 2020/21 of £0.050m.

#### **Clydebank Municipal Bank**

The council has full representation on the Board with the Chair and the Directors being Elected Members of the council, and both the Bank Manager and the Secretary to the Board being council officers.



## Notes to the Financial Statements (Cont'd)

### Note 8 – Related Parties (Cont'd)

#### Voluntary Sector

The following voluntary organisations received over £0.050m in grant funding from West Dunbartonshire Council during 2020/21:

	<b>£000</b>
West Dunbartonshire Citizens Advice Bureau	380
Independent Resource Centre	135
Y-Sort It Youth Information Project	181
The Environment Trust	177
Dumbarton Women's Aid	157
Clydebank Women's Aid	167

The council has no shareholdings or investments in any of these organisations. There were no outstanding balances at the year end.

#### Key Management Personnel

Within the council's Management Team, the Chief Officer of the HSCP is employed by West Dunbartonshire Council. Details of remuneration are included within the Council's Remuneration Statement.

#### Elected Members

Members of the Council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in the remuneration statement on pages 30 to 38. The council maintains a register of interests for Members and reviews this for transactions carried out in the year with entities which Members have an interest. In the year ended 31 March 2021, the council has not had any material transactions for any body in which Members have an interest. The elected members register of interest can be found on the council website page:

<https://www.west-dunbarton.gov.uk/council/councillors-and-committees/councillors-allowances/>

#### Senior Officers

Senior Officers require 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 situation arise, the senior officer does not take part in any discussion or decision in relation to that interest. There are no significant related party transactions with senior officers of the council.

### Note 9 – Agency Services

Transactions whereby the council provides a service on behalf of external organisations are noted below.

2019/20 Net Payment/ (receipt) Organisation	Description	2020/21 Receipts £000	2020/21 Payment £000	(Debtor)/ Creditor at 31.03.21 £000
14,101 Scottish Water	Water and sewerage charges collected by Council and paid over	0	14,058	354
(83,302) Scottish Government	Non Domestic Rates	(72,684)	0	(3,614)

## Notes to the Financial Statements (Cont'd)

### Note 9 – Agency Services (Cont'd)

The Council also received a number of grants from the Scottish Government in 2020/21 related to COVID-19, whereby the Council acted as an agent on behalf of the Government. These grant are listed below and the effect of these have been removed from the Comprehensive Income and Expenditure Statement. Where expenditure was less than income a creditor has been raised within the Council's Balance Sheet.

	£000
Self Isolation Grant Payments	113
COVID-19 Support for Businesses	14,634
Newly Self-Employed Hardship fund	174
Break Restrictions Fund	243
Contingency Fund	145
Furlough support	66
Strategic Framework	8,055
Taxi Support	788
Self-Catering Accommodation	28
Contingency Fund Plus	90
B&B and Guesthouse Support	3
ELC Transitional Support Fund	119
Temporary Restrictions Fund for Childcare Providers	90
	<b>24,548</b>

### Note 10 – Grant Income

The council credited the following grants and other contributions to Taxation and Non-specific Grant Income within the Comprehensive Income and Expenditure Statement in 2020/21, including general grant funding in relation to COVID-19 received through redeterminations:

31 March 2020	31 March 2021
£000	£000
188,418 Revenue Support Grant/ Non-Domestic Rates	209,049
9,153 General Services Capital Grant	16,384
15,294 New House Build	4,439
2,612 Early Year Funding	2,083
0 Sustrans - Connecting Clydebank	1,190
153 Exxon City Deal	629
0 Town Centre Fund	552
0 Transport Scotland - Electrical Charging Points	170
0 Cycling, Walking, Safer Streets	169
372 Strathclyde Passenger Transport	137
122 Levensgrove	123
170 Grants under £0.100m	334
<b>216,294</b>	<b>235,259</b>

The council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2020/21, including service specific general grant funding in relation to COVID-19:

## Notes to the Financial Statements (Cont'd)

### Note 10 – Grant Income (Cont'd)

31 March 2020	31 March 2021
£000	£000
40,060 Housing Benefit Subsidy	34,262
8,799 NHS Resource Transfer	9,932
3,545 Pupil Equity Fund	8,597
6,671 Social Care Funding	6,671
146 Social Care Funding (COVID)	5,880
2,022 Criminal Justice	2,550
1,454 Scottish Attainment	2,057
4,227 Early Learning	1,566
955 Scottish Attainment Challenge Scotland Fund	848
0 Education additional staff support ( COVID)	770
0 Free School Meals and Community Food (COVID)	632
0 Winter Plan for Social Protection	594
0 Business Gateway	580
400 Integrated Care Funding	400
416 Private Sector Housing	364
252 Education Maintenance Allowance	382
199 Asylum Seekers	324
0 Funding to Administer Temp Restrictions	237
0 Discretionary Housing payment additional (COVID)	168
0 Worthy Causes - Free School Meals (COVID)	132
0 Scottish Government - ERO	128
0 Young Person's Guarantee (COVID)	111
115 No-one Left Behind	100
0 Grants under £0.100m (COVID)	76
430 Grants under £0.100m (Other)	417
<b>69,691</b>	<b>77,778</b>

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 year end are as follows:

31 March 2020	31 March 2021
£000	£000
5,920 Gruggies Burn	0
841 Early Years Funding	159
838 Town Centre	593
0 Digital Inclusion	331
73 Grants under £0.100m	180
<b>7,672</b>	<b>1,263</b>

In addition, some covid-19 grants received from the Scottish Government during 2020/21 which were identified as agency transactions are detailed within Note 9.

### Note 11 – Operating Leases

#### Council as Lessee

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

## Notes to the Financial Statements (Cont'd)

### Note 11 – Operating Leases (Cont'd)

31 March 2020	31 March 2021
£000	£000
735 Not later than one year	765
2,620 Later than one year and not later than five years	2,363
2,617 Later than five years	2,036
<u>5,972</u>	<u>5,164</u>

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.775m (2019/20 £0.753m).

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

31 March 2020	31 March 2021
£000	£000
311 Not later than one year	273
411 Later than one year and not later than five years	410
67 Later than five years	0
<u>789</u>	<u>683</u>

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.380m (2019/20 £0.263m).

### Council as Lessor

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

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

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

31 March 2020	31 March 2021
£000	£000
3,840 Not later than one year	3,627
10,665 Later than one year and not later than five years	11,442
137,705 Later than five years	134,633
<u>152,210</u>	<u>149,702</u>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In year, £2.812m contingent rents were receivable by the council (2019/20 £2.686m).

**Finance Leases** - The council does not have any assets or liabilities under a finance lease, either as Lessee or Lessor.

### Note 12 – Termination Benefits

The council terminated the contracts of a number of employees in 2020/21, incurring liabilities of £0.065m (2019/20 £0.383m). These terminations were made as part of the redesign of services within the council under voluntary severance and early retirement. There will be ongoing annual costs incurred by the council for those staff leaving under early retirement due to ongoing pension costs.

## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes

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

The council participates in the following pension schemes:

**The Local Government Pension Scheme**, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The employer's contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2020/21 was 19.3%, and 2021/22 is set at 19.3%. In 2020/21, the council paid an employer's contribution of £19.558m (2019/20 £18.887m).

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

The employer pays a set contribution rate of 23% which is effective from 1 September 2019, prior to this it was 17.2%. This is charged directly to the revenue account for the Education service. The amount paid over in respect of employer's contribution was £10.216m (2019/20 £8.837m) in respect of expenditure for teachers added years, £0.040m payments were made (2019/20 £0.044m).

The scheme is unfunded and all contributions (payable by members or employers) are paid to the Scottish Government, and the Scottish Government then meets the costs of all the benefits. A specific amount is held by the Scottish Government for this purpose. As a proportion of the total contributions into the Scottish Teachers Superannuation Scheme 2020/21, the council's own contribution equates to 1.83%.

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

#### 1) Local Government Pension Scheme

Councils are also required to disclose the capital cost of discretionary increases in pension payments agreed by the Council. In 2020/21 the capitalised costs that would have arisen from the early retiral of West Dunbartonshire Council employees and from predecessor authorities were as follows:

	£000
2020/2021	4,125
In earlier years	54,157
<b>Total</b>	<b>58,282</b>

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.

## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes (Cont'd)

#### 1) Local Government Pension Scheme (Cont'd)

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

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

Revised 2019/20 £000	2020/21 £000
<b>Net cost of services</b>	
42,281 Current service cost	35,717
(5,579) Past service cost	74
<b>36,702</b>	<b>35,791</b>
<b>Financing and investment Income and Expenditure</b>	
5,172 Net interest expense	3,379
<b>41,874 Total post employment benefit charged to the Surplus or Deficit on the provision of Services</b>	<b>39,170</b>
55,170 Expected return on assets	(181,163)
(34,598) Actuarial gains and losses arising from changes in demographic assumptions	(30,778)
(106,589) Actuarial gains and losses arising from changes in financial assumptions	232,640
(5,146) Actuarial gains and losses arising from experience assumptions	(7,765)
<b>(49,289) Total post employment benefit charged to the comprehensive income and expenditure statement</b>	<b>52,104</b>
<b>Movement in Reserves Statement</b>	
(41,874) Reversal of gross charges made to surplus or deficit for post employment benefits	(39,170)
21,849 Actual amount charged against the General Fund balance in the year - employer contributions payable to Scheme	22,566
<b>(20,025) Reversal of gross charges made to surplus or deficit for post employment benefits</b>	<b>(16,604)</b>

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

2019/20 £000	2020/21 £000
794,654 Fair value of plan assets	974,343
(874,574) Present value of defined benefit obligations	(1,079,676)
<b>(79,920) Net assets in the Strathclyde Pension Fund</b>	<b>(105,333)</b>
<u>Present Value of Unfunded Liabilities</u>	
(25,437) LGPS Unfunded	(27,955)
(22,476) Teachers' pensions	(24,265)
(6,244) Pre Local Government Reorganisation	(6,062)
<b>(134,077) Net pension asset/(liability)</b>	<b>(163,615)</b>

## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes (Cont'd)

#### 1) Local Government Pension Scheme

The liabilities show the underlying commitments that the council has in the long run to pay post-employment (retirement) benefits. The total liability of £163.615m has a substantial negative impact on the net worth of the council as recorded in the Balance Sheet, resulting in an overall balance of £318.629m. However, the statutory arrangements for funding the deficit, means the financial position of the council remains healthy.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due) as assessed by the scheme actuary. Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The fair value of plan assets have increased by £179.689m. This is due to asset returns being more favourable than anticipated.

The estimated liabilities have increased by £209.227m, due to financial assumptions as at 31 March 2021 being less favourable than they were at 31 March 2020.

#### 2) 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:

	%
Active Members	56.3%
Deferred Members	9.9%
Pensioner Members	29.6%
Pre-Local Government Re-organisation Members	4.2%
	<u>100%</u>

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

2019/20 £000	2020/21 £000
1,031,018 Opening balance	928,731
42,281 Current service cost	35,717
25,041 Interest cost	21,675
5,775 Contributions by Members	6,075
(34,598) Actuarial gains/losses – change in demographic assumptions	(30,778)
(106,589) Actuarial gains/losses – change in financial assumptions	232,640
(5,146) Actuarial gains/losses – other experience	(29,214)
(5,579) Past service costs/(gains)	74
(2,962) Estimated unfunded benefits paid	(3,008)
(20,510) Estimated benefits paid	(23,954)
<u>928,731</u> Closing Balance as at 31 March	<u>1,137,958</u>

## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

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

2019/20 £000	2020/21 £000
825,803 Opening balance	794,654
(55,170) Expected return on assets	181,163
0 Actuarial gains/ losses - othe experience	(21,449)
19,869 Interest Income	18,296
5,775 Contributions by Members	6,075
18,887 Contributions by employer	19,558
2,962 Contributions in respect of unfunded benefits	3,008
(2,962) Estimated unfunded benefits paid	(3,008)
(20,510) Estimated benefit paid	(23,954)
<b>794,654 Closing Balance as at 31 March</b>	<b>974,343</b>

WDC Share of the pension fund asset at 31 March 2021 comprised:

2019/20			Asset Category	2020/21		
Quoted prices in Active Markets	Prices not quoted in Active Market	Total		Quoted prices in Active Markets	Prices not quoted in Active Market	Total
£000	£000	£000		£000	£000	£000
183,309	481	183,790	Equity Securities	227,564	1,048	228,612
24,933	1	24,934	Debt Securities	0	0	0
0	94,958	94,958	Private Equity	0	174,272	174,272
0	71,948	71,948	Real Estate	0	78,943	78,943
260,842	77,833	338,675	Investment funds and unit trusts	9,170	466,813	475,983
16	0	16	Derivatives	176	0	176
40,908	39,425	80,333	Cash and Cash Equivalent	15,697	660	16,357
<b>510,008</b>	<b>284,646</b>	<b>794,654</b>	<b>Totals</b>	<b>252,607</b>	<b>721,736</b>	<b>974,343</b>

Assets are now held at bid value.

#### Asset and Liability Matching Strategy (ALM)

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 85.6% (2019/20 85.6%) of accrued liabilities at that date.



## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

#### Asset and Liability Matching Strategy (ALM) (Cont'd)

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

31/03/2020	31/03/2021
<b>Long term expected return on assets</b>	
1.9% Pension increase rate	2.85%
3.0% Salary Increase rate	3.55%
2.3% Discount rate	2.00%
<u><b>Mortality</b></u>	
Based on these assumptions, the average future life expectancies at the age of 65 are:	
20.7 Current pensioners – Men	19.8
22.9 Current pensioners - Women	22.6
22.2 Future pensioners – Men	21.2
24.6 Future pensioners - Women	24.7

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

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

#### Sensitivity Analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries have calculated and compared the value of the scheme liabilities as at 31 March 2021 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:

## Notes to the Financial Statements (Cont'd)

### Note 13 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

	Approximate % increase to Employer Liability	Approximate monetary Amount £000
Real Discount Rate (0.5% decrease )	10%	111,989
Salary Increase Rate (0.5% increase)	1%	15,320
Pension Increase Rate (0.5% increase)	8%	93,954

The total contribution expected to be made to the Local Government pension scheme for 2021/22 is £19.528m.

#### Note 14 – External Audit Costs

In 2020/21 the council incurred £0.277m (2019/20 £0.270m) in respect of its external audit services on behalf of the Council and £0.002m (2019/20 £0.002m) on behalf of the Trust Funds, undertaken in accordance with the Code of Audit Practice.

The appointed auditors, Audit Scotland, provided no other services to the Council in the year.

#### Note 15 – Expenditure and Funding Analysis

The analysis of income and expenditure on the face of the comprehensive income and expenditure statement is that specified by the Service Reporting Code of Practice. However decisions about resource allocation are taken by the council on the basis of reports that are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation reserve and amortisations are charged to services in the comprehensive income and expenditure statement); and
- the cost of retirement benefits is based on cash flows (payments of employer's pensions contributions) rather than current service cost of benefits accrued in the year.

The service expenditure noted as 'net rechargeable to the General Fund and the HRA' can also be compared to the service spend noted in the council's revenue budget monitoring table in the Management Commentary, except where there are items in the Comprehensive Income and Expenditure Statement that are reported below the net cost of service line.

The council's income and expenditure as noted on the comprehensive income and expenditure statement analysis can also be given by nature of spend and is analysed as follows:

## Notes to the Financial Statements (Cont'd)

### Note 15 – Expenditure and Funding Analysis (Cont'd)

2019/20 £000		2020/21 £000
	<b>Expenditure</b>	
208,598	Employee benefits expenses	214,249
249,084	Other service expenses	253,323
3,809	Support service recharges	3,894
28,691	Depreciation, amortisation, impairment	39,268
24,544	Interest payments	22,558
2,336	Precepts and levies	2,339
1,463	Loss on the disposal of assets	883
<b><u>518,525</u></b>	<b>Total Expenditure</b>	<b><u>536,514</u></b>
	<b>Income</b>	
(259,517)	Fees, charges and other service income	(261,583)
(255)	Interest and investment income	(165)
(120,143)	Income from council tax and non-domestic rates	(92,728)
(131,447)	Government grants and contributions	(179,296)
<b><u>(511,362)</u></b>	<b>Total Income</b>	<b><u>(533,772)</u></b>
<b><u>7,163</u></b>	<b>(Surplus) / Deficit on the Provision of Services</b>	<b><u>2,742</u></b>

A further breakdown of fees, charges and other service income by segmental analysis is noted below:

2019/20 £000		2020/21 £000
(48,907)	Corporate Services	(42,105)
(13,250)	Education	(17,593)
(20,310)	Infrastructure, Regeneration and Economic Development	(17,814)
(32,701)	Housing and Communities	(32,922)
(42,640)	Housing Revenue Account	(43,354)
(6,127)	Miscellaneous Services	(6,117)
(95,582)	Health and Social Care Partnership	(101,678)
<b><u>(259,517)</u></b>	<b>Total Fees, Charges and other service income</b>	<b><u>(261,583)</u></b>

## Notes to the Financial Statements (Cont'd)

### Note 15 – Expenditure and Funding Analysis (Cont'd)

The income and expenditure of the council's principal committee reporting structure recorded in the budget reports for the year is as follows:

<u>2019/20</u>					<u>2020/21</u>			
Net 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			Net 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	
19,847	6,825	26,672	Corporate Services		20,549	5,332	25,881	
88,167	9,822	97,989	Education		90,513	8,506	99,019	
28,915	13,233	42,148	Infrastructure, Regeneration and Economic Development		29,934	20,061	49,995	
677	3,076	3,753	Housing and Communities		2,062	2,099	4,161	
(21,312)	11,386	(9,926)	Housing Revenue Account		(22,944)	13,593	(9,351)	
1,677	(7,782)	(6,105)	Miscellaneous Services		5,179	(2,699)	2,480	
66,778	7,976	74,754	Health and Social Care Partnership		69,865	5,718	75,583	
2,336	0	2,336	Requisitions		2,339	0	2,339	
<b>187,085</b>	<b>44,536</b>	<b>231,621</b>	<b>Net Cost of Services</b>		<b>197,497</b>	<b>52,610</b>	<b>250,107</b>	
0	1,463	1,463	(Gain)/Loss on disposal of Fixed Assets		0	883	883	
(223,714)	(27,876)	(251,590)	Taxation and Non-specific Grant Income		(245,814)	(26,210)	(272,024)	
36,692	(11,023)	25,669	Finance / Investment Income and Expenditure		40,283	(16,507)	23,776	
<b>63</b>	<b>7,100</b>	<b>7,163</b>	<b>(Surplus) or Deficit on Provision of Service</b>		<b>(8,034)</b>	<b>10,776</b>	<b>2,742</b>	
(12,604)			MIR Opening General Fund and HRA Balance as at 1 April 2020		(13,319)			
2,735			MIR (Surplus) or Deficit on Provision of Service (General Fund)		(4,241)			
(2,672)			MIR (Surplus) or Deficit on Provision of Service (HRA)		(3,793)			
(778)			MIR Transfer to/from other statutory reserves		(1,039)			
<b>(13,319)</b>			<b>Closing General Fund and HRA Balance as at 31 March 2021</b>		<b>(22,392)</b>			

## Notes to the Financial Statements (Cont'd)

### Note 15 – Expenditure and Funding Analysis (Cont'd)

<u>2019/20</u>				<u>2020/21</u>			
Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000	Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000
3,052	3,773	0	<b>6,825</b>	2,853	2,479	0	<b>5,332</b>
5,441	3,817	564	<b>9,822</b>	5,553	2,807	146	<b>8,506</b>
8,903	4,330	0	<b>13,233</b>	17,088	2,973	0	<b>20,061</b>
13	3,063	0	<b>3,076</b>	14	2,085	0	<b>2,099</b>
10,478	868	40	<b>11,386</b>	12,959	637	(3)	<b>13,593</b>
1	(8,172)	389	<b>(7,782)</b>	2	(2,673)	(28)	<b>(2,699)</b>
803	7,173	0	<b>7,976</b>	800	4,918	0	<b>5,718</b>
0	0	0	<b>0</b>	0	0	0	<b>0</b>
<b>28,691</b>	<b>14,852</b>	<b>993</b>	<b>44,536</b>	<b>39,269</b>	<b>13,226</b>	<b>115</b>	<b>52,610</b>
1,463	0	0	<b>1,463</b>	883	0	0	<b>883</b>
(27,876)	0	0	<b>(27,876)</b>	(26,210)	0	0	<b>(26,210)</b>
(16,174)	5,173	(22)	<b>(11,023)</b>	(19,879)	3,378	(6)	<b>(16,507)</b>
<b>(13,896)</b>	<b>20,025</b>	<b>971</b>	<b>7,100</b>	<b>(5,937)</b>	<b>16,604</b>	<b>109</b>	<b>10,776</b>

Both the Movement in Reserves (page 40) and note 6 (page 61) total the adjustments between funding accounting basis and funding basis under regulations relating to the General Fund balance (£15.280m net deductions) and HRA balance (£4.504m net additions) and this matches the total adjustments above of £10.776m.

## Notes to the Financial Statements (Cont'd)

### Note 15 – Expenditure and Funding Analysis (Cont'd)

#### Adjustment 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; and
- 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; and
- 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; and
- 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.

## Notes to the Financial Statements (Cont'd)

### Note 16 – Property, Plant and Equipment

#### 1) Movements in 2020/21

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
<b>Cost/Valuation at 1 April 2020</b>	<b>505,069</b>	<b>380,219</b>	<b>45,034</b>	<b>26,712</b>	<b>123,206</b>	<b>5,475</b>	<b>9,594</b>	<b>104,814</b>	<b>1,200,123</b>
Additions	19,466	7,218	15	4,658	11,239	1,646	135	46,886	91,263
Revaluations:									
- To Revaluation Reserve	48,706	126	0	0	0	0	0	0	48,832
- To Net cost of Service	0	(5,243)	0	0	0	0	(1,510)	0	(6,753)
Disposals	0	0	(90)	0	0	0	(1,476)	0	(1,566)
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	(357)	0	(357)
Adjustments - assets at nil NBV	0	(884)	(7)	(9,337)	(16,374)	0	0	0	(26,602)
Adjustments - change in asset type	17,875	23,523	50	8,870	268	1,342	(50)	(51,878)	0
<b>As at 31 March 2021</b>	<b>591,116</b>	<b>404,959</b>	<b>45,002</b>	<b>30,903</b>	<b>118,339</b>	<b>8,463</b>	<b>6,336</b>	<b>99,822</b>	<b>1,304,940</b>
<b>Depreciation/Impairment at 1 April 2020</b>	<b>(73,974)</b>	<b>(39,364)</b>	<b>(1,269)</b>	<b>(17,626)</b>	<b>(54,658)</b>	<b>(1,566)</b>	<b>(140)</b>	<b>0</b>	<b>(188,597)</b>
Depreciation charge	(12,106)	(9,613)	(411)	(3,174)	(5,352)	(466)	0	0	(31,122)
Depreciation:									
- To Revaluation Reserve	(568)	(28)	0	0	0	0	0	0	(596)
- To Net Cost of Service	0	0	0	0	0	0	0	0	0
Impairments:									
- To Revaluation Reserve	0	0	0	0	0	0	0	0	0
- To Net Cost of Service	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Adjustments - assets at nil NBV	0	884	7	9,337	16,374	0	0	0	26,602
Adjustments - change in asset type	0	0	0	0	0	0	0	0	0
<b>As At 31 March 2021</b>	<b>(86,648)</b>	<b>(48,121)</b>	<b>(1,673)</b>	<b>(11,463)</b>	<b>(43,636)</b>	<b>(2,032)</b>	<b>(140)</b>	<b>0</b>	<b>(193,713)</b>
<b>Net Book Value at 31 March 2020</b>	<b>431,095</b>	<b>340,855</b>	<b>43,765</b>	<b>9,086</b>	<b>68,548</b>	<b>3,909</b>	<b>9,454</b>	<b>104,814</b>	<b>1,011,526</b>
<b>Net Book Value at 31 March 2021</b>	<b>504,468</b>	<b>356,838</b>	<b>43,329</b>	<b>19,440</b>	<b>74,703</b>	<b>6,431</b>	<b>6,196</b>	<b>99,822</b>	<b>1,111,227</b>

## Notes to the Financial Statements (Cont'd)

### Note 16 – Property, Plant and Equipment (Cont'd)

#### 2) Movements in 2019/20

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
<b>Cost/Valuation at 1 April 2019</b>	<b>466,445</b>	<b>373,047</b>	<b>44,726</b>	<b>25,527</b>	<b>113,939</b>	<b>3,546</b>	<b>11,237</b>	<b>44,984</b>	<b>1,083,451</b>
Additions	24,937	5,607	110	2,858	9,251	1,728	356	61,801	106,648
Revaluations:									
- To Revaluation Reserve	13,687	11,534	0	0	0	0	0	0	25,221
- To Net cost of Service	0	(400)	0	0	0	0	0	0	(400)
Disposals	0	0	(8)	0	0	0	(1,262)	0	(1,270)
Assets reclassified to/from Held for Sale	0	(2,449)	0	0	0	0	(835)	0	(3,284)
Adjustments - assets at nil NBV	0	(8,237)	0	(1,694)	0	0	(312)	0	(10,243)
Adjustments - change in asset type	0	1,117	206	21	16	201	410	(1,971)	0
<b>As at 31 March 2020</b>	<b>505,069</b>	<b>380,219</b>	<b>45,034</b>	<b>26,712</b>	<b>123,206</b>	<b>5,475</b>	<b>9,594</b>	<b>104,814</b>	<b>1,200,123</b>
<b>Depreciation/Impairment at 1 April 2019</b>	<b>(56,007)</b>	<b>(31,732)</b>	<b>(860)</b>	<b>(15,776)</b>	<b>(48,963)</b>	<b>(1,566)</b>	<b>(452)</b>	<b>0</b>	<b>(155,356)</b>
Depreciation charge	(10,414)	(9,329)	(409)	(3,544)	(5,695)	0	0	0	(29,391)
Depreciation:									
- To Revaluation Reserve	0	(5,575)	0	0	0	0	0	0	(5,575)
- To Net Cost of Service	0	(493)	0	0	0	0	0	0	(493)
Impairments:									
- To Revaluation Reserve	(7,553)	(654)	0	0	0	0	0	0	(8,207)
- To Net Cost of Service	0	182	0	0	0	0	0	0	182
Adjustments - assets at nil NBV	0	8,237	0	1,694	0	0	312	0	10,243
Adjustments - change in asset type	0	0	0	0	0	0	0	0	0
<b>As At 31 March 2020</b>	<b>(73,974)</b>	<b>(39,364)</b>	<b>(1,269)</b>	<b>(17,626)</b>	<b>(54,658)</b>	<b>(1,566)</b>	<b>(140)</b>	<b>0</b>	<b>(188,597)</b>
<b>Net Book Value at 31 March 2019</b>	<b>410,438</b>	<b>341,315</b>	<b>43,866</b>	<b>9,751</b>	<b>64,976</b>	<b>1,980</b>	<b>10,785</b>	<b>44,984</b>	<b>928,095</b>
<b>Net Book Value at 31 March 2020</b>	<b>431,095</b>	<b>340,855</b>	<b>43,765</b>	<b>9,086</b>	<b>68,548</b>	<b>3,909</b>	<b>9,454</b>	<b>104,814</b>	<b>1,011,526</b>



## Notes to the Financial Statements (Cont'd)

### Note 16 – Property, Plant and Equipment (Cont'd)

#### 3) Capital Commitments

As at 31 March 2021, the council has commitments on capital contracts for the construction or enhancement of property, plant and equipment for non housing and housing projects in 2020/21 budgeted to cost £17.910m (2019/20 £30.935m) and £22.109m (2019/20 £49.474m) respectively. The main commitments are:

<b>General Services</b>	<b>£000</b>
Renton Campus (part of Schools Estate Improvement Plan)	13,737
Posties Park	1,921
Local Economic Development & Regeneration - various projects	1,164
Queens Quay House (Clydebank Care Home)	235
Construction of Pitches St Mary's Primary School & Our Lady of Loretto	224
Demolition of Playdrome Leisure Centre, Clydebank	221
Kilpatrick ASN	194
Under £0.100m	214
<b>HRA</b>	<b>£000</b>
New Build Housing	17,109
External Wall Insulation	5,000

#### 4) PPP Assets Included in Property, Plant and Equipment

<b>2019/20</b>		<b>2020/21</b>
<b>£000</b>		<b>£000</b>
<b>Cost or Valuation</b>		
89,827	At 1 April 2020	89,827
	<u>Revaluations</u>	
0	To Revaluation Reserve	0
0	Additions	0
<b>89,827</b>	<b>At 31 March 2021</b>	<b>89,827</b>
<b>Accumulated Depreciation and Impairment</b>		
(4,877)	At 1 April 2020	(7,268)
(2,391)	Depreciation Charge	(2,077)
	<u>Depreciation written out</u>	
0	To revaluation reserve	0
0	To NCS	0
<b>(7,268)</b>	<b>At 31 March 2021</b>	<b>(9,345)</b>
<b>84,950</b>	<b>Opening Net Book value</b>	<b>82,559</b>
<b>82,559</b>	<b>Closing Net Book value</b>	<b>80,482</b>

- 5) The council measures its surplus assets at fair value at each reporting date (the council does not hold investment properties). The fair value of surplus assets have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for surplus assets

## Notes to the Financial Statements (Cont'd)

### Note 17 – 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 £0.021m charged to revenue in 2020/21 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 on intangible asset during the year was as follows:

2019/20 £000		2020/21 £000
	<b>Balance at 1 April 2020</b>	
546	Gross carrying amount	546
(336)	Accumulated amortisation	(371)
<b>210</b>	<b>Net carrying amount at start of year</b>	<b>175</b>
0	Acquisitions in year	121
(35)	Amortisation for period	(25)
<b>(35)</b>	<b>Net carrying amount at 31 March 2021</b>	<b>96</b>
	<b>Comprising:</b>	
546	Gross Carrying amounts	667
(371)	Accumulated amortisation	(396)
<b>175</b>		<b>271</b>

### Note 18 – Assets Held for Sale

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

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

The council measures its non-current assets held for sale at fair value at each reporting date. The fair value of non-current assets held for sale have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for non-current assets held for sale.

## Notes to the Financial Statements (Cont'd)

### Note 18 – Assets Held for Sale (cont'd)

The movement on assets held for sale during the year was as follows:

2019/20		2020/21
£000		£000
5,670	<b>Balance at 1 April 2020</b>	8,053
0	Acquisitions	11
0	Assets previously omitted	312
	Assets newly classified as held for sale:-	
3,284	Property, Plant and Equipment	357
0	Revaluation Losses	(1,078)
95	Revaluation Gains	702
(996)	Disposals	(602)
0	Assets declassified as held for sale*	0
<u>8,053</u>	<b>As at 31 March 2021</b>	<u>7,755</u>

\*All assets values listed are in respect of Property, Plant and Equipment

### Note 19 - Heritage Assets

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

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

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

2019/20		2020/21
£000		£000
1,406	<b>Balance at 1 April 2020</b>	1,406
0	Additions/ Disposals / Newly Classified	0
<u>1,406</u>	<b>Balance at 31 March 2021</b>	<u>1,406</u>

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; and
- 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.

## Notes to the Financial Statements (Cont'd)

### Note 19 - Heritage Assets (cont'd)

**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 20 – Capital Expenditure and Capital Financing

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

31-Mar-20 £000	31-Mar-21 £000
<b>538,132 Opening Capital Financing Requirement</b>	<b>600,739</b>
<b>Capital Investment</b>	
106,649 Property, Plant and Equipment	91,392
<b>106,649</b>	<b>91,392</b>
<b>Less Sources of Finance</b>	
803 Receipts from Sale of Assets	1,284
28,022 Government Grants and other Contributions	26,210
(803) Transfer to Capital Fund/ Capital Receipts Fund	(1,284)
8,397 Revenue Contributions	8,911
7,623 Loan Fund Principal Repayments	10,820
<b>44,042</b>	<b>45,941</b>
<b>600,739 Closing Capital Financing Requirement</b>	<b>646,190</b>
0 Increase in Underlying Need to Borrow (Supported)	0
62,607 Increase in Underlying Need to Borrow (Unsupported)	45,451
<b>62,607 Movement in Capital Financing Requirement</b>	<b>45,451</b>

### Note 21 – Impairment Losses

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value. Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

During 2020/21, the council has recognised impairment losses of £1.232m (2019/20 £8.400m) relating to non-value adding enhancement of various assets. These impairment losses have been charged as appropriate within the Comprehensive Income and Expenditure Statement and the Revaluation Reserve.

## Notes to the Financial Statements (Cont'd)

### Note 22 – Private Finance Initiatives and Similar Contracts

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

2020/21 was the twelfth year of a thirty year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria. 2020/21 was the fourth 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 need 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.

#### Property, Plant and Equipment

The school buildings are recognised on the council's balance sheet within property, plant and equipment balance. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in note 14.

#### Payments

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

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

Payments remaining to be made under the PPP and DBFM contracts at 31 March 2021 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	<b>Repayment of Liability</b>	<b>Interest Charges</b>	<b>Operating Costs</b>	<b>Lifecycle Replacement</b>	<b>Total Unitary Payment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Less than 1 year	3,677	6,914	3,063	747	<b>14,401</b>
2-5 years	14,423	25,136	13,716	5,914	<b>59,189</b>
6-10 years	21,415	24,686	20,583	10,989	<b>77,673</b>
11-15 years	28,444	16,180	24,986	12,424	<b>82,034</b>
16-20 years	25,285	4,925	19,574	10,773	<b>60,557</b>
21-25 years	3,048	200	685	235	<b>4,168</b>
<b>PPP Contractual Liability as at 31.03.21</b>	<b>96,292</b>	<b>78,041</b>	<b>82,607</b>	<b>41,082</b>	<b>298,022</b>

## Notes to the Financial Statements (Cont'd)

### Note 22 – Private Finance Initiatives and Similar Contracts (cont'd)

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:

2019/20	2020/21
£000	£000
103,101 Opening Balance	99,942
0 New Liabilities	0
(3,159) Repayments	(3,650)
<u>99,942</u> Closing Balance	<u>96,292</u>

### Note 23 – Debtors

2019/20	2019/20	2020/21	2020/21
£000	£000	£000	£000
<b>Central government bodies</b>			
878		2,222	
3,832		3,840	
<u>2,892</u>	7,602	<u>4,588</u>	10,650
	222 Other local authorities		353
	1,507 NHS Bodies		9,364
	3 Public Corporations and trading funds		0
<b>Other Entities and individuals</b>			
14,316		16,430	
<u>19,401</u>	33,717	<u>29,824</u>	46,254
	<u>43,051</u>		<u>66,620</u>

\* A further breakdown in relation to local taxation is noted below:

2019/20			2020/21		
Gross debtor before impairment	Net Debtor after impairment		Gross debtor before impairment	Net Debtor after impairment	
£000	£000	£000	£000	£000	£000
4,784	1,615	3,169 Under 1 year	5,336	1,673	3,663
36,370	25,223	11,147 Over 1 year	39,180	26,413	12,767
<u>41,154</u>	<u>26,838</u>	<u>14,316</u> Total	<u>44,516</u>	<u>28,086</u>	<u>16,430</u>

### Note 24 - 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 2021. The fund does not represent assets of the council and has not been included within the Balance Sheet on page 41.

## Notes to the Financial Statements (Cont'd)

### Note 24 - Common Good Fund (Cont'd)

#### Income and Expenditure Account

2019/20	2020/21
£000 Expenditure	£000
119 Payments to Other Bodies	82
61 Bellsmyre Digital	35
50 Denny Tank	50
47 Tulloch Trust	0
40 WD Citizen's Advice Bureau	40
25 General Expenditure	25
<b>342</b>	<b>232</b>
<b>Income</b>	
(308) Rent – Sites and Offices	(314)
0 Gain on Investments	0
(3) Other Income	(1)
<b>(311)</b>	<b>(315)</b>
<b>31 Net (surplus)/deficit for year</b>	<b>(83)</b>
31 In Year Usable Gain/ (Loss)	(83)
0 In Year Un-usable Gain/ (Loss)	0
<b>31</b>	<b>(83)</b>
(469) Balance brought forward	(438)
31 In Year Usable Gain	(83)
<b>(438) Balance carried forward</b>	<b>(521)</b>

#### Balance Sheet as at 31 March 2021

2019/20	2020/21
£000 Fixed Assets	£000
3,487 Investment properties	3,487
<b>Current Assets</b>	
478 Investments – West Dunbartonshire Council	534
4 Debtors	3
<b>Current Liabilities</b>	
(44) Creditors falling due within one year	(16)
<b>3,925 Total assets</b>	<b>4,008</b>
<b>Funds</b>	
3,487 Capital Adjustment Account	3,487
438 General Fund	521
<b>3,925</b>	<b>4,008</b>

## Notes to the Financial Statements (Cont'd)

### Note 25 – 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 38. 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.

#### Receipts and Payments Account

2019/20			2020/21		
Receipts	Payments	(Surplus)/ Deficit	Receipts	Payments	(Surplus)/ Deficit
£000	£000	£000	£000	£000	£000
(1)	0	(1)	0	0	0
0	0	0	0	0	0
(1)	5	4	(2)	0	(2)
0	0	0	0	0	0
0	0	0	0	0	0
0	3	3	0	0	0
(2)	8	6	(2)	0	(2)

\* The Vale of Leven Trust was formally wound up and closed during 2019/20.

#### Statement of Balances as at 31 March 2021

	Balance as at 1/4/20 £000	(Surplus)/deficit for year £000	Balance as at 31/3/21 £000
<b>Bank and Cash</b>			
Dunbartonshire Educational Trust Scheme 1962	(90)	0	(90)
McAuley Prize for Mathematics	(22)	0	(22)
Alexander Cameron Bequest	(116)	(2)	(118)
Dr A K Glen Fund	(24)	0	(24)
UIE Award	(25)	0	(25)
<b>Total</b>	<b>(277)</b>	<b>(2)</b>	<b>(279)</b>

The Trust Funds hold no liabilities.

### Note 26 – 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 and other local authorities. All deposits are held in sterling. The carrying amount is the outstanding principal receivable. Bank balances are included in the Balance Sheet at the closing balance in the council's ledger and include cheques payable not yet cashed.



## Notes to the Financial Statements (Cont'd)

### Note 26 – Cash and Cash Equivalents (cont'd)

	31-Mar-20 £000	Movement £000	31-Mar-21 £000
Net Bank Current Account*	(4,208)	(1,026)	(5,234)
Short term deposits with UK banks	21,246	(3,771)	17,475
<b>Net Cash and Cash equivalents</b>	<b>17,038</b>	<b>(4,797)</b>	<b>12,241</b>

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

31-Mar-20 £000	31-Mar-21 £000
30,675 Bank Current Accounts in balance	1,289
(34,883) Bank Current Accounts in overdraft	(6,523)
<b>(4,208) Net Bank Current Account*</b>	<b>(5,234)</b>

### Note 27 – Financial Instruments

#### 1) Types of Financial Instrument

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”:

	Long-term		Current	
	31-Mar-20 £000	31-Mar-21 £000	31-Mar-20 £000	31-Mar-21 £000
<b>Debtors</b>				
Loans and receivables	23	22	80,168	68,955
<b>Borrowing</b>				
Financial liabilities at amortised cost	276,905	284,842	271,974	270,383
<b>Other long term liabilities</b>				
PPP and finance leases	96,337	92,615	3,605	3,677
<b>Creditors</b>				
Financial liabilities at contract amount	0	0	42,167	72,858

The council does not have any of the following types of investments or borrowings:

- available for sale financial assets;
- unquoted equity investments at cost;
- financial assets at fair value through profit and loss; or
- financial liabilities at fair value through profit and loss.

The council has considered the Code requirements for accounting for financial instruments and the following events have not taken place in 2020/21:

- reclassification of financial assets carrying value between fair value and amortised cost;
- transfer of financial assets where part or all of the financial assets does not qualify for de-recognition;
- pledging of financial assets as collateral or liabilities or contingent liabilities, as a result no carrying or fair value exists;
- recording of impairment losses in a separate account which would require a reconciliation of changes during the year;
- default on any loans payable during 2020/21;
- breaches of long term loan agreements resulting in the liability being classed as current; or

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

- offsetting of financial assets and liabilities where a legally enforceable right exists and intent to settle is on net basis.

The council has considered the Code requirements for accounting for financial instruments and the following disclosures are consistent with the Code:

- current liabilities are recognised as such even if refinanced post balance sheet or original term greater than twelve months; and
- if the council has the discretion (contractually) and expects to roll forward current liabilities for over twelve months, then the obligation can be treated as long term.

### 2) 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 2021 have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value).
- Non-PWLB loans (Level 2) - For non-PWLB loans payable, the fair value of market loans are calculated using estimated interest rates of 1.07% which is the average discount rate applied to market loans for calculation of premature repayment. The fair value of local council loans are calculated using estimated interest rates of 0.13% which is the average discount rate applied to local council loans for calculation of premature repayment. Discount rates have been applied to provide the fair value under PWLB debt redemption procedures.
- PFI/Finance leases (Level 3) – These are not the liability of the council as the debt is held by the PFI/lease provider. Fair value have been calculated at level 3 on a simple proxy basis. The same NPV methodology has been applied as for PWLB and non-PWLB debt.

#### Financial Assets

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

#### Policy Type Assets

- Long term debtors – Level 2.

#### Creditors

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

#### Transfers between Levels of the Fair Value Hierarchy

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

#### Changes in the Valuation Technique

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

31-Mar-20		31-Mar-21	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£000	£000 Debtors	£000	£000
80,191	80,191 Loans and Receivables	68,977	68,977

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

#### 2) Fair Value of Assets and Liabilities carried at Amortised Cost (cont'd)

The fair value is equal to the carrying amount because all loans and receivables 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.

31-Mar-20		31-Mar-21	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£000	£000	£000	£000
<b>Borrowing</b>			
548,880	828,741	555,225	736,964
<b>Other Long Term Liabilities</b>			
99,942	188,842	96,292	153,981
<b>Creditors</b>			
42,167	42,167	72,858	72,858

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

The fair value of borrowings and PPP liabilities as at 31 March 2021 have changed materially from the previous year due to fluctuations in market rates, the changes that HM Treasury made to the PWLB new borrowing rates and due to the impact of the pandemic on interest rates.

A further breakdown of types of borrowing held by the Council as at 31 March 2021 is noted below:

31-Mar-20			31-Mar-21		
Principal outstanding	Accrued interest / EIR adjustment	Carrying amount	Principal outstanding	Accrued interest / EIR adjustment	Carrying amount
£000	£000	£000	£000	£000	£000
9,499	1,091	10,590	485	1,119	1,604
0	820	820	0	754	754
224,000	750	224,750	260,000	322	260,322
931	0	931	1,181	0	1,181
<b>234,430</b>	<b>2,661</b>	<b>237,091</b>	<b>261,666</b>	<b>2,195</b>	<b>263,861</b>
<b>Short Term Loans</b>			<b>Short Term Loans</b>		
196,467	0	196,467	204,365	0	204,365
77,600	1,658	79,258	77,600	1,652	79,252
0	0	0	0	0	0
1,180	0	1,180	1,181	0	1,181
<b>275,247</b>	<b>1,658</b>	<b>276,905</b>	<b>283,146</b>	<b>1,652</b>	<b>284,798</b>
<b>Long Term Loans</b>			<b>Long Term Loans</b>		

#### 3) 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:

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

#### 3) Gains and Losses on Financial Instruments (Cont'd)

	31-Mar-20			31-Mar-21		
	Financial Assets: Loans & receivables £000	Financial Liabilities: amortised cost £000	Total £000	Financial Assets: Loans & receivables £000	Financial Liabilities: amortised cost £000	Total £000
Interest (investment)	260	0	260	165	0	165
Interest payable and similar charges						
Interest/expense*	0	(19,372)	(19,372)	0	(19,180)	(19,180)
(Gain)/Loss on de-recognition	0	22	22	0	6	6
Net (Gain)/loss in year	0	(19,350)	(19,350)	0	(19,174)	(19,174)

\* 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; and
- financial assets or liabilities at a fair value through profit and loss.

#### 4) Nature and Extent of Risks arising from Financial Instruments

The council's management of treasury risks actively works to minimise the council's exposure to the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and the associated regulations. During 2020/21 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;
  - Its maximum and minimum exposures to fixed and variable rates;
  - Its maximum and minimum exposures regarding the maturity structure of debt; and
  - Its 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 2020/21 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 4 March 2020 and is available on the council website. The key issues within the strategy were:

- the authorised limit for 2020/21 was set by Council at that meeting at £831.501m and updated during the year to £777.505m. This is the maximum limit of external borrowing;
- the operational boundary was expected to be £753.043m when reported to Council at that meeting and updated during the year to £712.713m. This is the expected level of debt during the year;

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

- the maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the council's net debt; and
- 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.

#### Credit Risk

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

The council's maximum exposure to credit risk in relation to investments in banks and building societies of £17.475m cannot be assessed on a general basis as the risk of any institution failing to make interest payments or repay principle sums is specific to each individual institution, however, recent experience has shown that the institutions invested in at the year end are unlikely to default on their commitments. A risk of irrecoverability applies to all of the council's deposits but there was no evidence at 31 March 2021 that this was likely to happen.

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

Amount at 31.03.21	Historical experience of non-payment adjusted for market conditions at 31.03.21	Estimated maximum exposure to default and uncollectibility
£000	%	£000
51,594	3.80	1,382

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

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

The council does not generally allow credit for customers, however currently £16.814m is past its due date for payment. The past due amount can be analysed by age as follows:

	Total
	£000
Less than three months	4,525
Three to six months	704
Six months to one year	1,926
More than one year	9,659
	<b>16,814</b>

## **Notes to the Financial Statements (Cont'd)**

### **Note 27 – Financial Instruments (Cont'd)**

#### **4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)**

The council is currently unable to analyse overdue rent by age of the debt due to reporting limitations currently within the system used. To allow the age analysis of the HRA rent debt to be estimated within the table above the arrears receipts of council tax has been used as a proxy.

In general, provisions are made in accordance with Code Guidance, whereby a judgement is made regarding the probability of collection for each category of debt. This judgement is based upon the past experience of collecting each category of debt to calculate the appropriate percentage of each debt that may not be eventually recovered. Due consideration has been taken to current position caused by covid-19, however this continues to be monitored. It should be noted that due to the limitations on the available age analysis of rent arrears, the bad debt provision of this debt is based on the total value of the debt by tenant, and not by age past due.

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

#### **Liquidity risk**

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

The council has ready access to borrowing from the Money Markets to cover any day to day cash flow need if required. The council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures that sufficient funds are raised to cover annual expenditure. On review, at this time there has been little effect on the availability of borrowings due to covid-19. 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; and
- monitoring the maturity profile of investments to ensure that sufficient liquidity is available for the council's day to day cash flow needs.

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

The maturity analysis of financial liabilities is as follows:

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

	<b>Creditors</b>	<b>PPP</b>	<b>Borrowing</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Less than one year	72,858	3,677	270,383	346,918
Between one and two years	0	3,372	11,091	14,463
Between two and five years	0	11,051	35,408	46,459
More than five years	0	78,192	238,344	316,536
	<b>72,858</b>	<b>96,292</b>	<b>555,226</b>	<b>724,376</b>

#### 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; and
- 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:

	<b>£000</b>	<b>%</b>
Fixed Interest Debt	548,703	98.8%
Variable Interest Debt	6,523	1.2%
	<b>555,226</b>	

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 2021, with all other variables held constant:

## Notes to the Financial Statements (Cont'd)

### Note 27 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

	£000
<b>Impact on tax payers and rent payers</b>	
Increase on interest payable on variable debt borrowings	1
Increase in interest receivable on variable rate investments	(111)
Increase in government grant receivable for 'loan charges'	(53)
Impact on Income and Expenditure Account	(163)
	(64)
Share of overall impact due credited to the HRA	(64)
<b>Other accounting presentational changes</b>	
Decrease in fair value of fixed rate investments:	0
Decrease in fair value of fixed rate debt borrowings (disclosure confined to notes to the core financial statements)	(66,036)

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

#### 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 28 – Creditors

2019/20	2020/21
£000	£000
7,326 Central government bodies	13,050
10,389 Other local authorities	25,492
975 NHS Bodies	920
0 Public Corporations and trading funds	0
23,477 Other Entities and individuals	33,396
<b>42,167</b>	<b>72,858</b>

### Note 29 – Provision

**Equal pay claims and single status payments**– The council has implemented a Single Status pay structure. This provision was held for possible future equal pay claims through outstanding tribunal cases and revised gradings from the new pay structure. However, this has now been released and earmarked for potential future staffing related costs.

	Equal Pay £000	Total £000
<b>Opening Provision</b>	232	232
Contributions in year	0	0
Amounts utilised in year	(7)	(7)
Unutilised amounts reversed in year	(225)	(225)
<b>Closing Provision</b>	<b>0</b>	<b>0</b>



## Notes to the Financial Statements (Cont'd)

### Note 30 – General Fund and HRA – Reserves and Earmarked Balances

The council holds reserves on the Balance Sheet in respect of General Fund and HRA brought forward surpluses:

- (1) The General Fund balance stands at £15.028m on 31 March 2021, of which £11.691m is earmarked for ringfenced purposes, leaving an unearmarked balance of £3.337m (prudential target £3.000m).

The main earmarked income held for future specific purposes:

	<b>£000</b>
Covid related funding*	7,072
Change Fund	1,553
2021/22 budget commitment	1,012
2019/20 Budget growth items	370
Voluntary group commitments	264
Apprenticeship fund	252
Rapid Rehousing Transition Fund	245
HR/ Legal	225
ERO funding	125
Social Welfare Fund	106
Other Committed Spend (< £0.100m)	467
	<b>11,691</b>

\*the earmarked Covid-19 related funding is detailed below:

	<b>Total received £000</b>	<b>Total earmarked £000</b>
<u>General COVID-19 Funding</u>		
Unspent general COVID-19 funding	11,995	1,973
<u>Service Specific COVID Funding</u>		
Winter Support Fund - Homelessness Funding	156	156
Level 4 Welfare/Social Support	264	264
Addressing Financial Hardship - Financial Insecurity	481	174
Further Financial Insecurity Funding	481	481
Business Grants Discretionary Payments	1,020	1,020
Free School Meals - Easter 2021	120	120
Spring Hardship Payment	391	391
Additional Staff - 2021/22	493	493
Education Ring-fenced for further costs	1,146	655
Education Recovery 2021/22	897	897
Parental Employee Support Fund Boost	114	114
		6,738
<u>Other</u>		
Education Recovery 2020/21		334
		<b>7,072</b>

- (2) The HRA balance is currently £7.364m as at 31 March 2021, of which £6.441m is earmarked for ring fenced purposes, leaving an unearmarked balance of £0.923m.

## Notes to the Financial Statements (Cont'd)

### Note 30 – General Fund and HRA – Reserves and Earmarked Balances (Cont'd)

The earmarked balance held for future specific purposes is:-

	<b>£000</b>
Regeneration of the stock	3,559
Covid repairs backlog	1,282
2020/21 Budget commitment	800
Welfare Reform	500
Covid rent arrears	300
	<b>6,441</b>

### Note 31 – Other Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure is financed from a reserve, it is charged to the appropriate service to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserve Statement so that there is no net effect on council tax.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the council.

#### 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:

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£000</b>	<b>£000</b>
9,395 General Services	15,028
3,924 Housing Revenue Account	7,364
0 Capital Receipts Reserve	0
132 Capital Grants and Receipts Unapplied	42
2,169 Capital Reserve	1,469
214 Other Reserves	308
<b>15,834 Total Usable Reserves</b>	<b>24,211</b>

#### 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.

## Notes to the Financial Statements (Cont'd)

### Note 31 – Other Reserves (Cont'd)

#### Capital Items Replacement Fund (Other)

This reserve holds funds which are retained and used for the renewal or repair of school non-current assets.

#### Capital Reserve

This reserve holds funds which are retained for the funding of the Public Private Partnership (PPP) unitary charge for schools regeneration on a specific annual phased amount (also known as the Schools Regeneration Sinking Fund).

#### Unusable reserves

Unusable reserves are those that the council is not able to utilise to provide services and comprise of:-

31-Mar-20 £000	31-Mar-21 £000
267,117 Capital Adjustment Account	281,297
153,331 Revaluation Reserve	193,287
(134,077) Pension Reserve	(163,615)
(4,273) Employee Statutory Adjustment Account	(4,388)
(13,020) Financial Instruments Adjustment Account	(12,163)
<b>269,078 Total Unusable Reserves</b>	<b>294,418</b>

#### Capital Adjustment Account

The capital adjustment account absorbs the timing difference 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. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings to the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the council as finance for the costs of acquisition, construction and enhancement.

The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains. The movement in reserve statement provides detail of the source of all the transactions posted to the account.

2019/2020 £000	2020/2021 £000
243,308 Opening Balance	267,117
(29,427) Depreciation	(31,146)
(10) Impairment	(7,974)
8,373 Increase in Depreciation Caused by Revaluation	9,012
899 Deficit/Surplus on Revaluations	0
(691) Assets That Should Have been Deleted	0
2,890 Write off Revaluation Reserve Balance re Disposals	426
(2,266) Disposal of Fixed Assets	(2,167)
28,021 Government Grants Applied	26,299
8,397 Capital Financed by Current Revenue	8,911
7,623 Long Term Debt Payment	10,819
0 Capital Receipts Applied	0
<b>267,117 Closing Balance</b>	<b>281,297</b>

## Notes to the Financial Statements (Cont'd)

### Note 31 – Other Reserves (Cont'd)

#### 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 balance is reduced when assets with accumulated gains are:

- re valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

2019/2020 £000	2020/2021 £000
153,968 Opening Balance	153,331
20,899 Unrealised Gains on Revaluation of Assets	63,012
(10,273) Impairments and Losses on Revaluation of Assets	(13,618)
(2,890) Write off Revaluation Reserve Balance re Disposals	(426)
(8,373) Depreciation due to Revaluation of Assets	(9,012)
<b><u>153,331</u> Closing Balance</b>	<b><u>193,287</u></b>

#### Pension 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 council accounts for post employment 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 requires 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.

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

2019/2020 £000	2020/2021 £000
(205,215) Opening Balance	(134,077)
91,163 Actuarial (Loss)/Gain	(12,934)
21,849 Employer Contributions	22,566
(41,874) Reversal of IAS19 Entries	(39,170)
<b><u>(134,077)</u> Closing Balance</b>	<b><u>(163,615)</u></b>

## Notes to the Financial Statements (Cont'd)

### Note 31 – Other Reserves (Cont'd)

#### 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. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from this account.

2019/2020	2020/2021
£000	£000
(3,280) Opening Balance	(4,273)
(993) Staff Accrual Movement	(115)
<b><u>(4,273) Closing Balance</u></b>	<b><u>(4,388)</u></b>

#### Financial Instruments 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 2021 will be charged to the General Fund over the next thirty-eight years.

2019/2020	2020/2021
£000	£000
(13,894) Opening Balance	(13,020)
852 Annual Write off of Premiums and Discounts	851
0 New Premiums and Discounts	0
22 Annual EIR Adjustment to Stepped Interest Instruments	6
<b><u>(13,020) Closing Balance</u></b>	<b><u>(12,163)</u></b>

### Note 32 – Contingent Assets and Contingent 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.

## **Notes to the Financial Statements (Cont'd)**

### **Note 32 – Contingent Assets and Contingent Liabilities (Cont'd)**

The council has a potential contingent liability relating to paid holiday entitlement, with approximately 400 live cases. Following an EU ruling UK employers are bound by employment law in relation to the definition of paid holiday entitlement. Case law has clarified that all pay elements intrinsically linked to the performance of a contract of employment should be included in the calculation of holiday pay, including payments made for additional working. The council adjusted the method of calculation in August 2014 (backdated in line with the leave year to April) and has included on-going costs within the long term financial strategy. The legal position remains subject to challenge however, given the action taken, any potential claim by employees for any retrospective payments is likely to be minimal. As a result, whilst recognising there may be such a requirement, it is not possible to quantify such.

The 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 agreed on 22 March 2021 to provide West Dunbartonshire Leisure Trust with a letter of comfort to confirm the council's commitment to the ongoing financial sustainability of the Trust, on a joint planning approach in relation to future service provision through the recovery and beyond. At this stage the extent or likelihood of any potential liability is unknown.

A legal ruling in relation to the Goodwin equal treatment case in the Teachers' Pension Scheme may have an impact across other public service pension schemes. Scheme rules are to be amended to ensure the pension entitlement of male survivors within opposite-sex marriages and civil partnerships are treated in the same way as survivors of same-sex marriages and civil partnerships. The consequences may impact on future pension contributions rates but initial indications suggest that any impact would be immaterial.

The rejection of a recent planning application in relation to Sheephill Quarry is likely to result in further action taken from the landowners and depending on the action taken and the outcome of that action, the Council may be liable for a compensation payment. At this stage the extent or likelihood of any potential liability is unknown.

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

### **Note 33 – Financial Guarantee**

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.

The Clydebank Municipal Bank is a company limited by shares with the council funding any annual losses incurred.

## 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.

2019/20 £000	2020/21 £000	2020/21 £000
<b>(1,606) Balance on the Housing Revenue Account at the End of the Previous Year (1)</b>		<b>(3,924)</b>
<b>(18,188) Total Comprehensive Income and Expenditure (2)</b>		<b>(8,297)</b>
(868) Pension Scheme Adjustments	(637)	
10 Financial Instruments Adjustment	3	
(40) Holiday Pay Adjustment	3	
Reversal of entries included in the Surplus/Deficit on the Provision of Services in		
4,816 relation to capital expenditure	(8,521)	
<b>3,918 Adjustments to the revenue resource (3)</b>	<b>(9,152)</b>	
(1,262) Net gain or loss on sale of non-current assets	0	
4,463 Statutory Repayment of Debt (Loans Fund Advances)	5,019	
8,397 CFCR	8,637	
<b>11,598 Adjustments between Revenue and Capital Resources (4)</b>	<b>13,656</b>	
<b>15,516 Total Statutory Adjustments (5)=(3)+(4)</b>		<b>4,504</b>
354 Transfers (to)/from Other Statutory Reserves (6)		353
<b>(2,318) (Increase)/Decrease in Year (7)=(2)+(5)+(6)</b>		<b>(3,440)</b>
<b>Balance on the Housing Revenue Account at the end of the Current Year</b>		
<b>(3,924) (8)=(1)+(7)</b>		<b>(7,364)</b>

## Housing Revenue Account Income and Expenditure Statement

The HRA income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. The council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2019/20 £000		2020/21 £000	2020/21 £000
	<b>Income</b>		
(40,871)	Dwelling Rents (net of voids)	(41,544)	
(258)	Other Rents	(253)	
(1,511)	Other Income	(1,556)	
<b>(42,640)</b>			<b>(43,353)</b>
	<b>Expenditure</b>		
10,805	Repairs and Maintenance	8,860	
11,393	Supervision and Management	11,750	
10,478	Depreciation and Impairment	12,959	
38	Other Expenditure	433	
<b>32,714</b>			<b>34,002</b>
<b>(9,926)</b>	<b>Net Cost of Service as Included in the Council Comprehensive Income and Expenditure Statement</b>		<b>(9,351)</b>
	<b>HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement</b>		
(15,294)	Recognised Capital Income (Grants, Contributions and Donations)	(4,439)	
1,262	Gain or Loss on the Sale of HRA Non Current Assets	0	
4,914	Interest Payable and Similar Charges	4,953	
970	Impairment Loss - Debtors	611	
(114)	HRA Interest and Investment Income	(71)	
<b>(8,262)</b>			<b>1,054</b>
<b>(18,188)</b>	<b>(Surplus)/Deficit for the year on HRA Services</b>		<b>(8,297)</b>



## 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 10,153 dwellings during 2020/21 (10,042 in 2019/20). The following shows an analysis of these dwellings by type.

Number at 31.03.20	2019/20 Average weekly rent £	Type of Dwelling	Number at 31.03.21	2020/21 Average weekly rent £
2,625	76.56	Two-apartment	2,640	78.05
4,553	78.85	Three-apartment	4,585	80.39
2,553	83.77	Four-apartment	2,583	85.49
304	89.90	Five-apartment	330	92.53
2	92.33	Six-apartment	10	106.71
1	84.09	Seven-apartment	1	85.69
2	92.33	Eight-apartment	2	94.08
2	92.33	Nine-apartment	2	94.08
<b>10,042</b>	<b>Total</b>		<b>10,153</b>	

### Note 2 – Dwelling Rents

The £41.544m noted in the Income and Expenditure Statement is the total rental income less voids chargeable for the year of £0.895m (2019/20 £0.606m). It excludes irrecoverables and bad debts. Average rents were £81.50 per week in 2020/21 (£79.84 per week in 2019/20).

### Note 3 –Other Rents

This is the total income received from travelling person site rentals, lock-ups and shops less voids chargeable for the year, but excludes irrecoverables and bad debts. Lost rents from lock-ups in 2020/21 were £0.068m (£0.063m in 2019/20).

### Note 4 - Rent arrears

As at 31 March 2021, total rent arrears amounted to £3.621m (2019/20 £3.922m as at 31 March 2020). This is 8.69% of the total value of rents due at 31 March 2021. It should be noted that the total arrears do not all relate to 2020/21 and the year on year movement in value of arrears is a decrease of £0.301m.

### Note 5 - Provision for Bad Debts

In the financial year 2020/21, the rental bad debt provision has been decreased by £0.453m (£0.172m increase 2019/20). The provision to cover loss of rental income stands at £2.229m as at 31 March 2021 – equivalent of 61.55% (67.04% 2019/20) of the total value of rents due at that date.

## Council Tax Account

### Council Taxpayers: £36.765m (2019/20 £35.296m)

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. 2020/21 represents the eighth year of operation of the Council Tax Reduction Scheme in Scotland. The Council Tax Reduction Scheme represents a new discount introduced across Scotland following the abolition of Council Tax Benefits as part of the UK government's welfare reform programme. The resultant total net income within the Council Tax Account is transferred to the Comprehensive Income and Expenditure Statement.

2019/20		2020/21
£000		£000
51,119	Gross council tax	53,813
	Less:	
(8,418)	Council Tax Reduction Scheme Discount*	(8,884)
(6,348)	Other discounts and reductions	(6,660)
(665)	Provision for bad and doubtful debts	(718)
(392)	Adjustments for prior years	(786)
<b>35,296</b>	<b>Transfer to General Fund</b>	<b>36,765</b>

#### The 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	26	13	0	15	33	200/360	18
Band A	7,586	368	34	4,459	93	4,030	8,684	240/360	5,789
Band B	16,867	575	(10)	7,972	168	6,226	18,364	280/360	14,283
Band C	7,551	181	1	2,978	51	1,927	7,925	320/360	7,045
Band D	5,995	111	21	1,912	33	694	5,869	360/360	5,869
Band E	4,732	50	(49)	1,040	17	226	4,502	473/360	5,916
Band F	1,722	12	(14)	246	7	51	1,662	585/360	2,701
Band G	832	10	(8)	103	6	27	800	705/360	1,567
Band H	66	0	(1)	6	7	3	61	882/360	150
<b>Total</b>									<b>43,338</b>
<b>Provision for bad debt</b>									<b>(555)</b>
<b>Council Tax Base</b>									<b>42,783</b>

#### The nature and actual amount of each charge fixed

	2019/20 £ per year	2020/21 £ per year
<b>Gross Charges</b>		
Dwellings fall within a valuation band between 'A' to 'H' which is determined by the Assessor. The council tax charge is calculated using the council tax base i.e. band D equivalents. This charge is then decreased/increased dependent on the band. The band D charge for 2020/21 was £1,293.55.	822.55 Band A	862.37
	959.65 Band B	1,006.09
	1,096.74 Band C	1,149.82
	1,233.83 Band D	1,293.55
	1,621.12 Band E	1,699.58
	2,004.97 Band F	2,102.02
	2,416.25 Band G	2,533.20
	3,022.88 Band H	3,169.20

### 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.

\*Council Tax Benefit has been replaced by Revenue Support Grant received from the Scottish Government. The result of which has been to reduce the Council Tax Income due by use of a Council Tax Discount Mechanism.

## Non Domestic Rates Account

### Non-Domestic Rates Income £55.963m (2019/20 £84.847m)

The Non Domestic Rate Account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non Domestic Rates account. The statement shows the gross income from the rates and deductions made under Statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

Non-Domestic Rates are pooled for Scotland as a whole and redistributed to authorities on a basis which reflects population. West Dunbartonshire Council received £55.963m (2019/20 £84.847m) from the national pool. West Dunbartonshire Council's allocation from the pool now reflects the council's duty to collect Scottish Gas utilities on behalf of all Scottish councils and this equates to £56.515m in year (£56.554m 2019/20). The council's Revenue Support Grant has been adjusted to compensate for this change. In 2012/13 the Scottish Government introduced Business Rates Incentivisation Scheme (BRIS), to incentivise councils to grow their potential business rates tax base and as a result increase rates income, a proportion of which is to be retained by councils. Following a review of the original BRIS by a joint Scottish Government/COSLA Review Group the original scheme was suspended and a revised scheme was introduced in 2014/15. The amount of revised BRIS local targets will be linked only to the buoyancy element of the total estimated NDRI for any one year. This ensures that each council will have the ability to influence their own local tax base. Indications suggest the council should receive a further annual payment of £0.055m in 2020/21 for the increase identified in the 2017/18 NDR return.

The amount deemed to be collected locally was £72.684m (2019/20 £83.302m). Due to COVID there were more reliefs awarded to businesses, thereby reducing the amount collectable. The sum actually collected locally and contributed to the pool was £70.647m (2019/20 £83.039m), made up as follows:

2019/20 £000		2020/21 £000
95,009	Gross rates levied	95,490
0	Less:	
(9,059)	Reliefs and other deductions	(20,223)
(950)	Provision for bad and doubtful debts	(955)
85,000	Net non-domestic rate income	74,312
(1,477)	Adjustments for prior years	(3,706)
(373)	Adjustments for prior years - bad debt	96
83,150	Total Non Domestic Rate Income (before retention)	70,702
(111)	Non Domestic Rate Income Retained by the Council (BRIS)	(55)
<b>83,039</b>	<b>Contribution to National Non Domestic Rate Pool</b>	<b>70,647</b>
84,847	Distribution from National Non Domestic Rate Pool	55,963
<b>(1,808)</b>	<b>Net contribution to/(from) National Non Domestic Rate Pool</b>	<b>14,684</b>
<b>Net Non Domestic Rate Income to Comprehensive Income &amp; Expenditure Statement</b>		<b>55,963</b>
<b>84,847</b>		

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

Analysis of rateable Values:		£	An explanation of the nature and amount of each rate fixed
Rateable value at 1/4/20		185,241,117	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.
Running roll (full year RV)		(696,405)	
Rateable value at 31/3/21		184,544,712	The national non-domestic rate poundage set by the First Minister for Scotland for 2020/21 was:
Less: partially exempt		743,050	
Less: wholly exempt		1,401,925	Basic Property Rate for 20/21 - £0.498
<b>Net rateable value at 31/3/21</b>		<b>182,399,737</b>	Intermediate Property Rate - £0.511
			Higher Property Rate - £0.524

## **Group Accounts**

### **Introduction**

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) requires local authorities to consider their interests in all types of entities. This includes other local authorities or similar bodies defined in section 106 of the Local Government (Scotland) Act 1973, including statutory bodies such as Valuation and Concessionary Travel Joint Boards. Authorities are required to prepare a full set of group accounts in addition to their own council's accounts where they have a material interest in such entities. West Dunbartonshire Council has accounted for its interests in each associate and joint venture using the equity method of accounting.

### **Combining Entities**

The Group Accounts consolidate the results of the council with six other entities:

- Dunbartonshire and Argyll & Bute Valuation Joint Board (VJB);
- West Dunbartonshire Health and Social Care Partnership (HSCP);
- Strathclyde Partnership for Transport (SPT);
- Strathclyde Concessionary Travel Joint Board (SCT);
- West Dunbartonshire Leisure Trust (WDLT); and
- Clydebank Property Company (CPC).

In addition to these entities, the Dumbarton Common Good and Sundry Trust Funds have also been consolidated.

The accounting period for all entities is 31 March 2021.

The council would class an entity as an associate if they have significant influence over the financial and operating policies of the entity. The council would class an entity as a subsidiary if they have control of the entity. The council would class an entity as a joint venture where it has contractually agreed to share control with another party, such as significant decisions require unanimous consent and the joint ventures have rights to the net assets of the arrangement.

Under accounting standards, this council includes the results of three of these organisations as 'associates' because it has a significant influence over their financial and operating policies (namely VJB, SPT and SCT). The council has no shares in, nor ownership of any of these organisations which are entirely independent of the council.

The Joint Boards are independent public bodies formed by an Act of Parliament. All local government functions that relate to these bodies have been delegated from the constituent councils that comprise the area of each Board. The members of each Board are elected Councillors and are appointed by the councils in proportions specified by legislation.

The WDLT, CPC and the Common Good and Trust Funds have been included as subsidiaries.

HSCP has been included as a joint venture.

### **Basis of Combination and Going Concern**

The combination has been accounted for on an acquisition basis using the equity method – that is, the council's share of the net assets and liabilities of each entity is incorporated and adjusted each year by the council's share of the entities' results (recognised in the Group Income and Expenditure Account), and its share of other gains and losses.

For four of the six entities, the council has a share in a net asset. The negative balances on the VJB and WDLT arise from the inclusion of liabilities related to defined benefit pension schemes as required by IAS19 for VJB and FRS102 for WDLT.

## **Group Accounts (Cont'd)**

### **Basis of Combination and Going Concern (Cont'd)**

The effects of inclusion of these entities and the Common Good and Trust Funds on the Group Balance Sheet is to increase reserves and Net Assets by £36.611m – representing the council's share of net assets in these entities.

The Code requires councils to prepare financial statements on a going concern basis. A transfer within public services does not negate the presumption that these bodies are still a going concern.

Thus all entities consider it appropriate that their Financial Statements should follow the 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities for the deficit of the Valuation Joint Board means that the financial position of the Board is assured.

Whilst the Balance Sheet of some entities show negative total assets, this relates primarily to defined benefit scheme pension liabilities in these entities. The financial statements of all individual group entities have been prepared on a going concern basis and, as such, the group accounts have also been prepared on this basis.

## Group Accounts (Cont'd)

### 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.

Restated 2019/20 Gross Expenditure £000	Restated 2019/20 Gross Income £000	Restated 2019/20 Net Expenditure £000	2020/21 Gross Expenditure £000	2020/21 Gross Income £000	2020/21 Net Expenditure £000
<b>Service</b>					
75,340	(48,783)	26,557	67,474	(42,014)	25,460
110,809	(13,244)	97,565	116,418	(17,591)	98,827
58,161	(20,062)	38,099	63,443	(17,620)	45,823
		Development			
36,440	(32,701)	3,739	37,070	(32,922)	4,148
32,714	(42,640)	(9,926)	34,003	(43,354)	(9,351)
36	(6,127)	(6,091)	8,611	(6,117)	2,494
170,330	(95,581)	74,749	177,250	(101,678)	75,572
2,336	0	2,336	2,339	0	2,339
8,180	(3,608)	4,572	4,744	(1,269)	3,475
<b>494,346</b>	<b>(262,746)</b>	<b>231,600</b>	<b>511,352</b>	<b>(262,565)</b>	<b>248,787</b>
<b>Net Cost of Service (1)</b>					
1,463 (Gain) / loss on Disposal of Fixed Assets					883
<b>1,463 Other Operating Expenditure (2)</b>					<b>883</b>
(35,296) Council Tax					(36,765)
(84,847) Non-Domestic Rates					(55,963)
(103,571) Revenue Support Grant					(153,086)
(27,876) Recognised Capital Income (Grants, Contributions & Donations)					(26,210)
<b>(251,590) Taxation and Non-specific Grant Income (3)</b>					<b>(272,024)</b>
(205) Interest Earned					(115)
19,367 External Interest Payable / Similar Charges					19,176
0 (Gain)/Loss early settlement of borrowing					0
1,380 Impairment Loss - Debtors					1,382
5,231 Pension Interest Cost/Expected Return on Pension Assets					3,393
<b>25,773 Finance/Investment Income and Expenditure (4)</b>					<b>23,836</b>
<b>7,246 (Surplus)/Deficit on Provision of Services</b>					<b>1,482</b>
<b>(5) = (1)+(2)+(3)+(4)</b>					
(2,566) Share of other Comprehensive Income and Expenditure of Associates and Joint Ventures					(7,209)
(9,833) (Surplus)/Deficit arising from revaluation of property, plant and equipment					(49,793)
(96) (Surplus)/Deficit on revaluation of available for sale assets					0
(95,075) Actuarial (gains)/losses on pension fund assets and liabilities					15,217
<b>(107,570) Other Comprehensive (Income) and Expenditure (6)</b>					<b>(41,785)</b>
<b>(100,324) Total Comprehensive (Income) and Expenditure (5)+(6)</b>					<b>(40,303)</b>

## Group Accounts (Cont'd)

### 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.

	Usable Reserves			Unusable Reserves			
	WDC Usable	Group Usable	Total Usable	WDC Unusable	Group Unusable	Total Unusable	Total
	Reserves	Reserves	Reserves	Reserves	Reserves	Reserves	Reserves
	£000	£000	£000	£000	£000	£000	£000
<b>2020/21</b>							
Opening Balance at 1 April 2020	(15,834)	(13,986)	(29,820)	(269,078)	(16,039)	(285,117)	(314,937)
<b>Movement in reserve 2020/21</b>							
(Surplus) or deficit on provision of services	2,792	(1,310)	1,482	(36,459)	9,711	(26,748)	(25,266)
Other Comprehensive Expenditure and Income	(11,971)	(7,223)	(19,194)	11,971	(7,814)	4,157	(15,037)
<b>Net Increase/(Decrease) before Transfers to Other Statutory Reserves</b>	<b>(9,179)</b>	<b>(8,533)</b>	<b>(17,712)</b>	<b>(24,488)</b>	<b>1,897</b>	<b>(22,591)</b>	<b>(40,303)</b>
Transfers to/from other statutory reserves *	802	(25)	777	(852)	75	(777)	0
<b>Closing Balance at 31 March 2021</b>	<b>(24,211)</b>	<b>(22,544)</b>	<b>(46,755)</b>	<b>(294,418)</b>	<b>(14,067)</b>	<b>(308,485)</b>	<b>(355,240)</b>
<b>2019/20</b>							
Opening Balance at 1 April 2019	(16,091)	(11,778)	(27,869)	(174,887)	(13,010)	(187,897)	(215,766)
Restatement due to % share in 2019/20	0	397	397	0	756	756	1,153
<b>Restatement Opening Balance 1 April 2019</b>	<b>(16,091)</b>	<b>(11,381)</b>	<b>(27,472)</b>	<b>(174,887)</b>	<b>(12,254)</b>	<b>(187,141)</b>	<b>(214,613)</b>
<b>Movement in reserve 2019/20</b>							
(Surplus) or deficit on provision of services	7,213	33	7,246	(101,097)	968	(100,129)	(92,883)
Other Comprehensive Expenditure and Income	(7,757)	(2,625)	(10,382)	7,757	(4,816)	2,941	(7,441)
<b>Net Increase/(Decrease) before Transfers to Other Statutory Reserves</b>	<b>(544)</b>	<b>(2,592)</b>	<b>(3,136)</b>	<b>(93,340)</b>	<b>(3,848)</b>	<b>(97,188)</b>	<b>(100,324)</b>
Transfers to/from other statutory reserves *	801	(13)	788	(851)	63	(788)	0
<b>Closing Balance at 31 March 2020</b>	<b>(15,834)</b>	<b>(13,986)</b>	<b>(29,820)</b>	<b>(269,078)</b>	<b>(16,039)</b>	<b>(285,117)</b>	<b>(314,937)</b>

\*The transfer of statutory reserves is in relation to dividends paid to the council by Clydebank Property Company.

## Group Accounts (Cont'd)

### 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 (page 41 provides a further explanation).

2019/20 £000		2020/21 £000
1,015,779	Property, Plant and Equipment	1,115,834
191	Intangible Assets	282
21,270	Investment in associates	28,860
23	Long Term Debtors	22
3,982	Long term Investments	3,703
1,406	Heritage Assets	1,406
<b>1,042,651</b>	<b>Total Long Term Assets</b>	<b>1,150,107</b>
8,053	Asset Held for Sale	7,755
1,245	Inventories	1,355
42,768	Short Term Debtors	66,490
19,505	Cash and Cash Equivalents	15,735
<b>71,571</b>	<b>Current Assets</b>	<b>91,335</b>
(232)	Provisions	0
(3,605)	PPP & Finance Lease Liabilities	(3,677)
0	Donated Inventories	(53)
(42,632)	Short Term Creditors	(73,107)
(236,336)	Short Term Borrowing	(263,105)
<b>(282,805)</b>	<b>Current Liabilities</b>	<b>(339,942)</b>
<b>831,417</b>	<b>Total Assets less Current Liabilities</b>	<b>901,500</b>
(507)	Liabilities in Associates	(283)
(276,905)	Long Term Borrowing	(284,798)
(96,337)	PPP & Finance Lease Liabilities	(92,615)
(657)	Provision for liability	(459)
(134,402)	Net Pensions Liability	(166,842)
(7,672)	Capital Grants Receipts in Advance (conditions)	(1,263)
<b>(516,480)</b>	<b>Long Term Liabilities</b>	<b>(546,260)</b>
<b>314,937</b>	<b>Total Assets Less Liabilities</b>	<b>355,240</b>
	<b>Represented by:</b>	
29,820	Usable Reserves	46,755
285,117	Unusable Reserves	308,485
<b>314,937</b>	<b>Total Reserves</b>	<b>355,240</b>

The unaudited Financial Statements were authorised for issue on 23 June 2021 and the audited Financial Statements were authorised for issue on 17 November 2021.

*Stephen West*

Stephen West  
Chief Officer - Resources  
West Dunbartonshire Council

17 November 2021



## **Group Accounts (Cont'd)**

### **Group Cashflow 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.

The incorporation of the associates and subsidiaries within the group cash flow statement is immaterial, therefore, no cash flow statement is noted within the Group Accounts.

The Council's cashflow is noted on page 42.

## Group Accounts (Cont'd)

### Notes to the Group Accounts

#### Note 1 - Details of combining entities

The notes required for the Financial Statements of West Dunbartonshire Council are disclosed separately in the preceding pages. For Strathclyde Partnership for Transport and Concessionary Travel Scheme, although the council holds less than 20% voting rights, it has a significant influence on the bodies. The organisations have voting allocations over 11 other local councils, with no one council holding majority shares, which ensures that all 12 councils can influence decisions. The following notes provide material additional amounts and details in relation to the other combining entities.

#### Associates and Joint Ventures

**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 2020/21, the council contributed £2.186m (2019/20 £2.133m restated) or 4.03% of the Board's estimated running costs and its share of the year end net asset of £17.817m (2019/20 £17.209m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.

**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 2020/21, the council contributed £0.162m (2019/20 £0.171m), 4.03% of the Board's estimated running costs and its share of the year end net asset of £0.139m (2019/20 £0.029m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.

**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 2020/21, the council contributed £0.714m (2019/20 £0.709m) or 25.92% of the Board's estimated running costs and its share of the year end net liability of £0.283m (2019/20 £0.507m) 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 West Dunbartonshire 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 2020/21, the council contributed £70.873m (2019/20 £67.584m) towards estimated running costs and its share of the year end net asset of £10.904m (2019/20 £4.032m) 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.

## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 1 - Details of combining entities (Cont'd)

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

	Strathclyde Partnership for Transport £000	Strathclyde Concessionary and Travel Scheme Joint Board £000	Dunbartonshires and Argyll and Bute Valuation Joint Board £000	West Dunbartonshire Health & Social Care £000	Total £000
<b>2020/21</b>					
Surplus/ (Deficit) on					
Operating Activities	350	(110)	(55)	6,872	<b>7,057</b>
Non Current Assets	11,438	0	166	0	<b>11,604</b>
Current Assets	7,283	147	233	10,904	<b>18,567</b>
Non Current Liabilities	0	0	(629)	0	<b>(629)</b>
Current Liabilities	(904)	(8)	(53)	0	<b>(965)</b>
<b>2019/20</b>					
Surplus/ (Deficit) on					
Operating Activities	2,581	(22)	(76)	519	<b>3,002</b>
Non Current Assets	11,153	0	165	0	<b>11,318</b>
Current Assets	6,981	74	184	4,057	<b>11,296</b>
Non Current Liabilities	(132)	0	(827)	0	<b>(959)</b>
Current Liabilities	(793)	(45)	(29)	(25)	<b>(892)</b>

#### 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 liability at 31 March 2021 was £0.036m (2019/20 £1.833m net asset) and its surplus for the year was £1.034m (2019/20 £0.005m deficit). The accounts of the Trust are published separately and can be obtained from the Manager, Leisure Trust Headquarters, Alexandria CE Centre, Alexandria, G83 0NU which is also the company's principal place of business.

**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 2021 was £3.861m (2019/20 £3.408m) and its surplus for the year before payment of a dividend was £0.699m (2019/20 £0.061m surplus). 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.

**Dumbarton Common Good** is held in Trust by West Dunbartonshire 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 income in 2020/21 was £0.083m (2019/20 £0.031m net usable spend).

## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 1 - Details of combining entities (Cont'd)

**Trust Funds** are held in Trust by West Dunbartonshire Council. Although the council does not contribute to these funds financially, they have been included within the council's Group through materiality by nature. The net increase in funds of £0.002m (2019/20 £0.006m decrease) for the Trust Funds. For the purposes of the Group Accounts, two Trust Funds managed by the council (Dunbartonshire Educational Trust and McAulay Prize for Mathematics Trust) have been included pro rata to the council's share. Copies of the accounts may be obtained from West Dunbartonshire Council, 16 Church Street, Dumbarton G82 1QL.

#### The council's subsidiaries year end results are as follows:

	West Dunbartonshire Leisure Trust £000	Clydebank Property Company £000	Common Good £000	Trust Funds £000	Total £000
<b>2020/21</b>					
Surplus/ (Deficit) on Operating Activities	1,034	194	83	2	1,313
Non Current Assets	245	4,373	3,487	0	8,105
Current Assets	4,908	415	537	201	6,061
Non Current Liabilities	(3,227)	(732)	0	0	(3,959)
Current Liabilities	(1,962)	(195)	(16)	0	(2,173)
<b>2019/20</b>					
Surplus/ (Deficit) on Operating Activities	5	61	31	6	103
Non Current Assets	282	3,986	3,487	0	7,755
Current Assets	3,453	418	482	199	4,552
Non Current Liabilities	(325)	(657)	0	0	(982)
Current Liabilities	(1,577)	(442)	(44)	0	(2,063)

#### Note 2 – 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.

**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.

**Clydebank Municipal Bank** is a company limited by shares set up based upon the Companies Act 1908 and 1913. It acts as banker for a number of private individuals/organisations. The council provides services to the bank and funds any annual losses incurred. The bank's year end is 5 April. The principal business of the Municipal Bank is to accept deposits from private account holders and to invest funds with West Dunbartonshire Council. The chairman and directors of the bank are Elected Members of the Council. As per the bank's unaudited financial statements at 31 March 2021, 2,472 accounts were held with the bank (2019/20 2,482), with a total amount on deposit of £1.733m (2019/20 £1.540m restated), with £1.306m being invested with the council (2019/20 £1.306m). Interest paid by the council to the bank in the year was £0.034m (2019/20 £0.033m).

## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 2 – Non-Material Interest in Other Entities (Cont'd)

**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 West Dunbartonshire Council, and the remaining 5 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 3 – Financial Impact of Consolidation

The effect of inclusion of the entities on the Group Balance Sheet is to increase reserves and net assets by £36.611m (2019/20 £30.025m net asset) respectively representing the council's share of the realisable surpluses/deficits in these organisations. This leaves the group account with an overall net asset of £355.240m (2019/20 £314.937m).

#### Note 4 – Analysis of Material Amounts in Income and Expenditure Account

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

#### Contribution to Group Income and Expenditure Reserve:

2019/20	2020/21
£000	£000
17,209 Partnership for Transport	17,817
29 Concessionary Travel Board	139
(507) Valuation Joint Board	(283)
4,032 West Dunbartonshire Health & Social Care	10,904
1,833 West Dunbartonshire Leisure Trust	(36)
3,305 Clydebank Property Company	3,861
3,925 Common Good	4,008
199 Trust Funds	201
<b>30,025 Total</b>	<b>36,611</b>

#### Note 5 – Major Sources of Estimation Uncertainty

**Covid -19** – similar to the uncertainty noted for the Council in Note 1, valuations of Non Current Assets are subject to material value uncertainty for other group entities. For avoidance of doubt, the inclusion of this declaration does not mean that the valuation cannot be relied upon, rather that it has been included to ensure transparency. Although this remains a generic uncertainty, it has been particularly highlighted for the Partnership for Transport.

## **Group Accounts (Cont'd)**

### **Notes to the Group Accounts (Cont'd)**

#### **Note 6 - Group Accounting Policies: Disclosure of differences with main Statement of Accounting Policies**

The financial statements in the Group Accounts are prepared in accordance with the accounting policies set out in Note 1 on pages 43 to 56 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.

## Glossary of Terms

While much of the terminology used in this report is self explanatory, the following additional definitions and interpretation of the terms used are provided for assistance. The Glossary of Terms does not comprise part of the audited financial statements.

- 1. Employee benefit expenses**  
This includes salaries, wages, overtime, bonus, enhancements, pensions, employer's national insurance, travelling and subsistence expenses and other staff allowances.
- 2. Other service expenses**  
This includes:
  - property costs (e.g. rent, rates, insurance, repairs and maintenance, upkeep of grounds, heating and lighting);
  - supplies and services (e.g. food, materials, books, uniforms and protective clothing, purchase/ maintenance of equipment);
  - transport costs (e.g. fuel, repairs and maintenance, tyres, licences, insurance and procurement of transport for school children);
  - administration costs (e.g. printing and stationery, advertising, postages, telephone costs);
  - Payments to Other Bodies (e.g. grants and payments to individuals, organisations and agencies providing services complementing or supplementing the Council's work.
- 3. Specific Government Grants**  
This includes grants received from Central Government in respect of a specific purpose or service, usually calculated as a predetermined percentage of the expenditure actually incurred e.g. National Priority Action Fund, Benefits Administration.
- 4. General Income**  
This includes the charges to persons and bodies for the direct use of council services.
- 5. Capital Expenditure**  
This is expenditure incurred in creating, acquiring or improving assets where the expenditure is normally financed by borrowing over a period of years, finance leases, or utilising the income from the sale of existing assets.
- 6. 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.
- 7. Deferred Asset**  
The deferred asset represents the net value of the premium paid/discounts received by the Council on the early repayment of external long term loans.
- 8. Useable Capital Receipts Reserve**  
The Useable Capital Receipts Reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.
- 9. Pension Interest Cost**  
The expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to settlement
- 10. Expected Return of Pension Assets**  
The average rate of return expected over the remaining life of the related obligation on the actual assets held.
- 11. CIPFA**  
Chartered Institute of Public Finance and Accountancy
- 12. LASAAC**  
Local Council (Scotland) Accounts Advisory Committee
- 13. Budget**  
The original revenue budget as set by Members at an appropriate Council meeting.
- 14. Intangible Assets**  
Expenditure on assets such as software licences that do not have physical substance but are identifiable and controlled by the Council.
- 15. Revaluation Reserve**  
This fund is a store of gains on the revaluations of fixed assets. It is a reserve held for technical accounting purposes and is not available for distribution.

## Glossary of Terms (Cont'd)

- 16. Capital Adjustment Account (CAA)**  
This fund is a store of capital resources set aside to meet past expenditure. It is an account held for technical accounting purposes and is not available for distribution.
- 17. Financial Instrument Adjustment Account (FIAA)**  
This account is used to balance for differences in statutory requirements and proper accounting practices for borrowing and lending. It is an account held for technical accounting purposes and is not available for distribution.
- 18. Associate Body**  
An entity other than a subsidiary or a joint venture in which the council has an interest and over who's operating and financial policies the council is able to exercise significant influence.
- 19. Entity**  
A body that is delivering a service or carrying on a business. It should have a separate legal personality and is legally obliged to prepare its own financial statements.
- 20. Statutory Additions**  
Additional charges levied for late payment of council tax and non domestic rates.
- 21. Capital Items Replacement Fund**  
Reserve earmarked for specific purposes within Education
- 22. Available for Sale Reserve**  
Assets that have a quoted market price and/or do not have fixed or determinable payments.
- 23. Current Service Costs (Pension)**  
This relates to the real cost of benefit entitlement earned by employees.
- 24. Past Service Costs/Gains (Pension)**  
This relates to posts/gains from years prior to the current year and arise from decisions made in year. This relates to the capitalised cost of early retirements on efficiency grounds.
- 25. Curtailments (Pension)**  
Used to reduce the number of expected years of future service for employees. In year this relates to the capitalised cost of early retirements on efficiency grounds.
- 26. Interest Cost (Pensions)**  
The amount needed to unwind the discount applied in calculating current service cost.
- 27. Expected Return on Assets (Pensions)**  
A measure of the return on the investment assets held by the scheme for the year.
- 28. Public Private Partnership (PPP)/Public Finance Initiative (PFI)**  
A contract between the council and a private organisation for the provision of new Educational buildings maintenance and related facilities.
- 29. Available for Sale Assets**  
These assets are in relation to Financial Instruments and include:
  - Equity investments; and
  - Other investments traded in an active market.
- 30. Heritage Assets**  
An asset with historical, artistic, scientific, technological, geophysical or environmental qualities which is held for its contribution to knowledge and culture.
- 31. PPE**  
Property, Plant and Equipment.



## **Independent auditor's report to the members of West Dunbartonshire Council and the Accounts Commission**

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of West Dunbartonshire Council and its group for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements and Balance Sheets, the council-only Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement, the Council Tax Account and the Non-Domestic Rates Account, and notes to the financial statements group and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the council and its group as at 31 March 2021 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for inion**

#### **Basis of Opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern basis of accounting**

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

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

## **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Chief Officer – Resources and West Dunbartonshire Council for the financial statements**

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

In preparing the financial statements, the Chief Officer - Resources is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Council is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

### **Report on other requirements**

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

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

#### **Statutory other information**

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

#### **Matters on which I am required to report by exception**

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

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

- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

### **Use of my report**

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



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

17 November 2021

# DR A K GLEN & WEST DUNBARTONSHIRE TRUST FUNDS

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AUDITED ANNUAL REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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**Dr A K Glen and West Dunbartonshire Trust Funds**  
**Financial Statements for the year ended 31 March 2021**

**Trustees' Annual Report**

**Introduction**

The Trustees present the annual report together with the Financial Statements for the year ended 31 March 2021.

**Administration Information**

West Dunbartonshire Council is sole Trustee for all Trust Funds with the exception of Dunbartonshire Educational Trust Scheme 1962 and McAuley Prize for Mathematics. The table below identifies the Trustees for 2020/21.

Trust Funds	Charity Number	Trustees	Local Authority	Contact Address
Dr A K Glen	SC018701	Councillor Karen Conaghan Councillor David McBride Councillor Ian McLaren Councillor Brian Walker	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
Alexander Cameron Bequest	SC025070	Provost William Hendrie Councillor John Mooney Councillor Jim Brown Councillor Marie McNair Councillor Diane Docherty Councillor Jim Finn Councillor Daniel Lennie Councillor Douglas McAllister Councillor Lawrence O'Neill	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
UIE Award	SC025070	Councillor Jim Brown Councillor Ian Dickson Councillor Diane Docherty Councillor Jim Finn Councillor Daniel Lennie Councillor Caroline McAllister Councillor David McBride Councillor Jonathon McColl Councillor Iain McLaren Councillor John Mooney Councillor Martin Rooney	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
Dunbartonshire Education Trust	SC025070	Councillor Karen Conaghan	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
McAuley Prize for Mathematics	SC025070	Councillor John Mooney	West Dunbartonshire Council	
		Bailie Denis Agnew	West Dunbartonshire Council	
		Councillor Graham Archibald Hardie	Argyll & Bute Council	
		Councillor John Jamieson	East Dunbartonshire Council	
		Councillor Gillian Fannan	North Lanarkshire Council	
		Councillor Thomas Johnston	North Lanarkshire Council	

## **Trustees' Annual Report (continued)**

### **Objectives and in-year activity**

The objectives and activities of each of the Trusts are detailed below:

#### **SC018701 – Dr A K Glen**

- This fund is for the benefit of the people of Dumbarton, to assist and relieve those in need by reason of age.

#### **SC025070 – West Dunbartonshire Trusts**

- Alexander Cameron Bequest - for the benefit of the people of Clydebank to assist those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- UIE Award - for students studying apprenticeships or training in industry;
- Dunbartonshire Educational Trust Scheme 1962- awards educational prizes and bursaries; and
- McAuley Prize for Mathematics - provides prizes for those studying maths and computing.

### **Trusts with no in-year activity**

All trusts are advertised on West Dunbartonshire Council's website and details have been passed to West Dunbartonshire Community and Volunteering Service (WDCVS) to publicise them. However, due to the COVID-19 pandemic, a number of voluntary groups who would normally consider applications for grant were not active, resulting in only one application being received in year. The application was for the Alexander Cross Cameron Fund, which, following consideration of the grant application concluded that the application did not meet the objectives of the Fund, which resulted in a nil award.

No other Trust met during 2020/21.

Specifically regarding the UIE Award Trust, work continues to progress to review and modernise the Trust's governance arrangements to encourage funding applications in the future.

Specific to the Trustees for the Dunbartonshire Educational Trust Scheme 1962 and the McAuley Prize for Mathematics, the Trustees continue to seek clarification as to amendments to the governance arrangements. As these Trusts are governed by statute, discussions are ongoing between the Council (as Administrator) and Scottish Ministers and Office of the Scottish Charity Regulator (OSCR) regarding these arrangements.

### **Structure and Governance**

Dr A K Glen and West Dunbartonshire Trust Funds are registered with the OSCR. The governance arrangements are under the control of West Dunbartonshire Council (the Council), which appoints trustees as required. Currently, trustees are elected members of West Dunbartonshire Council with the exception of the Dunbartonshire Education Trust Scheme 1962 and McAuley Prize for Mathematics. The trustees of both the Dunbartonshire Educational Trust and the McAuley Prize for Mathematics are elected members from West Dunbartonshire Council, Argyll & Bute Council, East Dunbartonshire Council and North Lanarkshire Council.

Following a review of the governance documents, it was agreed at Council on 31 August 2016 that the remaining Trust Funds would be delegated to sub-committees as follows:



## **Trustees' Annual Report (continued)**

### **Structure and Governance (continued)**

<b>Trust</b>	<b>Delegation</b>
Alexander Cameron Bequest	Alexander Cameron Committee
Dr A K Glen Fund	Dumbarton Trust Sub-Committee

The trustees have overall responsibility for ensuring that there are appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trusts and enable them to ensure that the Financial Statements comply with Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurances that:

- The trusts are operating efficiently and effectively;
- Assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used by the charities is reliable; and
- The trusts comply with relevant laws and regulations.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The systems of internal control follow those of the West Dunbartonshire Council itself and, as such, much of this is delegated to the Council's Chief Officer - Resources. The Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected. The systems of internal control are based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.

The Financial Statements and Trustees Report are prepared by the Finance Service within West Dunbartonshire Council.

The appointed external auditors are Audit Scotland. The Council has agreed to meet the cost of this audit and not pass this on to the trusts. This is to provide additional financial support to the trusts, ensuring that core funds are not eroded, and objectives can continue to be achieved.

The Trustees only meet as and when required during the year and will ensure that the required accounting arrangements are adhered to.

### **Management of Funds and Investment Policy**

Decisions regarding the management of the trusts are made by the Trustees. Trustees rely on the expertise of Council staff to manage the investments to ensure the maximum return at the least risk to the Trusts. In this way, the income stream for the future benefit of the Trusts is protected.

***Dr A K Glen and West Dunbartonshire Trust Funds***  
***Financial Statements for the year ended 31 March 2021***

**Trustees' Annual Report (continued)**

**Management of Funds and Investment Policy (continued)**

Funds available are invested each year with interest earned. Investments are made both internally and externally, with the majority invested in the Council's Loans Fund and externally managed by West Dunbartonshire Council.

**Performance**

Income for Dr A K Glen & West Dunbartonshire Trusts comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.25%.

Following a Trustee decision in 2019/20, Alexander Cross Cameron has an element of their funds in a fixed interest agreement (2.52%) which resulted in an additional £1,694 in interest gained during 2020/21.

Dunbartonshire Educational Trust Scheme 1962 continues to receive income from external investments i.e. 3% Clydeport and 4% Clydeport Consolidated Stock. These investments are managed by West Dunbartonshire Council and achieved investment income of £5 in 2020/21 (£10 in 2019/20).

**Financial Review**

The total balance on the Trusts as at 31 March 2021 (including stocks) is £279,783.

On 8<sup>th</sup> July 2016 Clydeport Operations Ltd delisted 3% and 4% stocks from the London Stock Exchange. These are stocks held by Dumbarton Educational Trust. Until further information is available it has been assumed that the balance of this stock has remained the same as the previous year (£218).

The trusts held cash and bank balances at 31 March 2021 of £279,565. Reserves are held by the Council on behalf of the trusts and revenue income, generated from investment interest that has not been disbursed at 31 March every year, is invested in line with the investment policy outlined above.

**Declaration**

This report was signed on behalf of the Trustees on 17 November 2021 by:



Councillor Jonathan McColl  
West Dunbartonshire Council  
17 November 2021

**Dr A K Glen and West Dunbartonshire Trust Funds**  
**Financial Statements for the year ended 31 March 2021**

**Statement of Receipts and Payments Account**

Restated Receipts 2019/20 £	Restated Payments (Surplus) /Deficit 2019/20 £	Restated (Surplus) /Deficit 2019/20 £		Receipts 2020/21 £	Payments (Surplus) /Deficit 2020/21 £	2020/21 £
(675)	0	(675)	Dunbartonshire Educational Trust Scheme 1962	(232)	0	(232)
(161)	0	(161)	McAuley Prize for Mathematics	(55)	0	(55)
(875)	5,337	4,462	Alexander Cameron Bequest	(2,138)	0	(2,138)
(182)	0	(182)	Dr AK Glen	(62)	0	(62)
(182)	0	(182)	UIE Award	(62)	0	(62)
<b>(2,075)</b>	<b>5,337</b>	<b>3,262</b>	<b>Total</b>	<b>(2,549)</b>	<b>0</b>	<b>(2,549)</b>

**Dr A K Glen and West Dunbartonshire Trust Funds**  
**Financial Statements for the year ended 31 March 2021**

**Statement of Balances as at 31 March 2021**

Restated Opening Balance 2019/20 £	Restated (Surplus) /Deficit 2019/20 £	Restated Closing Balance 2019/20 £	Note		Opening Balance 2020/21 £	(Surplus) /Deficit 2020/21 £	Closing Balance 2020/21 £
(89,526)	(675)	(90,201)		<b>Cash and Bank</b>			
				Dunbartonshire Educational Trust Scheme 1962	(90,201)	(232)	(90,433)
(21,668)	(161)	(21,829)		McAuley Prize for Mathematics	(21,829)	(55)	(21,884)
(120,100)	4,462	(115,638)		Alexander Cameron Bequest	(115,638)	(2,138)	(117,776)
(24,488)	(182)	(24,670)		Dr AK Glen	(24,670)	(62)	(24,732)
(24,497)	(182)	(24,679)		UIE Award	(24,679)	(62)	(24,741)
<b>(280,279)</b>	<b>3,262</b>	<b>(277,017)</b>		<b>Total Cash and Bank</b>	<b>(277,017)</b>	<b>(2,549)</b>	<b>(279,566)</b>
				<b>Investment</b>			
(218)	0	(218)	5	Dunbartonshire Educational Trust Scheme 1962	(218)	0	(218)
<b>(218)</b>	<b>0</b>	<b>(218)</b>		<b>Total Investment</b>	<b>(218)</b>	<b>0</b>	<b>(218)</b>
<b>(280,497)</b>	<b>3,262</b>	<b>(277,235)</b>		<b>Overall Total</b>	<b>(277,235)</b>	<b>(2,549)</b>	<b>(279,784)</b>

All funds are unrestricted which means they may be used for any purpose relevant to the Trust Fund.

The audited Financial Statements were issued on 17 November 2021.

Signed on behalf of the Trustees by:-



Councillor Jonathan McColl  
West Dunbartonshire Council  
17 November 2021

**Dr A K Glen and West Dunbartonshire Trust Funds**  
**Financial Statements for the year ended 31 March 2021**

**Notes to the Financial Statements**

**Note 1 - Basis of Accounting**

The Financial Statements have been prepared on a receipts and payments basis and in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

**Note 2 – Trustee Remuneration, Expenses and Related Party Transactions**

- No remuneration or expenses were paid to the Trustees or any connected persons during the 2020/21;
- The Trusts received interest of £2,541 from the Council at 31 March 2021, and all transactions incoming and outgoing are made via the Council's bank accounts; and
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

**Note 3 – Grants**

Due to the COVID-19 pandemic, in 2020/21 no grants were awarded.

**Note 4 – Cash and Bank Balances**

During the year the trusts balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trusts for this administration. The Council also acts as the banker for the trusts and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

**Note 5 – Investment**

Dunbartonshire Educational Trust - The investment valuation of £218 (shown in the table below) is the market value as at 31 March 2016, as valued by West Dunbartonshire Council. Notification was received that the stocks were delisted in July 2016. There has been no further update on this and therefore the assumption is that the market price remains the same.

Purchase Price as at 31 March 2019 £	Market Price as at 31 March 2019 £		Purchase Price as at 31 March 2020 £	Market Price as at 31 March 2020 £
		<b>Investment</b>		
(289)	(199)	4% Clydeport authority	(289)	(199)
(35)	(19)	3% Clydeport Authority	(35)	(19)
<b>(324)</b>	<b>(218)</b>	<b>Total</b>	<b>(324)</b>	<b>(218)</b>

**Notes to the Financial Statements (continued)**

**Note 5 – Investment (continued)**

Alexander Cross Cameron – Following the decision on 19 February, £40,000 was invested on a short term variable interest rate basis, with the remainder invested on a fixed term basis with West Dunbartonshire Council for two years at 2.52%.

**Note 6 – Audit Fee**

The audit fee for the year of £2,100 (£2,100 2019/20) was absorbed by West Dunbartonshire Council.

# **Independent auditor's report to the trustees of Dr A K Glen & West Dunbartonshire Trust Funds and the Accounts Commission**

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual report and financial statements of Dr A K Glen & West Dunbartonshire Trust Funds for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charities for the year ended 31 March 2021 and their statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the trustees for the financial statements**

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charities, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

## Reporting on other requirements

### Statutory other information

The trustees are responsible for the statutory other information in the annual report and financial statements. The statutory other information comprises the Trustees' Annual Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

### Opinion prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

### Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:



- proper accounting records have not been kept; or
  - the financial statements are not in agreement with the accounting records; or
  - I have not received all the information and explanations I require for my audit.
- I have nothing to report in respect of these matters.

### **Use of my report**

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



Christopher Gardner  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite,  
The Athenaeum Building, 8 Nelson Mandela Place  
Glasgow, G2 1BT

17th November 2021

**Christopher Gardner is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.**



**West Dunbartonshire Council**  
**Report by the Chief Officer - Resources**  
**Council: 22 December 2021**

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**Subject: Treasury Management Mid Year Report 2021/2022**

**1. Purpose**

- 1.1** The purpose of this report is to provide Members with an update on treasury management during the first eight months of 2021/22.

**2. Recommendations**

- 2.1** Members are requested to:

- (a) Note the treasury management stewardship information within the appended report;
- (b) Approve the 2021/22 revised estimates of treasury and prudential indicators as advised within the appended report (Tables A, B, C, D, E, F, H, L and N); and
- (c) Agree that the appended report is remitted to the Audit Committee to ensure further scrutiny takes place.

**3. Background**

- 3.1** In accordance with the Treasury Policy governing the Council's treasury management activities during 2021/22, the Chief Officer - Resources is required to provide a mid year Report to Members regarding the Treasury function.
- 3.2** The mid year report covers the period 1 April 2021 to 30 November 2021 and details the current position (where appropriate) and revises the 2021/22 estimates where required.
- 3.3** The Audit Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies and the report will be reported to a future meeting of that Committee for further scrutiny.

**4. Main Issues**

**Treasury Management Stewardship Report**

- 4.1** A copy of the report is attached as Appendix 1.

- 4.2** The report provides details of key changes to the Council's capital activity (the prudential indicators), the economic outlook, the actual and proposed treasury management activity (borrowing and investment) and the risk approach to treasury management (the treasury management indicators).
- 4.3** The revised estimate for gross capital expenditure during 2021/22 (Table A) has decreased by £7.153m from the original estimate due to revision to the ongoing forecast outturn figures for both the General Services capital plan and the HRA capital plan which are regularly reported to Members (mainly additional slippage carried forward from 2020/21 following the year-end; additional spend linked to an increase in grant income now anticipated; and slippage in spend projected for 2021/22).
- 4.4** The external debt figures included within Table C includes both short term and long term debt due to a strategy of using short term borrowing to fund long term capital investment enabling the Council to take advantage of lower interest rates.
- 5. Option Appraisal**
- 5.1** No option appraisal was required for this report.
- 6. People Implications**
- 6.1** There are no personnel issues.
- 7. Financial and Procurement Implications**
- 7.1** There are no direct financial or procurement implications arising from this report.
- 8. Risk Analysis**
- 8.1** Although the appended report provides a mid year position in relation to treasury management there are three main risks associated with the formulation of prudential indicators and the treasury management strategy as detailed in Appendix 1. These risks are noted below; however the Council has robust monitoring processes in place and provides regular reports to Council and ensures further scrutiny by elected Members at the Audit Committee:
- (a) Capital receipts which affect the capital financing and borrowing requirement may not materialise and if this occurs then additional borrowing will be required in order to fund the financing requirement;
  - (b) The risk of Counterparties default (i.e. loss of principal sum invested) must also be taken into account; however the Council has robust

controls included within its treasury management and investment strategies that will assist in mitigating this risk; and

- (c) Capital inflation may increase capital expenditure levels, which in turn may affect the capital financing and borrowing requirement leading to an increase in borrowing, assuming no additional capital receipts are available.

## **9. Equalities Impact Assessment**

- 9.1** No equalities impact assessment was required in relation to this report.

## **10. Environmental Sustainability**

- 10.1** No assessment of environmental sustainability was required in relation to this report.

## **11. Consultation**

- 11.1** The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns.

## **12. Strategic Assessment**

- 12.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan.
- 12.2** Treasury management contributes to the Financial Strategy via the interdependency that exists between pro-active treasury management and the formulation of long term financial plans.

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**Stephen West**  
**Chief Officer – Resources**  
**Date: 1 December 2021**

**Person to Contact:** Gillian McNeilly, Finance Manager  
Council Offices, Church Street, Dumbarton  
Email: [gillian.mcneilly@west-dunbarton.gov.uk](mailto:gillian.mcneilly@west-dunbarton.gov.uk)

**Appendix:** Appendix 1: Mid Year Monitoring Report 2021/22  
Treasury Management and Prudential Indicators  
1 April 2021 to 31 October 2021

**Background Papers:**

1. Loans register and portfolio;
2. Debt rescheduling schedules; and
3. Prudential Indicators 2020/21 to 2030/31 and Treasury Management Strategy 2021/22 to 2030/31 (Council 3 March 2021)

**Wards Affected:**

No wards directly affected.

## Mid-Year Monitoring Report 2021/22

### Treasury Management and Prudential Indicators: 1 April 2021 to 31 October 2021

#### 1. Introduction

##### 1.1 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government in Scotland Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Scottish Ministers to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions have been made as yet during 2021/22).
- Statutory Instrument (SSI) 29 2004, requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, and therefore to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services; and the treasury activity with regard to the CIPFA Code of Practice for Treasury Management in Local Authorities.
- Statutory Instrument (SSI) 123 2016, set out statutory arrangements for local authority borrowing and lending and the requirement to maintain a loans fund and replace the statutory arrangements set out in Schedule 3 of the Local Government (Scotland) Act 1975 (Schedule 3).

##### 1.2 The regulatory framework of treasury management requires that the Council receive a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury report. This report meets that requirement and also incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators. The treasury strategy and prudential indicators were previously reported to Council on 3 March 2021. The current position is shown (where appropriate) and revisions to the 2021/22 estimate are provided where required.

##### 1.3 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities require to prepare a Capital Strategy which provides the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability

The Council's Capital Strategy was reported to and agreed by Council on 3 March 2021.

## 1.4 This report sets out:

- Key changes to the Council's capital activity (the prudential indicators);
- An economic update for the first part of the 2021/22 financial year;
- The actual and proposed treasury management activity (borrowing and investment); and
- The risk approach to treasury management (the treasury management indicators).

## 2. Key Prudential Indicators

### 2.1 This part of the report is structured to update:

- The Council's capital expenditure plans and how these plans are being financed;
- The impact of the changes in the capital expenditure plans on the PIs and the underlying need to borrow;
- Compliance with the limits in place for borrowing activity; and
- Policy on the statutory repayment of loans fund advances

### 2.2 **Capital Expenditure** – Table A shows the current position and revised estimates for capital expenditure for 2021/22 only.

**Table A:**

£000	2021/22 Original Estimate	Current Position	2021/22 Projected Outturn
General Services	47,501	11,504	43,453
HRA	49,744	21,514	46,639
<b>Capital Expenditure</b>	<b>97,245</b>	<b>33,018</b>	<b>90,092</b>
Financed by:			
Capital receipts	7,077	2,153	3,532
Capital grants	12,765	2,708	17,289
Revenue / other	8,465	63	9,003
<b>Net financing need for the year</b>	<b>68,938</b>	<b>28,094</b>	<b>60,268</b>

#### 2.2.1 The movement in the level of anticipated capital expenditure is mainly due to the inclusion of additional slippage following the year end; a reduction in anticipated capital receipts; an increase in spend related to external funding offset by slippage levels identified to date. The anticipated spends and resources are regularly reported to Members through budgetary control reports.

### 2.3 **Impact of changes in Capital Expenditure Plans** – Table B shows the CFR, which is the underlying external need to borrow for a capital purpose while Table C shows the expected debt position over the period.



Table B:

£000	2021/22 Original Estimate	2021/22 Projected Outturn
<b>Opening CFR (1 April 2021)</b>	<b>647,920</b>	<b>646,190</b>
New Borrowing	60,167	53,100
LTL repayment in year	(3,681)	(3,681)
<b>Closing CFR (31/3/22)</b>	<b>704,406</b>	<b>695,609</b>
<b>movement in CFR</b>	<b>56,486</b>	<b>49,419</b>
Net financing need for the year (Table A)	68,938	60,268
Loan repayments in year - excluding LTL (PPP)	(8,771)	(7,168)
<b>New Borrowing - Movement in CFR (from previous year)</b>	<b>60,167</b>	<b>53,100</b>

Table C:

£000	2021/22 Original Estimate	Current Position	2021/22 Projected Outturn
<b>External Debt</b>			
Estimated/Actual Debt at 1 April 2021	551,579	535,080	544,812
Maturing Debt	(221,628)	(200,192)	(262,677)
<b>Movement in Borrowing</b>			
New Borrowing - Maturing Debt	221,628	200,192	262,677
Borrowing adjustment in relation to over borrowing at year end	0	0	0
New Borrowing – CFR (Table B)	60,167	15,000	53,100
<b>Debt at 31 March (1)</b>	<b>611,746</b>	<b>563,080</b>	<b>597,912</b>
Long Term Liabilities (LTL) at 1 April	96,341	96,292	96,292
LTL repayment in year (Table B)	(3,681)	(1,339)	(3,677)
<b>LTL at 31 March (2)</b>	<b>92,660</b>	<b>94,954</b>	<b>92,615</b>
<b>Actual Debt at 31 March (1) + (2)</b>	<b>704,406</b>	<b>658,034</b>	<b>690,527</b>
<b>CFR from Table B</b>	<b>704,406</b>	<b>n/a</b>	<b>695,609</b>
<b>Under/(Over) Borrowing</b>	<b>0</b>	<b>n/a</b>	<b>5,082</b>

- 2.3.1** The external debt figures included within Table C now includes both short term and long term debt. This is due to the current strategy of using short term borrowing to fund long term capital investment enabling the Council to take advantage of lower interest rates. The reduction in the estimated external debt for 2021/22 is due to a reduction in the net capital financing need for the year.

**2.3.2** The CFR is calculated on a year-end position based on the Council's balance sheet and therefore the current position is not shown. The CFR has reduced from the original estimate due to the forecast level of capital expenditure in 2021/22 being less than budgeted. The Chief Officer - Resources can report that the Council is currently on target to meet the 2021/22 revised estimates for both indicators.

**2.3.3** Table C highlights that the borrowing of the Council is forecasting a minimal under-borrowed position against the CFR at 31 March 2022.

**2.4 Compliance with the limits in place for borrowing activity** – A key control over the treasury activity is a prudential indicator to ensure that over the medium term, gross borrowing will only be for a capital purpose.

Gross borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years.

The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent. The revised indicator is detailed in Table D and is illustrated by comparing the estimated gross debt as at 31 March 2021 with the CFR as at 31 March 2024. The Chief Officer - Resources reports that no difficulties are envisaged for the current year in complying with this prudential indicator.

**Table D:**

£000	2021/22 Original Estimate	2021/22 Projected Outturn
<b>CFR at 31 March 2021</b>		
2021/22 Estimate/Actual (From Table B above)	<b>647,920</b>	<b>646,190</b>
<b>Estimated movement in CFR</b>		
2021/22 (From Table B above)	56,486	49,419
2022/23	32,419	45,098
2023/24	56,027	56,027
<b>Anticipated CFR at 31 March 2024</b>	<b>792,852</b>	<b>796,735</b>
<b>Gross Debt at 31 March 2022</b> Table C above)	<b>704,406</b>	<b>691,527</b>

**2.4.1** The Operational Boundary is detailed in Table E below and is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

**Table E:**

£000	2021/22 Original Estimate	Current Position	2021/22 Projected Outturn
External Debt	774,848	658,034	760,680

- 2.4.2** A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which is detailed in Table F and represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Table F:

£000	2021/22 Original Estimate	Current Position	2021/22 Projected Outturn
External Debt	845,288	658,034	829,832

### 3. Economic Outlook

#### UK

- 3.1** The Monetary Policy Commission (MPC) voted to leave bank rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of 2021. Inflation recently announced at 4.2% which is the highest it has been in recent years. It is forecasted that by April 2022 the rate will be 5%.
- 3.2** Supply shortages, labour shortages, surging fuel prices and tax increases could have an effect on interest but these could be offset, at least partially, by the savings consumers have accumulated during the pandemic.
- 3.3** The UK economy is expected to grow stronger than anticipated in 2021 and 2022. It is anticipated that it will rise 6.5% this year and 6% in 2022.

#### Scotland

- 3.4** Since the start of the pandemic in March 2020 funding for COVID-19 has played an important role in the Scottish budget. This funding accounted for 17% of the 2020/21 Scottish budget and 10% of the 2021/22 budget. There isn't the same guarantee of funding this year and the final level of funding should be confirmed early 2022. COVID 19 continues to have a profound effect on the economy but the outlook is better than originally anticipated.
- 3.5** Due to supports provided, the labour market performed better than anticipated during the pandemic. It is anticipated therefore that unemployment rates for quarter 4 will peak at 5.4% which is lower than initially anticipated. In 2020/21 the average Scottish house price was above £200,000. It is expected that they will stabilise at this value in 2021/22 but will continue to grow in future years. There are however, shortages in labour which may impact on the economy.

International update

- 3.6** In the US, shortages of goods and intermediate goods like semi-conductors, are fuelling increases in prices and reducing economic growth potential. There has been a sustained drop in the labour force which suggests the pandemic has had a longer-term effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- 3.7** In the Eurozone the slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 projected at 2.2%, the EU recovery is nearly complete although countries dependent on tourism are lagging. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the European Central Bank is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising interest rates for a considerable time.
- 3.8** Based upon the above information, the Council's treasury advisor, Link Asset Services, has provided the following interest rate forecast. As at November 2021:

**Table G:**

Link Group Interest Rate View		8.11.21									
		Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE		0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00
3 month ave earnings		0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00
6 month ave earnings		0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10
12 month ave earnings		0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20
5 yr PWLB		1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80
10 yr PWLB		1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20
25 yr PWLB		2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60
50 yr PWLB		1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40

Source: Link Treasury Management Advisors

- 3.9** Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- UK – COVID vaccines don't work as anticipated or as quickly as hoped;
  - The pandemic leaves long term issues for the economy;
  - The Government introduces austerity plans which stifle growth;
  - The Monetary Policy Committee tightens monetary policy too early or late resulting in adverse effects on the economy;
  - Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections;
  - Widespread political risk, for example: the German elections

**3.10** Upside risks to current forecasts for UK gilt yields and PWLB rates are as follows:

- UK - stronger than currently expected recovery in UK economy.

#### **4. Treasury Management Activity**

**4.1** This part of the report is structured to update:

- The Council's expected borrowing need and details of under/(over) borrowing;
- Debt rescheduling and new borrowing;
- Debt charges; and
- Investments

**4.2 The Expected Borrowing Need** – This was set out in Table C (above) and demonstrates that at 30 September 2021 Council is currently projecting and under-borrowed position to reduce risks in investments held and the cost of carry on investments. It should be noted that due to the recent announcement on PWLB interest rates, the borrowing rates are significantly different than in September 2021, when long term borrowing rates for periods greater than 25 years are currently between 1.96% to 1.57%, depending on length of term for borrowing. This introduces an element of interest rate risk, as longer term borrowing rates may rise; however, this position is being carefully monitored.

**4.3 Debt rescheduling and new borrowing** – The Council has not undertaken any debt rescheduling during the first half of 2021/22. In the year to date naturally maturing debt of £200.192m has been repaid which has been mainly funded by loans from other local authorities.

**4.4 Debt Charges** – The revised estimate for debt charges for both the General Fund and the HRA is shown in Table H.

**Table H:**

<b>£000</b>	<b>2021/22 Original Estimate</b>	<b>Current Position</b>	<b>2021/22 Revised Estimate</b>
Borrowing	20,925	10,463	20,925
Other Long Term Liabilities	10,547	5,274	10,547
<b>Total</b>	<b>31,472</b>	<b>15,736</b>	<b>31,472</b>

**4.5 Investments** – The objectives of the Council's investment strategy are to ensure the re-payment of the principal and interest of its investments on time with the level of investment return being a secondary objective. Following on from the economic background above, the current investment climate has one over-riding risk consideration which is the risk of default.

**4.5.1** The Council held £16.341m of cash investments at 30 September 2021, and the constituent parts of the investment position are detailed in Table I:

Table I:

£000	Country	< 1 Year	1 – 2 Years	2 – 3 Years
Banks	UK	5,433	Nil	Nil
Money Market Fund	UK	10,908	Nil	Nil
Local Authorities	UK	0	Nil	Nil
Total	UK	16.341	Nil	Nil

**4.5.2** Table J details the revised budget position for investment income. The original estimate has decreased by £0.011m due to ongoing interest rates.

Table J:

£000	2021/22 Original Estimate	Current Position	2021/22 Revised Estimate
Investment Income	75	32	64

**4.5.3** A regulatory development to address risk is the consideration and approval of benchmarks relating to investment security, liquidity and the level of return. Benchmarks are currently widely used to assess the level of return and investment performance, however the application of security and liquidity benchmarks are more subjective in nature.

- **Security** - The Council's maximum security risk benchmark for the current portfolio in relation to investment periods of up to one year (when compared to historic default tables) was set at 0.00% and the Chief Officer - Resources can report that there have been no defaults of principal sums invested in the year to date.

**Creditworthiness** - Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

- **Liquidity** – The Chief Officer - Resources can report that liquidity arrangements were adequate during the year to date and that the liquidity facilities and benchmarks set by the Council as noted below were maintained:
  - Bank overdraft - £1.000m; and
  - Liquid short term deposits of at least £5.000m available on an overnight basis.
- **Return on Investments** – The Chief Officer - Resources can report that the investment return to date average 0.33%. Table K illustrates how this average return compares with the local benchmarks.

Table K:

Benchmark	Benchmark Return	Average Return
7 day LIBID rate	-0.08%	0.33%
1 month LIBID rate	-0.06%	0.33%
Council's Instant Access Account	0.10%	0.33%

## 5 Key Treasury Management Indicators

5.1 This part of the report is structured to update:

- Actual and estimates of the ratio of financing costs to net revenue stream;
- Upper limits on interest rate exposure;
- The maturity structure of borrowing; and
- Total principal sums invested.

5.2 **Actual and estimates of the ratio of financing costs to net revenue stream** – This indicator (as shown below in Table L) identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream.

Table L:

	2021/22 Original Estimate	2021/22 Revised Estimate
General Fund	8.53%	8.43%
HRA	28.07%	25.74%

5.3 **Upper Limits on Fixed and Variable Rate Exposure** – These indicators identify a maximum limit for fixed and variable interest rates based upon the debt position and were set at 100% and 50% respectively for 2021/22. The Chief Officer – Resources reports that the Council operates within these limits.

5.4 **Maturity Structures Of Borrowing** – These maximum limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) which are due to naturally mature in any given period as detailed in Table M and show that the Council operates within limits set.

Table M:

<b>Maturity Structure of Fixed Interest Rate Borrowing</b>	<b>2021/22 Original Limits</b>	<b>Current Position</b>
Under 12 months	50%	44%
12 months to 2 years	50%	3%
2 years to 5 years	50%	5%
5 years to 10 years	50%	5%
10 years to 20 years	50%	4%
20 years to 30 years	50%	6%
30 years to 40 years	50%	3%
40 years to 50 years	100%	21%
50 years to 60 years	100%	9%
60 years to 70 years	100%	0%

- 5.5 Total Principal Funds Invested** – These limits are set to reduce the need to temporarily borrow to cover any unexpected expenditure, and show limits to be placed on investments with final maturities beyond each year-end. The Council currently invests sums for periods greater than 365 days in Clydebank Property Company and hub West Scotland as detailed in Table N.

Table N:

	<b>2021/22 Original Estimate</b>	<b>Current Position</b>	<b>2021/22 Revised Estimate</b>
Principal sums invested > 365 days (maximum limit £7m)	£0.489m	£0.489m	£0.489m



## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer (Regulatory & Regeneration)

**Council: 22 December 2021**

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**Subject: Glasgow City Region City Deal - Update**

#### **1. Purpose**

- 1.1** To note the progress with the implementation of the Glasgow City Region, City Deal.

#### **2. Recommendations**

- 2.1** It is recommended that Council:
- i) notes the progress of the Glasgow City Region (GCR), and
  - ii) notes progress of the Council's City Deal project for the Exxon site.

#### **3. Background**

- 3.1** The Glasgow City Region City Deal Infrastructure programme equates to £1.13bn of investment during period 2015-2035. Projects are progressing and have reached various stages from Strategic, Outline and Full Business Case stages of approval.

#### **4. Main Issues**

- 4.1** The Council is progressing our Exxon Project, recently concluding the contract arrangement through the Scape Framework with our main contractor Balfour Beatty. ExxonMobil are continuing their works to remediate the site with extensive plant, equipment, and personnel on site.

#### **5. Glasgow City Region City Deal Update**

- 5.1** The GCR Cabinet met on 7 December 2021. The Interim performance report up to 18 November 2021 was presented and approved and is provided at link: [GCR Interim Performance Report- 18 Nov 2021](#), and is available as a background paper on request. The report provides key highlights completed during the period, a comprehensive update across the City Region groups and sub-groups, highlights each City Deal infrastructure funded project and any associated approval, a project status report, the overall budget position, and the programme risks and issues.
- 5.2** The GCR Education Collaborative Improvement Plan 2021/22 was presented at Cabinet which continues to set out our vision for equity, excellence and empowerment across all eight partner authorities. The plan recognises the unprecedented challenges that have resulted from COVID-19 and outlines the West Partnership's clear commitment to supporting

recovery. The report can be found at following link: [GCR Education Improvement Collaborative/West Partnership Improvement Plan 2021/22](#) and is available as a background paper on request. The plan complements and enhances the excellent work already underway across each of our authorities and outlines our ongoing approach to working together. It relies on practitioners being empowered to make decisions that best suit their learners, and leaders being supported to navigate the challenges ahead. The Chief Education Officer has presented the report to the Education Committee in order to maintain local democratic oversight.

**5.3** The Glasgow City Region Chief Executive Officers met on 25 November 2021 and noted an update paper from East Dunbartonshire Council (EDC) regarding the Place and Growth programme. The paper presented findings of the early impact assessment, and noted the progress of the Project into an Outline Business Case stage. In February 2020 the Strategic Business case was approved for the £30m of funding for three key transport related projects as follows: Delivery of phase 5 of the Bishopbriggs' Relief Road (BRR5); Improvement to Sustainable Transport on the A803 Route Corridor; and Bishopbriggs' Town Centre Regeneration. The Gross Value Add (GVA) in the economic impact assessment identified over £177m of GVA over a 25 year period and net job creation of 561 full time equivalent by 2035 will be achieved through these projects at EDC.

**5.4** The Glasgow City Region Cabinet met on 7 December 2021 and approved the following project updates as follows:

(i) East Renfrewshire Council (ERC) to modify their M77 Strategic Corridor programme. Originally ERC had four project totaling £44m as follows:

1. Completed Projects £5.1m
2. Lavern Valley Link Road £21.8m
3. Balgraystone Road £11.5m
4. Dams Country Park Visitor Facilities £5.6m

The changes approved at Cabinet remain within the £44m budget are as follows:

1. Completed projects cost £6.515m
2. Lavern Valley Link/Newton Mearns to Barrhead new road connection will be £0.153m
3. Aurs Road Improvement will now be £12.72m and is 27 months delayed
4. Ballgraystone Road will be £3.443m
5. New Rail Station at Barrhead South will now be £18.37m
6. Country Park Visitors Facilities will now be £2.8m and is 27 months delayed

The changes approved have no detrimental impact on Gross Value Add (GVA) being achieved and the timeframe for delivery remains within the 2025 period.

(ii) Glasgow City Council Clyde Waterfront & West End Innovation Quarter (CWFWEIQ) programme includes a bridge connecting Partick with Govan. The Partick Bridge Outline Business case original estimated budget was £14.7m. The project costs have now been identified

following a tendering exercise and have increased to £39.9m. The request approved at Cabinet was to make changes to sub-projects and re-allocate budget from the range of Glasgow City Council projects totalling £113.9m to meet these increased budget requirements for the bridge.

## **5.5 Renfrew Bridge Project**

- 5.5.1** The £90.6m City Deal funded Clyde Waterfront and Renfrew Riverside (CWRR) Project consists of a new “opening bridge” in the location of Meadowside Street, Renfrew linked to a new road network which links to Dock Street in the north and the new Renfrew North Development Road (RNDR), to the south. The RNDR will run between Meadowside Street, and Argyll Avenue Renfrew to link with Inchinnan Road.
- 5.5.2** The roads and bridge will include provision for walking and cycling and will enable improved public transport links. Graham Construction (the Main Contactor) is continuing with additional site investigations which commenced on site in September 2021, it is envisaged that test piles will also be undertaken prior to Christmas 2021. The programme is being developed with main contractor in parallel with design considerations.
- 5.5.3** A consultant has been appointed to explore the opportunity to dispose of dredged material offshore or within Lobnitz Dock, have engaged with Marine Scotland (MS) to explore options for cost savings on project. A licence has now been approved by Marine Scotland for offshore disposal of arisings.
- 5.5.4** An Elected Member briefing for Council was arranged for 15 December 2021 and provided members the opportunity to hear about progress and ask any question regarding the project. There has also been a first in a series of Newsletters distributed and available online at the following link:  
[www.CWRR-Newsletter-Issue-1](http://www.CWRR-Newsletter-Issue-1)

## **6. West Dunbartonshire Council City Deal Project**

- 6.1** The Council approved budget for the project is £34.05m, however with delays in completing the final business case and price increases globally due to the Pandemic and Brexit there is high risk of increased costs.
- 6.2** Officers continue to monitor the budget position and are exploring the following elements in managing the project expenditure:
  - (i) With our main contractors now on-board officers will explore opportunities across the works packages to minimise the estimated budget costs on the various packages or work.
  - (ii) There is a 15% optimism bias built in across most elements of works packages and this will be reviewed as further detailed designs emerge, with the aim of being able to reduce the contingency element.

- (iii) Budget allocated for infill to achieve land raising will be fully considered and potentially passed onto future developers or delivered in a phased manner.
  - (iv) There will be value in the regenerated land available for development once works are completed and this value is currently not included in the cost estimates. Officers are currently reviewing the plans to estimate the likely value of such sites and will then be added into the overall budget.
  - (v) The UK Government's Levelling-Up fund (LUF) has a transport related funding opportunity with the date for bids to be announced soon. The project board will explore the option for the transport related elements of this project being supported from the LUF.
  - (vi) Officers continue to engage with the City Region Project Management Office to seek any opportunity for any additional costs being funded from any underspends in other Councils City Deal projects.
  - (vii) The OBC described a number of options for this project and it may be that these would require to be reviewed again in finalising the Final Business Case should the current agreed option currently being developed prove to be unaffordable.
- 6.3** The pre-construction agreement with our selected main contract Balfour Beatty has been entered into in early December 2021. This allows officers to progress the project design elements of works and determine more certainty around costs estimates for the project.
- 6.4** Asset Management are continuing to progress agreements which are being drawn up with the majority of 3rd party land owners. Some parcels of land require further detailed design works being completed. Once agreements in principal are agreed these will be brought before Council for consideration.
- 7. People Implications**
- 7.1** There are a number of senior officers involved in the Glasgow City Region wider programme as identified at City Region Update paper at Council on 26 August 2021.
- 8. Financial Implications**
- 8.1** The expenditure for the City Deal project for 2021/22 is currently £228,100 as at end of November 2021 the total project Capital budget expenditure is £2.464m.
- 8.2** The approved budget to date for the City Deal Exxon project is £3.448m. This will provide sufficient funding to take us to the Final Business Case in November 2022. The overall Council approved project budget is £34.05m. This is continually monitored and any changes to this will be reported to Council.

## **9. Risk Analysis**

- 9.1** There are a number of project risks associated with the development at the ExxonMobil project site and these are contained within the risk register of the refreshed Outline Business Case and updated by the project board on a regular basis.

## **10. Equalities Impact Assessment**

- 10.1** An Equalities Impact Assessment is not necessary for this report as it is providing an update on previously agreed actions.

## **11. Consultation**

- 11.1** Consultation with all key stakeholders is progressing as we continue to work as part of the Glasgow City Region.
- 11.2** Legal services, finance and procurement are regularly consulted through their participation in the Exxon project board.
- 11.3** Wider communication is produced regarding progress of the Glasgow City Region at its website <http://www.glasgowcityregion.co.uk/>

## **12. Strategic Assessment**

- 12.1** At its meeting on 25 October 2017, the Council agreed that one of its main strategic priorities for 2017 - 2022 is:
- A Strong local economy and improved employment opportunities
- 12.2** The proposals within this report are specifically designed to deliver on this priority.

**Peter Hessett**  
**Chief Officer – Regulatory & Regeneration**  
**Date: 8 December 2021**

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**Person to Contact:** Michael McGuinness - Manager, Economic Development. T: 0777 442 8294  
[michael.mcguinness@west-dunbarton.gov.uk](mailto:michael.mcguinness@west-dunbarton.gov.uk)

**Appendix:** None

**Background Papers:** [GCR Interim Performance Report- 18 Nov 2021](#), [GCR Education Improvement Collaborative/West Partnership Improvement Plan 2021/22](#), Glasgow City Region City Deal – 27 Council updates since February 2016, March 2021 Elected Members briefing- Renfrew Bridge, July 2020 Members Bulletin. ExxonMobil Commercial Agreement 24 June 2020. Glasgow City Region City Deal - Exxon Site Outline

Business Cases 22 Feb 2017 and 28 Nov 2018  
(Refreshed).  
Clyde Valley City Deal - Update and Strategic Business  
Case- Council 24 June 2015.  
Clyde Valley City Deal Update- Council 25 Aug 2015 and  
16 Dec 2015.  
Clyde Valley City Deal- Governance- Council 17 Dec  
2014.  
Glasgow City Region City Deal- Council 13 August 2014.  
“City Deal Initiative” Clyde Valley Investment Fund-  
Council 30 April 2014 (Memorandum of Understanding).  
Clyde Valley Community Planning Partnership – City Deal  
Initiative – Council 28 August 2013.  
Equalities Impact Assessment November 2018.  
Environmental Impact Assessment - [DC20/088 –  
Planning Application – Documents.](#)

**Wards Affected:** All

## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer - Resources

Council Meeting: 22<sup>nd</sup> December 2021

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**Subject: School Clothing Grants – Motion from Council 26<sup>th</sup> August 2021**

#### **1. Purpose**

- 1.1** The purpose of this report is to provide Council with information of the qualifying criteria and thresholds for entitlement to school clothing grants (CG)

#### **2. Recommendations**

- 2.1** It is recommended that the Committee note the comments within the report.

#### **3. Background**

- 3.1** At the Council meeting held on 26 August 2021, a motion was agreed approving the alignment of primary and secondary age values for clothing grants and asked officers to bring a report to a future Council meeting to provide information on the differences between the financial qualifying thresholds for parents on Universal Credit and Working Tax Credit.

#### **4. Main Issues**

- 4.1** The Scottish Government (SG) is responsible for setting the criteria for free school meal (FSM) entitlement and each Council is responsible for setting its own criteria for entitlement to CG's.
- 4.2** All Council's in Scotland use the criteria provided by SG for FSM as a starting point for entitlement to CG's, and this allows Council's to vary such thresholds or introduce new and/or different qualifying criteria. The Council has taken the decision in previous years to increase various thresholds to expand the entitlement to CG's.
- 4.3** The qualifying criteria for a CG for pupils in West Dunbartonshire schools is to be in receipt of one or more of the following:
- Income Support;
  - Universal Credit with an annual earned income of up to £8,500;
  - Jobseekers Allowance (income based);
  - Pension Credit;
  - Employment and Support Allowance (income related);
  - Support under Part VI of the Immigration & Asylum Act 1999;
  - Housing Benefit and/or Council Tax Reduction; and/or
  - Working Tax Credit with a gross annual income of £16,860.

- 4.4** The Council previously introduced housing benefit and/or council tax reduction as a qualifying criterion to allow parents that would not have qualified based on the criteria set for FSM. This provided parents in receipt of non-passported legacy benefits, such as jobseekers allowance (contribution based), and also those in receipt of universal credit with an income over the SG's threshold of £7,500 to be entitled to the CG, when this was introduced in November 2018.
- 4.5** The different thresholds applied to Universal Credit and Working Tax Credits are due to the Universal Credit threshold relating to only earned income whilst the Working Tax Credit threshold is gross income. Therefore the Working Tax Credit income can include unearned income such as contribution based benefits whereas the Universal Credit award and any additional top ups are not included in the threshold figure. It is also linked to the different conditions of entitlement applied by the Department for Work and Pensions (DWP) and HM Revenues and Customs (HMRC). The HRMC were responsible for administering the Working and Child Tax Credit scheme before the introduction of Universal Credit moved this role to the DWP. Therefore applying housing benefit and/or council tax reduction as a route to entitlement was considered an appropriate route to mitigate any issues with this.
- 4.6** It should also be noted that a discretionary award can be made depending on the particular nature of the circumstances, which would allow for any specific issues to be managed.

## **5. Options Appraisal**

- 5.1** None

## **6. People Implications**

- 6.1** There are no people implications.

## **7. Financial & Procurement Implications**

- 7.1** None

## **8. Risk Analysis**

- 8.1** None

## **9. Equalities Impact Assessment (EIA)**

- 9.1** None

## **10. Consultation**



**10.1** The views Finance and Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the proposal.

## **11. Strategic Assessment**

**11.1** Sound financial practice and budgetary control are imperative to assist with the governance of the Council and supports officers of the Council in achieving the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

**Stephen West**

**Chief Officer - Resources**

**Date: 25<sup>th</sup> November 2021**

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**Person to Contact:** Ryan Chalmers, Section Head (Revenues & Benefits),  
Garshake Road. Telephone (01389) 737557.  
Email: [ryan.chalmers@west-dunbarton.gov.uk](mailto:ryan.chalmers@west-dunbarton.gov.uk)

**Appendices:** None

**Background Papers:** None

**Wards Affected:** All Council wards.



## Report by Head of Health and Community Care

**Council Meeting: 22 December 2021**

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**Subject: Update on numbers of people experiencing a fall which required hospital treatment – Motion from Council Meeting 27<sup>th</sup> November 2019**

### **1. Purpose**

The purpose of this report is to present an update on West Dunbartonshire statistics relating to people experiencing a fall during the winter months, which resulted in a visit to hospital. This report was requested in the context of the additional resources allocated by the Council for additional footway gritting actions in January 2020.

### **2. Recommendations**

#### **2.1 Members are asked to:**

- (a) Note the information provided on Falls in West Dunbartonshire

### **3. Background**

**3.1** Council passed a motion on 27 November 2019 requesting a report setting out proposals to deliver additional footway gritting actions outwith normal working hours. The measures implemented were considered and approved at the Council meeting held on 29<sup>th</sup> January 2020.

**3.2** Additional footway treatment was implemented during the period January to March 2020 (12 week period). This included footway treatment working outwith normal working hours as weather conditions required. A further report was requested to detail the financial impact and evaluation of the measures undertaken. This was presented to Council on 30 September 2020.

**3.3** The Council also passed the undernoted motion:

“The Council welcomes the additional resource allocated to dealing with adverse weather.

Council also acknowledges that many falls occur throughout the winter months, resulting in attendances at the emergency department, and, in some cases, admission to hospital.

Disabled and elderly people are more likely to have a fall resulting in emergency room attendance or hospital admission. During December 2018 to February 2019, there were 227 falls by over-65s resulting in 51 hospital

admissions. HSCP staff estimate that 16% of these falls occurred outdoors.

A fall by an elderly person, as well as being traumatic to the individual, costs the HSCP £3,452 per hospital admission. This does not include surgery or the costs of social work etc.

Therefore, this Council, using its power of wellbeing, further agrees that a report should be brought to the next Council meeting detailing how treatment of pavements and footpaths can be extended to reduce falls by elderly and disabled citizens.”

#### **4. Main Issues**

- 4.1** The table below show the number of falls recorded for the West Dunbartonshire population, which resulted in attendance at hospital over the last 3 winters.

##### **Winter Months (Dec- Feb)**

	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
<b>All Ages</b>			
A&E Attendances	<b>734</b>	<b>707</b>	<b>364</b>
Hospital Admission	<b>73</b>	<b>55</b>	<b>41</b>
<b>Age 65+ *</b>			
A&E Attendances	<b>227</b>	<b>192</b>	<b>104</b>
Hospital Admission	<b>51</b>	<b>36</b>	<b>27</b>

\*excludes residents of care homes

- 4.2** There has been a clear and significant reduction in people requiring hospital treatment as a result of a fall in the winter of 20/21 There was a 49% decrease in the number of attendances at A&E as a result of a fall by people of all ages in Winter 20/21 when compared with Winter 19/20. This was significantly higher than the 4% decrease between Winter 18/19 and 19/20.
- 4.3** For people aged 65+ ( not resident in a care home) the decrease in Winter 20/21 was 46%. When comparing Winter 19/20 to the previous year there was a 25% decrease which may evidence the higher impact of safer pavements for people in this age group.
- 4.4** The Covid pandemic will undoubtedly have been a factor and will obviously have influenced people's behaviours. However, looking at a similar period in 2020 and 2021, outwith the winter months, when some level of restrictions remained in place, overall numbers of attendance did not vary significantly across the time periods in the two years.

### A&E attendances as a result of a fall

	All ages		65+ excluding care home residents	
	2020	2021	2020	2021
Apr	76	185	13	44
May	118	137	32	41
Jun	101	150	18	42
Jul	152	166	20	36
Aug	257	150	51	41
Sep	270	143	54	25
Oct	151	61	36	18
<b>Total</b>	<b>3145</b>	<b>3013</b>	<b>224</b>	<b>247</b>
		<b>-4%</b>		<b>+10%</b>

- 4.5** This would suggest that a change in behaviour due to covid is not the reason for the significant improvement evident.

## **5. Governance Arrangements**

Not Applicable

## **6. Financial and Procurement Implications**

Not Applicable

## **7. Risk Analysis**

Where an older person had a fall that results in a hospital visit, they are referred to the HSCP's Older People's Team for a full assessment.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** No equalities impact assessment was required in relation to this report.

## **9. Consultation**

- 9.1** Not Applicable

## **10. Strategic Assessment**

- 10.1** Not Applicable

**Person to Contact:** Jo Gibson  
Head of Health and Community Care  
e-mail: Jo.Gibson@ggc.scot.nhs.uk.

**Wards Affected:** All

## WEST DUNBARTONSHIRE COUNCIL

### Report by Head of Strategy and Transformation

Council -22 December 2021

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**Subject: West Dunbartonshire Wave Trust's 70/30 campaign**

#### **1. Purpose**

- 1.1** To demonstrate how the significant work carried out by the HSCP and partners to date supports the ambitions of the Wave Trust 70/30 campaign.

#### **2. Recommendations**

- 2.1** To note the contents of this report.

#### **3. Background**

- 3.1** The WAVE trust 70/30 campaign are a UK- and Ireland-wide network of individuals, organisations and elected representatives working together to reduce child abuse, neglect and other adverse childhood experiences

- 3.2** On the 26<sup>th</sup> of August 2021, Council approved a motion to

*“support the Wave Trust's 70/30 campaign to reduce child abuse, neglect and other adverse childhood experiences (ACEs) by at least 70% by the year 2030”.*

- 3.3** Council asked officers to bring a report to a future meeting of this Council on how the ambitions of this campaign can best be achieved in West Dunbartonshire.

- 3.4** West Dunbartonshire Council became the first Scottish Council to support the WAVE Trust 70/30 campaign. This campaign commits to a trauma informed approach, values the importance of good universal services from pregnancy with early identification and provision of extra support as required and prevention of Adverse Childhood Experiences.

#### **4. Main Issues**

- 4.1** The public commitment to the Wave Trust 70/30 campaign is welcomed and aligns with the ongoing efforts of partners to;
- develop a trauma informed approach
  - provide good universal services from pregnancy across NHS GGC, the HSCP and WDC with early identification and availability of extra support as required supported by children and young people's involvement

- prevent Adverse Childhood Experiences.

### Policy and Delivery Context

- 4.2** The Nurtured Delivery and Improvement Group(DIG), the themed part of Community Planning which also co-ordinates the Integrated Children's Service Plan 2021-2023 has been working to implement a number of key policy objectives to provide supports and services to give children the best start in life and support their caregivers and communities.

### The Promise

- 4.3** This includes the Independent Care review known as the Promise. established to enable Scotland to 'keep the Promise' to care experienced children and young people, in the broad context of changes to policy, culture and practice to enable children and young people to grow up 'loved, safe, respected and able to realise their full potential.
- 4.4** The first national Promise action plan 2021-2023 has five key priority areas and five fundamentals identified to be completed by 2024 which support the ambition of the wave trust in relation to a good childhood and early support

Five key priorities	Five fundamentals
A Good Childhood	What matters to children and families
Whole Family Support	Listening
Supporting the Workforce	Poverty
Planning	Children's Rights
Building Capacity.	Language

- 4.5** External funding has been secured from the Promise Partnership Fund for a fixed term dedicated lead officer post (or 'Promise Keeper') to support partners in the Nurtured DIG to deliver against developments around the Plan 2021-24.

### Children's Community Health Services

- 4.6** West Dunbartonshire has well established good universal health services which build strong relationships with families.

### Health Visiting Universal Pathway

- 4.7** The national Health Visiting universal pathway of support covers the antenatal to pre-school period and consists of 11 home visits, three of which include the health visitor doing a formal review of the family and child's health. This provides an opportunity for health visitors to build strength-based relationships with families and enable access to other



services e.g., breastfeeding, parenting support and money advice. Importantly additional health visiting support is available where needed by families. Health Visitors are routinely involved in Special Needs in Pregnancy (SNIPs) planning meetings to address any vulnerabilities during the antenatal period.

#### NHSGGC Family Nurse Partnership

- 4.8** NHSGGC Family Nurse Partnership is a preventive, intensive, home visiting programme offered to first time young mothers (aged 19 and under) and their families. A specially trained family nurse visits the family regularly, from early in pregnancy until the child is two. This voluntary programme taps into the client's intrinsic motivation for change. The programme aims to improve pregnancy outcomes, child health, development & future educational readiness/achievement and to improve parents' economic self-sufficiency.

#### Access to Early Learning and Childcare

- 4.9** Children's Health and Care Services work closely with West Dunbartonshire Early Years and Childcare services to support access to the high-quality nursery and childcare support for eligible children aged under 2, children aged 2 and for the 1140 hours offer for 3 year olds.

#### Early Intervention

- 4.10** The HSCP are working on a redesign of children's social work services with plans at an early stage to develop a single point of contact and actions to enhance early help and support for children and families.
- 4.11** Within the HSCP the children's social work duty team and Alternative to Care service include 24/7 provision to maintain children at home and prevent family or placement breakdown, based on a relational practice model. Allocations of this support are often decided at joint Social Work/Education Panel meetings.
- 4.12** The HSCP has invested in an additional social worker to the Throughcare team to support young people choosing continuing care and to provide improved support to unaccompanied young people seeking asylum as they move towards adult services.
- 4.13** The Care Experienced Children's Fund is allocated via multi-agency planning with an overall objective of narrowing the attainment gap between care experienced children and their peers. This supports mentoring at Senior Phase within Education, language development in Early Years, parenting in Early Years and out of school learning.
- 4.14** Education recovery planning is underpinned by a focus on wellbeing.

A comprehensive programme of professional learning and curricular opportunities ensures all children and young people will learn ways to keep mentally well and access support if needed.

#### Involvement

- 4.15** The HSCP ensures young people are part of the selection and interview arrangements to recruit social workers to children and families' teams. Opportunities are being developed to include care experienced young people in permanence panels as well as providing support to include their views on their own permanence plan.
- 4.16** Children and Young Peoples' views as learners are an integral feature of schools improvement plans to ensure their views and experiences of what works for them and can inform improvements to education provision.
- 4.17** An HSCP chaired mental health and wellbeing community support and services planning group has been established to review current community services and supports for children and young aged 5-24 (26 care experienced) Fieldwork is currently underway to work with children, young people and families to identify what supports and services for mental health and wellbeing can be developed or improved.
- 4.18** West Dunbartonshire Champions Board continue to engage with care experienced children and young people, sustaining relationships and providing advice, guidance and nurturing relationships Young people are involved in national networking meetings and are co-leading discussions around change affected by the Promise and corporate parenting.

#### Adverse Childhood Experiences (ACEs)/Resilience Hub and Approach to Trauma

- 4.19** West Dunbartonshire has a well-established multi agency ACEs, Trauma and Resilience Programme which continues to address the effects of childhood adversity.
- 4.20** Following a large-scale event in February 2020, '*Nurturing Individuals and Building Resilient Communities*' held with Clydebank High, the ACEs Hub was re-launched as a strength-based Resilience Hub. The Hub, which is a community of practice, has 400 members and includes a wide range of staff The online quarterly meetings have included themes such as One Good Adult, Trauma Training and Bereavement & Loss. The December meeting is focusing on the Early Years
- 4.21** The ACEs documentary film, 'Resilience: the Biology of Stress and the Science of Hope' is a resource to increase ACE awareness among the local workforce. Since 2018, a total of 1060 staff across

West Dunbartonshire have seen the film via a range of targeted and service specific viewings and more open viewings. Viewings are ongoing online with over 60 staff and community members signed up to view the film and participate in the post film discussion in December.

**4.22** In response to the recognition of the impacts of the pandemic, West Dunbartonshire has nominated a trauma champion to support implementation of the reinforced National Trauma Training Programme which aims to develop a trauma informed and responsive nation and workforce.

**4.23** The Improvement Service /Scottish Government Trauma- Informed Approach to Scotland's COVID-19 Recovery, Renewal and Transformation highlights that the trauma informed approach needs to be informed by people with lived experience, recognises the importance of wellbeing in the workforce, recognises where people are affected by trauma and adversity, responds in ways that prevent further harm, supports recovery and can address inequalities and improve life chances.

**4.24** Planning is continuing to implement the trauma informed approach locally using the additional financial resources provided by the government to target specific services and build trauma informed and responsive environments, policies, systems and services. This work is supported by a number of Scottish Trauma Informed Leaders from Justice, Education and HR with an officer-led ACEs/Trauma Reference Network. The approach builds on the existing connection with public protection, mental health and wellbeing and domestic abuse training and maximises use of the suite of resources available at <https://transformingpsychologicaltrauma.scot/>

**4.25** In addition through joint Social Work and Education activity funding has been agreed for staff to undertake bespoke Promoting Dyadic Developmental Practice (DDP) training that will enable the development of key skills around trauma informed practice and HSCP Justice Services have already accessed trauma training through Community Justice Scotland to adopt a trauma informed approach.

## **5. People Implications**

There are no specific personnel issues at this time

## **6. Financial and Procurement Implications**

There are no specific financial and procurement

## **7. Risk Analysis**

Not applicable

## 8. Equalities Impact Assessment (EIA)

This report has no specific equalities impact although the connection between the Fairer Scotland duty and childhood adversity is well understood Individual programmes are equality impact assessed as required.

## 9. Consultation

A range of services within the council have been consulted on the content of this report

## 10. Strategic Assessment

The Council commitment and ongoing work fits with all council strategic objectives however mostly notably

- Supported individuals, families and carers living independently and with dignity.
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged.
- Efficient and effective frontline services that improve the everyday lives of residents.

**Name** Margaret-Jane Cardno

**Designation** Head of Strategy and Transformation

**Date:** 01/12/2021

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**Person to Contact:** Margaret-Jane Cardno [Margaret-Jane@west-dunbarton.gov.uk](mailto:Margaret-Jane@west-dunbarton.gov.uk)

**Appendices:** Nil

**Background Papers:**

NHS NES Transforming Psychological Trauma Website available at <https://transformingpsychologicaltrauma.scot/>

The Promise Scotland website available at <https://thepromise.scot/>

Improvement Service: A Trauma Informed Approach to Scotland's COVID 19 Recovery, Renewal and Transformation available at [https://www.improvementservice.org.uk/data/assets/pdf\\_file/0014/21623/covid-19-trauma-infographic.pdf](https://www.improvementservice.org.uk/data/assets/pdf_file/0014/21623/covid-19-trauma-infographic.pdf)

**Wards Affected** All

## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer- Citizen, Culture and Facilities

Council: 22 December 2021

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**Subject: Council Contact Centre Update – Motion from Council 29 September 2021**

#### **1. Purpose**

- 1.1** The purpose of this report is to update Council on the Motion agreed on 29 September 2021 regarding abandoned calls, and outline ways in which the Council could improve its Contact Centre function.

#### **2. Recommendations**

- 2.1** It is recommended that Council:

- I. note the contents of the report;
- II. agree that officers provide further updates on Contact Centre progress at the Corporate Services Committee; and
- III. agree that officers bring a further report on the performance of the Housing Repairs Contact Centre to a future Council meeting.

#### **3. Background**

- 3.1** At Council the following Motion was agreed:

*Motion by Councillor Martin Rooney – Abandoned Calls*

*“This Council notes that there has been significant concern from residents about abandoned calls to the Council helpdesk.*

*Although the Council is not able to measure or record the average time to answer a telephone call, it does have information on abandoned calls.*

*In 2020 a total of 19,590 calls were abandoned which represented 17% of the total calls abandoned.*

*As at August 2021 7,411 calls have been abandoned which represents 15% of the total calls.*

*Council notes that unlike previous years, during the pandemic local residents who didn’t complete their call, could attend council offices in person.*

*Given the above, this Council calls for the Chief Executive to bring forward a report on the how the council can improve its customer helpdesk function for the public.*

*The report should consider how we could measure, record and improve the average time to answer a call.*

*In addition, it should consider what other options may be available to ensure that the number of abandoned calls can be reduced in future years.”*

- 3.2** The Council's Contact Centre function was created in 2007 with six staff members. The initial approach was to take the original switchboard function and train staff on multiple Council services to improve the first time resolution rates to calls.
- 3.3** The Contact Centre was a success and grew to twelve staff with more services being added, including more complex and lengthy calls. In 2016/17 Citizen Services took over responsibility for the Council website. This allowed the Contact Centre and website team to work in partnership to improve the digital offer to residents, and channel shift some of the telephone calls being made. The number of online transactions was 43,000 in 2020/21 – 150% above the Council's Strategic Plan target for the same year.
- 3.4** In 2017/18 further changes were made to centralise some of the busiest telephone areas under Citizen Services. This included the Housing Repairs Contact Centre transferring over from Building Services, staff transferring from Revenues and Benefits to manage entry level Council Tax and Housing Benefits enquiries, as well as the Scottish Welfare Fund Team.
- 3.5** As each service transferred over, the way it was delivered was analysed, simplified and shared to improve processes and document the same for training. This task allowed skill sharing of processes across the team.
- 3.6** In November 2017, a proposal was agreed at Corporate Service Committee to:
- Transfer all cash and card payments in One Stop Shops to the popular, widely-used and widely-available payment services such as Post Office and PayPoint on April 1, 2018;
  - Actively promote the most efficient payment methods of Direct Debit, online payments and the automated telephone payment line
  - Adapt existing customer services opening hours to reflect current levels of demand, and operate as efficiently as possible
  - Relocate Customer Services in Alexandria into the well-used Alexandria Library approximately 300 meters away
  - Undertakes a restructure of the Customer Services team to respond to these changes and fund increased capacity in the Contact Centre
- 3.7** From May 2018 the Contact Centre's Opening times of 08:00 to 17:00 Monday to Friday moved more in line with the rest of the Council to 9:00 to

16:30 Monday to Thursday and 9:00 to 15:30 on Friday. Telephony data showed that on average only 1% of residents contacted the service before 9am and only 2% contacting after 4:30pm. This assisted Citizen Services to manage demand throughout the peak periods, as more staff were available to answer phones than previously was the case covering shift patterns.

**3.8** The savings generated from the above decision took until the summer of 2018 to be finalised. Thereafter one additional member of staff joined the Corporate Contact Centre funded by these savings to make a total team of 13.

**3.9** The following table shows general performance of the Corporate Contact Centre in recent years:

<b>Year</b>	<b>Abandonment rate</b>	<b>Satisfaction with Contact Centre</b>	<b>Answered in 2 minutes</b>
2018	17%	84%	67%
2019	13%	85%	68%
2020	17%	85%	47%
2021 (as of 30/11)	14%	72%	57%

There was a disappointing performance level in 2018 due to a three month long technical fault on the Capita Wide Area Network affecting telephone lines in July, August and September. Performance improved in 2019 and there is every reason to believe the Contact Centre processes would have continued successfully into 2020 had it not been for the onset of the Covid-19 pandemic and the challenges to service delivery that it brought.

#### **4. Main Issues**

**4.1** The Council Contact Centre uses the Cisco Contact Centre Express (CCX) telephone platform to support our high volume telephone response. CCX is supported by Cisco Unified Intelligence Centre. The intelligence platform provides comprehensive data ranging from individual team members to overall contact centres from both live and historic performance. CCX is also used in other Council teams where telephone contact is high, such as Payroll, Finance Service Centre, ICT, Scottish Welfare Fund and Housing Repairs.

**4.2** Elsewhere, the wider Council telephone estate is not supported by CCX because they are typically lower call volume hunt groups or individual telephone lines. To record performance on these lines the Council uses technology called Tiger. Tiger software delivers comprehensive analytics on the entire Council telephone network to provide insights into the activity of teams and citizen experience standards. With Cisco CCX and Tiger in place, the Council has an overall suite of data available on our telephone performance.

**4.3** The CCX platform has information related to telephone performance ranging from total number of calls offered, answered and abandoned. The detail of

these calls is also recorded such as the time taken to answer, wait or abandon. These statistics are gathered each day and monitored closely.

- 4.4** It is important to note in relation to abandoned calls, that not all abandoned calls are a reflection of dissatisfaction. Some citizens may hear there are services available online, or service specific updates as part of the welcome greeting, and chose to hang up immediately. Other citizens may hear the announcement of how long the expected wait is and chose to call back at another time.
- 4.5** The general industry acceptance on abandonment rates is between 5% and 10% of calls. To achieve a lower rate than this there would generally require there to be an overstaffing of the Contact Centre areas to answer calls as soon as they are delivered. As can be seen in the table at 3.9 the corporate Contact Centre has had an average abandonment rate of approximately 15% in the most recent years. This is partly linked to the technical fault and the Covid-19 pandemic. Another key challenge in a local authority Contact Centre is that general good performance is disrupted by the statutory nature of work undertaken by the Council. For example, the billing of all residents for Council Tax, Rent, and Insurance at one time due to financial year constraints. This activity leads to major spikes in telephone contact with residents who receive the bills and seek further information at the same time. These periodic surges could only be mitigated by a significantly larger Contact Centre team which would then be underutilised at other normal periods of the year when performance is good.

#### **Recent improvements**

- 4.6** In 2021, the Contact Centre has had some significant sickness absence. However, since September there has been a settled full strength team. This has translated into a more stable and improved service. It is important to note that the Contact Centre role requires a varied skill-set and knowledge and temporary redeployment of officer's from elsewhere in the Council isn't easily possible – particularly given the volume of technology used. The Contact Centre has also been brought forward in the return to offices plan and this will further assist the team to reduce the isolation of home working.
- 4.7** In addition to the main Council Contact Centre, the Corporate Administration Service (CAS) supports resident calls transferred via the Contact Centre for Waste Services, Roads, Education and Sold Property enquiries. During lockdown there was a change in the way these services were delivered but from November 2021, the number of phone lines available in the back office to assist with these call transfers has been extended from three to ten. This improvement is already delivering immediate results for residents.
- 4.8** Housing Operations is piloting a new model of telephone contact from tenants in the Dumbarton and Alexandria area where a duty officer will receive calls to the office as opposed to tenants calling mobile phones of officers who may be absent from work. Discussions are ongoing about introducing a similar



process for the Clydebank area. This change is a positive improvement for our tenants.

- 4.9** We believe that the changes outlined at 4.6, 4.7 and 4.8 have or will further improve the corporate telephone experience for our citizens by allowing for quicker responses, faster transfers and reduced waiting times. We are confident that the performance moving forward will be at an acceptable level for citizens and Council. The table below illustrates the most up to date performance levels:

Contact Centre Call Activity - November 2021

<b>Calls Received</b>	<b>% Calls Answered</b>	<b>Average Queue Time</b>	<b>Average Call Handle Time</b>
8781	95%	39 Secs	02:43 Mins/Sec

- 4.10** Where challenges are raised by the Contact Centre team on process failures with Council service areas, or where complaints are received from citizens, the Citizen Services Management Team explore with the service area where things can be improved and amended. This feedback is essential, particularly where there is a direct impact on the number of calls being received.
- 4.11** In addition to contacting the Council by telephone, residents can also submit queries and make reports via the Council website and social media channels. There have been around 4000 contacts by social media for service requests in 2021. If these 4000 contacts had all been delivered as telephone calls we would have been under a further pressure throughout the year.
- 4.12** To further reduce the demand on our telephone service, we are revisiting our webchat offer after our initial supplier was unable to deliver on our specific requirements.
- 4.13** In terms of telephone network technology there are further improvements that are under consideration by officers. For example, we are investigating the reintroduction of call recording to assist with home working and ensuring the quality of the service. If progressed this is likely to have a revenue impact on the Council and proposals will be developed in the coming 12 months for consideration. In addition we are also working in partnership with ICT to investigate the functionality of queue positioning announcements and expected wait times to the CCX platform to improve the experience of Citizens calling the Council. It should be noted that such technology is typically expensive and officers are keen to establish if there is a tangible return on that investment. We are not in a position to make a recommendation on that at this time.
- 4.14** The motion also calls on officers to consider what other options may be available to improve performance. Other technology improvements are available in the marketplace at this time such as tracking incoming calls to see

where calls are coming from, and taking advantage of speech analytics to automatically detect which type of service is needed and direct the call to that team. Some operators have also introduced a WhatsApp/SMS option for customers to raise issues through. This level of automated technology requires services to have fully integrated processes that ensure the end to end delivery of services is seamless. Both options are likely to be costly and be significant projects to deliver. It is recommended that officers pause on these options at this time to allow the Council's Fit For Future reviews to progress through services and prepare them for technology opportunities such as this.

- 4.15** Separate to technology the only other way to reduce abandoned calls would be to increase the number of call handlers working on the team. The call handlers are currently evaluated at G4 and have an overall cost to the Council of £29,420 per post. It is the view of officers that this additional recruitment is not necessary at this time as it would lead to overcapacity at quiet times, and fail to remove queuing at the busier times identified at 4.5. There is also a management view that performance levels will improve in the months and years ahead. Elected Members can be kept updated on this position at the Corporate Services Committee as officers progress the technology solutions outlined in this report. In addition officers acknowledge the Elected Member interest in this area and will include performance indicators relating to call handling in future CCF Delivery Plans to allow for increased scrutiny at Committee.
- 4.16** It is important to be clear that this report, like the Motion, has focussed on the Council's main telephone helpdesk. Officers have not gone into detail regarding the Housing Repairs Contact Centre. This operates with the same technology as the main Contact Centre, but as has been regularly reported to Council in 2021 there have been significant problems with performance. The cause of this relates directly to the scale of outstanding repairs due to the pandemic restricting works in tenant properties during lockdown. This is leading to a high number of complex calls with tenants requesting updates on outstanding repairs which take additional time to respond to. In addition as previously reported to Council there have been sickness absence and staff turnover challenges within the team during 2021. A total of five new employees – three of whom are additional to the service - began with the Housing Repairs Contact Centre in early December 2021 and improvements to call handling will follow in the coming weeks for our tenants in terms of waits and abandonment rates. Officers will bring a report to a future Council meeting about this service area to illustrate the impact of the new employees, and the continued progress of Building Services in clearing the repairs backlog.

## **5. People Implications**

- 5.1** There are no people implications arising from the recommendations of this report.

## **6. Financial and Procurement Implications**

- 6.1** There are no financial implications arising from the recommendations of this report.

## **7. Risk Analysis**

- 7.1** There are no risks arising from the recommendations of this report.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** As no proposals are outlined in the report a screening and EIA is not required. However, the ability to contact Council services clearly needs to take into account equality considerations. To ensure that these feed into improvement options as they are developed, an impact assessment will be an integral part of the process, which will take into account the contents of this report and other available evidence.

## **9. Consultation**

- 9.1** This report has been consulted on with colleagues in CAS, ICT, Housing, Finance, Legal and Procurement Services.

## **10. Strategic Assessment**

- 10.1** Effective telephone call handling contributes to all five Council strategic priorities.

Malcolm Bennie  
Chief Officer  
Citizen, Culture and Facilities  
Date: 29 November 2021

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**Person to Contact:** Stephen Daly  
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Citizen, Culture and Facilities  
07583915493

**Appendices:** N/A

**Background Papers:** None

**Wards Affected:** All Wards



## WEST DUNBARTONSHIRE COUNCIL

Report by Peter Barry Chief Officer Housing and Employability

Council: 22 December 2021

**Subject: Anti-social Behaviour Service – Motion from Council 29 September 2021**

### 1. Purpose

- 1.1 The purpose of this report is to provide an update to Council on the current Anti Social Behaviour Service in response to the Council motion raised at the Housing and Committee on 29 September 2021.

### 2. Recommendations

- 2.1 Council is asked to note content of this report

### 3. Background

- 3.1 This paper is written in response to the Council Motion raised by Councillor David McBride on 29 September 2021 in relation to the Anti Social Behaviour Service.

“This Council is concerned that although the anti-social behaviour budget has been cut, the numbers of cases continue to increase.

The Council notes that in 2017/18 the anti-social behaviour budget was **£719,000** and there were **312** anti-social behaviour cases during the year.

However by 2020/21 the budget reduced to **£398,000** and the number of anti-social behaviour cases had increased to **978**.

The 2021/22 budget increased slightly to **£446,000** but before the mid-year point, the number of anti-social behaviour cases had reached **511** which suggest that the total instances could exceed **1,000** by the end of the financial year.

Council also notes that staff reductions now means the Council only operates with a maximum of 3 anti-social behaviour officers on duty each day and the service ends at 02:00.

In addition the number of mediation referrals has also steadily reduced from **93** in 2017, **71** in 2018, **41** in 2019, and to **13** in 2020/21 when the service

was suspended due to COVID. There have been no referrals during the current financial year 2021/22.

Given the above, the Council calls on the Chief Executive to bring forward a report to a future Council meeting setting out the details of the anti-social behaviour service including staffing levels, case work and operational arrangements across the our Council area.

Addendum accepted:–

Council asks officers to arrange an elected member seminar to allow Councillors to ask detailed questions about this service area and to help officers determine areas of particular interest or concern to Councillors in advance of preparing their report.”

**3.2** West Dunbartonshire Council restructured its Anti Social Behaviour (ASB) team in February 2020.

The previous service was resourced by six officers in the Anti Social Investigation and Support Team (ASIST), four ASB Environment and four Mediation Officers, totalling 14 FTEs across these three service areas. These teams operated Monday to Friday 8.30 – 16.45.

Following the restructure the new service provides 16 FTEs overall, which includes additional service provision through the new Neighbourhood Team. The ASB Service now includes eight Anti Social Behaviour Officers, two daytime and six Out of Hours. They operate on a “four on four off” shift pattern between the hours of 08.30 – 16.45 (dayshift) and 15.00 – 02.00 (backshift). This team is further complemented by a new Neighbourhood Team, which also consists of eight officers who operate between 13.00 – midnight and also on a “four on four off” shift pattern. The Neighbourhood Team compliment and support the work undertaken by our ASB service by providing visible community ASB patrols within our estates.

The restructure has increased our resources at night and on weekends. The service now provides seven officers working seven nights a week to 2am, across the authority to help tackle and address incidents of ASB. As a result, the new service is providing a more comprehensive, efficient and effective level of support for our communities. In particular the new approach provides the reassurance of both a day and night service, which is something the Council was previously not able to provide.

**3.3** Part of the motion included a request to provide an elected member briefing session in advance of committee to all allow members the opportunity to obtain further information and detail on the ABS service and performance. This session was held on 13 October 2021.

**4. Main Issues**

**4.1** COVID has had a significant impact on our ASB services due to Scottish Government lockdown restrictions and strict guidance around home working.

In line with every other Local Authority across the country, council officers had to quickly develop new working practices and comply with the guidance. As a result ASB services could not be delivered in the preferred community based way for an extended period. Inevitably and unavoidably this had an impact on service delivery.

However, throughout the pandemic our ASB team continued to manage complaints from home, ensuring that contact was made with all complainers and advice and assistance was given on incidents of ASB. This included liaising closely with our Police Scotland colleagues to ensure serious incidents of ASB were picked up. In line with easing of restrictions and Scottish Government guidance, the ASB team recommenced physical service delivery from June 2021, whilst adhering to safe working practices to ensure the safety of our staff and other parties involved.

This enhanced service provides crucial out of hours and weekend physical presence within our communities that the previous ASB service did not provide. Therefore this offers enhanced and additional support to our tenants and residents.

The role and remit of this team is to respond to complaints of ASB and progress cases until resolution. This can include legal intervention measures, issuing Fixed Penalty Notices, working jointly with Police Scotland colleagues and conducting visible community patrols within our estates, offering reassurance to our tenants and residents.

As part of our restructure the decision was taken to add conflict resolution to the skills of our eight ASB officers. Conflict resolution was identified as a quicker route to resolution for disputes between tenants/resident and our eight ASB officers have now been trained to deliver this. Notwithstanding, we still retain elements of our previous mediation service for in-house delivery.

All 16 Officers will report any incidents of ASB, liaise with Police Scotland to report any ongoing incidents witnessed in real time and act as a professional witness on behalf of our tenants/residents at court should this need arise.

The ability for our team to act as professional witnesses at court offers much needed reassurance and support to our tenants/residents who have experienced ASB. It provides support in terms of any anxieties or concerns they may have with regards to giving evidence or potential repercussions from perpetrators from reporting ASB.

**4.2** In addition to our ASB Services the team also deliver No Home for Domestic Abuse (NHDA) to all residents in West Dunbartonshire.

The aim of this service is to ensure victims have immediate access to practical help and specialist legal assistance and support following any incident of

domestic abuse. In addition the local authority will use the full scope of Anti-Social Behaviour powers in conjunction with Housing and Matrimonial Homes. Legislation to ensure victims can remain at home, whilst the perpetrator will be legally removed, and prevented from returning.

Since inception of this service on 1 June 2018, NHDA has dealt with 355 cases ranging from advice and assistance, relocation for personal safety, lock changes/security upgrades, and financial help. 11 offenders have been moved from the matrimonial home.

The service participates in Multi Agency Risk Assessment Conferences and is firmly rooted within this multi agency partnership to support victims of Domestic abuse.

- 4.3** During the recent past there has been a spike in the number of ASB complaints received, resulting in 978 cases being reported to us throughout the pandemic. It is believed the likely cause of this trend is due to all residents being asked to remain at the home during lockdown periods, which may have put additional pressures within individual homes and relationships with neighbours resulting in an increase in ASB incidents.




The service experienced a 60% increase in calls though lockdown and differing Tier restrictions.

However, a key factor contributing to the increase in ASB statistics was the Scottish Government change to the definition of “case” from 2019/20 onwards. This change meant that we require to record all calls as cases, which has been a factor in increased numbers recorded, noted below.



Year	2017/18	2018/19	2019/20	2020/21	2021/22(ytd)
<b>Case Numbers</b>	<b>312</b>	<b>333</b>	<b>611</b>	<b>978</b>	<b>511</b>

Recent spikes in cases are related to the collective experience of the pandemic, and also the new definition of an ASB case outlined above. This will be kept under review in an effort to provide the most effective response and address the additional volume of cases.

Further detail is noted below in terms of our ASB service performance.

<b>Estate management, anti-social behaviour</b>							
Indicator	2019/20 value	2020/21 Value	2020/21 target	Status	Trend	Q1 2021/22	Q2 2021/22
% of tenants satisfied with landlord's contribution to management of neighbourhood	78.53%	78.53%	85%				
% of ASB cases reported which were resolved	94.74%	92.83%	95%			60.5%	89.2%



Overall satisfaction with the Anti-social Behaviour Service	53.7%	96.8%	77%			100%	95%
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\*% tenants satisfied with landlord's contribution to management of neighbourhood – figure source via tenant satisfaction survey.

- 4.4** The ASB and Neighbourhood Teams aim to provide a visible, proactive service that works collaboratively with Police Scotland and other partners, facilitating safer communities throughout West Dunbartonshire.

All stakeholders can make a positive contribution to reducing the blight of ASB in terms of reporting incidents, challenging negative behaviours, and providing information guidance and support.

A critical message we provide to our communities is that the responsibility to manage anti social behaviours always starts with the individual and that each person has the responsibility to act in an acceptable manner, ensuring that they show respect for others.

It is recognised, however, that not all individuals will conduct themselves in an acceptable manner, and our ASB team are committed to taking robust and effective action based on available evidence. A key element of our approach is found in our work with perpetrators involved in ASB to help support them to address their unacceptable behaviour and support change. In cases where individuals do not comply we will use all available ASB measures to address the situation.

- 4.5** Part of the future development of the ASB service and work towards our Charter Improvement Plan is a review of our ASB Strategy. This work has been significantly delayed due to the impact of Covid-19. Work is now underway, and there will be a period of consultation once this is in draft format.
- 4.6** As part of our continuous improvement agenda, we have also committed to review our internal processes, procedures, recording and reporting functions as part of a “walk the process” for this service area. Initial scoping discussions have been undertaken with key staff involved in the process and we will be looking to proceed with a short life working group to identify areas of improvement.
- 4.7** During the member briefing session on 13 October 2021, a request was made to provide comparable ASB performance data. Officers have obtained peer grouping Local Authority data which is provided below. However, caution should be noted with this data as it is extremely difficult draw any meaningful comparable data on this subject due to a range of varying factors, such as team structure, resources, remit, service provision, and local polices.

<b>Peer LA Group</b>	<b>ASB Cases Reported 20/21</b>	<b>ASB Cases Resolved 20/21</b>	<b>% ASB Cases Resolved 20/21</b>
Dundee City Council	1946	1561	80.22
East Ayrshire Council	393	362	92.11
Falkirk Council	1194	1062	88.94
Highland Council	724	532	73.48
North Ayrshire Council	1198	994	82.97
Renfrewshire Council	478	477	99.79
<b>West Dunbartonshire Council</b>	<b>976</b>	<b>906</b>	<b>92.83</b>
West Lothian Council	310	270	87.1

## **5. People Implications**

### **5.1** None.

## **6. Financial and Procurement Implications**

### **6.1** In response to the Council Motion around reduction in the ASB budget, the following information can be provided.

The core ASB budget was £719,000 in 2017/18. Over the subsequent years this reduced to £398,000 in 2020/21. It then increased to £446,000 in 2021/22. Following a recurring variances accountancy exercise this was revised to £439,000. Not all the reductions in budget led to reductions in service and in some instances the budget was transferred to another service or reduced because costs were picked up by other budget lines.

There are various factors influencing budget changes summarised below.

- 2017/18 to 2018/19 - one ASB post being removed and £60,000 payment to Police Scotland for out of hours noise response ceased.
- 2018/19 to 2019/20 - restructure of ASB/caretaking staff, which included the appropriate movement of staff costs to the HRA account.
- 2020/21 – budget of £71,000 for two litter cleaning staff, and £23,000 dog fouling bags were transferred from ASB budget to ground maintenance/street cleaning budget.
- 2021/22 – there is currently around £130,000 of ASB costs within the HRA due to staff managing cases involving WDC tenants, which is in addition to the £439,000 budget allocation for this financial year.

Therefore the net council spend on ASB and related services has changed from £719,000 to £663,000

## **7. Risk Analysis**

- 7.1** There are potential risks associated as part of this service in relation to Covid and also potential health and safety risks when dealing with ASB incidents. However, it is recognised that a key element of the ASB service and being able to robustly address incidents of ASB is the ability to deliver and respond to incidents of ASB in person, which will involve a range of staff and individuals from the community.

In order to reduce any potential risks to parties we have a range of measures in place, detailed below –

Risk Assessments – these are continually reviewed and updated to ensure robust measures in place and staff are involved in regular review of these.

ASB procedures and processes, which include training for staff and clear guidance on health and safety matters, including an alert marker process for any perpetrator of ASB.

Strong joint working relationships with our Police Scotland colleagues to ensure that any incidents of ASB are responded to timeously.

Senior management representation at the Safe DIG, which is a multi agency forum to discuss and plan strategic and operational responses to ASB and community safety issues.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** As part of our review of the ASB Strategy we have commenced completing a new EIA, this will be available for view in line with the completion of our new ASB strategy, which is scheduled for completion by 31 March 2022.

## **9 Consultation**

- 9.1** As part of the review of the ASB Strategy, we will be carrying out consultation on the contents of this with key stakeholders, elected members and the West Dunbartonshire Tenants & Residents Organisation. As outlined previously we will also be taking the proposed ASB Strategy to the Safe DIG to ensure that we have input from wider key partners in terms of addressing community safety.

## **10. Strategic Assessment**

- 10.1** The proposals within this report are in clear alignment with the Council's strategic priorities in particular with reference to community empowerment and creating attractive, sustainable communities that people want to live in.

**Peter Barry**

Chief Officer, Housing and Employability

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**Person to Contact:** Nicola Pettigrew, Housing Operations Manager  
Tel. 07823 520 493

**Appendices:** None

**Background Papers:** None

**Wards Affected:** All Council Wards

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Education Officer: Laura Mason****Council: 22 December 2021**

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**Subject: Ventilation in Learning Establishments - Motion from Council  
27 October 2021**

**1. Purpose**

- 1.1** This report provides an update for member on the approaches taken to ensure adequate ventilation across our learning estate.

**2. Recommendations**

- 2.1** Members are asked to:
- a. Note the types of ventilation systems across our learning estate;
  - b. Note the processes in place for monitoring levels of CO<sub>2</sub> present in learning and teaching spaces across the learning estate and with our partner providers; and.
  - c. Note that processes in place to escalate any area of concern and steps taken to improve ventilation.

**3. Background**

- 3.1** It is important to have good air quality in the places where we work and where our children learn. People exhale carbon dioxide (CO<sub>2</sub>) when they breathe out. If there is a build-up of CO<sub>2</sub> in an area it can indicate that ventilation needs improving. CO<sub>2</sub> is measured in 'parts per million' (ppm) present in the air. Although CO<sub>2</sub> levels are not a direct measure of possible exposure to COVID-19, checking levels using a monitor can help identify poorly ventilated areas. CO<sub>2</sub> measurements should be used as a broad guide to ventilation within a space rather than treating them as 'safe thresholds'.
- 3.2** Outdoor levels of CO<sub>2</sub> are around 400ppm and indoors a consistent CO<sub>2</sub> value less than 800ppm is likely to indicate that a space is well ventilated, as defined by the Health and Safety Executive (HSE).
- 3.3** Levels of CO<sub>2</sub> that are consistently higher than 1,500ppm over the occupied period in a space is an indicator of poor ventilation. Action needs to be taken to improve ventilation where CO<sub>2</sub> readings are consistently higher than 1,500ppm.

- 3.4** However, where there is continuous talking or singing, or high levels of physical activity (such as dancing, playing sport or exercising), providing ventilation sufficient to keep CO<sub>2</sub> levels below 800ppm is recommended.
- 3.5** Across the learning estate there are a variety of approaches to ventilation spread across two types of 'natural' and 'mechanical' ventilation systems. Natural ventilation systems involve the use of opening windows, doors and trickle vents to improve air flow. Mechanical ventilation systems involve extractors, air conditioning and air handling units to improve air flow without the need of manual intervention. A list of our establishments and the types of ventilation systems they have is provided in **Appendix 1**.

#### **4. Main Issues**

- 4.1** Session 2020/21 was subject to considerable disruption, with schools having periods of time when they were not occupied. As such, there was no additional cost for heating required. During times when schools were open, rooms were being ventilated and heated at the same time, without the ability to measure the effectiveness of the ventilation or the impact on the heating. With monitors in place for the heating season of 2021/22, it will be possible to accurately measure the impact of our approaches to heating and ventilating.
- 4.2** Towards the end of the session 2020/21, WDC started a process of measuring levels of CO<sub>2</sub> present in teaching and learning spaces across the learning estate. This activity ran until November 2021, giving baseline readings across all of our establishments. This process began prior to updated guidance from HSE, where we regarded readings of between 400 – 1,000ppm as acceptable.
- 4.3** Our baseline readings showed that all of our learning and teaching spaces fell within an acceptable range of 400 – 1,000ppm levels of CO<sub>2</sub> concentration. Some initial readings taken were higher than 1,500ppm, but immediate steps to improve the ventilation in those spaces resulted in levels falling to within acceptable levels. In two locations, alterations were made to windows to ensure adequate means of adjusting ventilation were in place. In Levenvale, repairs were made to existing windows to facilitate their opening, and in St. Peter the Apostle High School, windows were replaced in the music department, costing £42,114.
- 4.4** In August 2021, a working group was established to coordinate activity across Environmental Health, Health & Safety, Education, Asset Management, Energy & Compliance, IT, Procurement and Corporate Administration Services following the announcement by Scottish Government of additional funding to monitor levels of CO<sub>2</sub> in our learning and teaching spaces. Scottish

Government asked us to report on progress with monitoring levels of CO<sub>2</sub> across our learning estate. The group worked to establish a process for regular readings to be taken across all learning and teaching spaces, and to establish a process for the escalation of any readings taken that were considered to be too high. The group met on a weekly basis, identifying suppliers of CO<sub>2</sub> monitoring devices and a route to procurement. With the large number of learning and teaching spaces across the learning estate, distribution and logistics were also considered and agreed.

- 4.5 An audit of the number of learning and teaching spaces and locations where staff and young people spend time together in our establishments and those of our partner providers identified a requirement for 1,560 CO<sub>2</sub> monitors. Funding also made it possible for staffing time to collect and administer the data and report on levels recorded.
- 4.6 In September 2021, the membership of the working group was widened to include Trade Union representatives, to ensure an agreed approach to monitoring and reporting levels of CO<sub>2</sub> present in learning and teaching spaces. The agreed process document is included as **Appendix 2**.
- 4.7 Approximately half of our purchased monitors have been distributed to establishments, and are now in use. The remaining devices are expected from our supplier during December 2021.
- 4.8 CO<sub>2</sub> monitors give live readings, so staff can take immediate steps to increase or reduce ventilation as required. Where steps to reduce levels of CO<sub>2</sub> are insufficient, discussion with the Head Teacher, Head of Centre or Responsible Premises Officer (RPO) can ensure other means of reducing levels of CO<sub>2</sub> in a learning and teaching space have been actioned – for example, the Head Teacher can vary the number of people making use of a space at any one time, or indeed the amount of time in each day a space is used.
- 4.9 Although our baseline measurements did not indicate this was required, our agreed process caters for situations where ventilation has not been brought to within acceptable levels by action taken. Should such a case occur, then a case conference will be called within 24 hours by Health & Safety, involving Asset Management, Environmental Health, Energy & Compliance and Education to ascertain what steps can be taken to improve ventilation. The outcome of any such case conference will be reported to the Joint Health & Safety Committee.
- 4.10 Staff submit readings using an online form. These readings are analysed by Energy and Compliance and Education, and reported to the individual establishments Health and Safety Committee and the Joint Health and Safety Committee.

## **5. Options Appraisal**

- 5.1** There is no requirement to carry out an options appraisal.

## **6. People Implications**

- 6.1** A resource of 0.4FTE administration staffing has been appointed to administer data collected and to assist with reporting. The provision of monitors allows staff to make informed decisions about the level of ventilation required in a learning and teaching space at any given time.

## **7. Financial and Procurement Implications**

- 7.1** Financial - The sum of £121,500 capital and £53,000 revenue was received from Scottish Government. £121,500 has been spent on CO<sub>2</sub> monitoring devices, with £53,000 being spent on staffing costs to monitor levels of CO<sub>2</sub>, administer gathered data and distribution of devices.
- 7.2** Procurement - With the timescale for taking readings and reporting to Scottish Government falling outwith the timeframe for undertaking a procurement exercise to purchase monitoring devices, the powers of the Chief Executive established in the standing orders were called upon, as reported to council in September 2021.

## **8. Risk Analysis**

- 8.1** Failure to ensure adequate ventilation of learning and teaching spaces would make for inadequate working and learning environments for our staff and children. Failure to report coverage of measuring levels of CO<sub>2</sub> across our learning estate to Scottish Government would cause reputational damage.

## **9. Equalities Impact Assessment (EIA)**

- 9.1** An equalities screening has been carried out for this report and there are no equalities issues identified.

## **10. Consultation**

- 10.1** Legal Services and the Section 95 Officer have been consulted in relation to the content of this report



## **11. Strategic Assessment**

- 11.1** The provision of adequate ventilation in learning and teaching spaces ensures healthy working and learning environments for our staff and children, assisting us in delivering the strategic priority of efficient and effective frontline services that improve the everyday lives of residents.

**Laura Mason**  
**Chief Education Officer**  
**16 November 2021**

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<b>Person to Contact:</b>	Andrew Brown - Senior Education Officer - andrew.brown@west-dunbarton.gov.uk
<b>Appendices:</b>	Appendix 1 – Types of ventilation by establishment Appendix 2 – CO <sub>2</sub> monitoring process
<b>Background Papers:</b>	EIA Screening
<b>Wards Affected:</b>	All wards

## APPENDIX 1 – Types of ventilation by establishment

Establishment	Type of Ventilation		
	Mechanical: Extractors	Mechanical: Air Conditioning Unit	Mechanical: Air Handling Unit
Andrew B Cameron ELCC	✓		
Auchnacraig ELCC	✓		
Balloch Campus	✓		✓
Bellsmyre Campus	✓		✓
Bonhill			✓
Braehead	✓		
Brucehill ELCC	✓		
Carleith	✓		
Choices	✓		✓
Christie Park	✓		
Clydebank ELCC	✓		
Clydebank High School	✓	✓	✓
Clydemuir	✓		
Dalreoch	✓		
Dalmonach ELCC	✓		
Dalmuir ELCC	✓		
Dumbarton Academy	✓	✓	✓
Edinbarnet	✓		
Ferryfield ELCC	✓		
Gartocharn	✓		
Gavinburn	✓		
Goldenhill			✓
Kilbowie ELCC	✓		
Kilbowie	✓		✓
Kilpatrick	✓		✓
Knoxland	✓		
Ladyton ELCC	✓		
Lennox (Faifley) ELCC	✓		
Lennox	✓		
Levenvale	✓		
Linnvale	✓		
Our Holy Redeemer	✓		
Our Lady & St. Patrick's HS	✓	✓	✓
Our Lady of Loretto	✓		
Renton Campus	✓		✓
St. Eunan's	✓	✓	✓
St. Joseph's	✓		
St. Martin's	✓		
St. Mary's (Alexandria)	✓		
St. Mary's (Duntocher)			✓
St. Michael's	✓		✓

St. Patrick's	✓		
St. Peter the Apostle HS	✓	✓	✓
St. Ronan's	✓		
St. Stephen's	✓		
Whitecrook	✓		
Vale of Leven Academy	✓	✓	✓

## CO<sub>2</sub> Monitoring Process

This document outlines the process for monitoring levels of CO<sub>2</sub> across the learning estate.

### Why are we monitoring levels of CO<sub>2</sub>?

It is important to have good air quality in the places where we work and where our children learn. People exhale carbon dioxide (CO<sub>2</sub>) when they breathe out. If there is a build-up of CO<sub>2</sub> in an area it can indicate that ventilation needs improving. Although CO<sub>2</sub> levels are not a direct measure of possible exposure to COVID-19, checking levels using a monitor can help you identify poorly ventilated areas. CO<sub>2</sub> measurements should be used as a broad guide to ventilation within a space rather than treating them as 'safe thresholds'.

Outdoor levels of CO<sub>2</sub> are around 400ppm and indoors a consistent CO<sub>2</sub> value less than 800ppm is likely to indicate that a space is well ventilated.

An average of 1500ppm CO<sub>2</sub> concentration over the occupied period in a space is an indicator of poor ventilation. We need to take action to improve ventilation where CO<sub>2</sub> readings are consistently higher than 1500ppm.

However, where there is continuous talking or singing, or high levels of physical activity (such as dancing, playing sport or exercising), providing ventilation sufficient to keep CO<sub>2</sub> levels below 800ppm is recommended.

### How can we have good ventilation whilst keeping warm?

Providing adequate ventilation does not mean people have to work in an uncomfortably chilly or cold workplace. There are simple steps you can take to make sure your workplace is adequately ventilated without being too cold:

- Partially opening windows and doors can still provide acceptable ventilation while keeping workplace temperatures comfortable
- Opening higher-level windows will probably create fewer draughts.
- Ensuring all trickle vents are in the open position will provide good, draught free ventilation.
- In occupied rooms relying on natural ventilation, air the space by opening windows and doors as fully as possible to regularly provide additional fresh air. This can be done while people leave the room for a break. For example, 10 minutes an hour can help reduce the risk from virus in the air, depending on the size of the room
- If the area is cold, relax dress codes so people can wear extra layers and warmer clothing
- You could set the heating to maintain a comfortable temperature even when windows and doors are open

## How will we monitor levels of CO<sub>2</sub>?

Each establishment has been provided with a number of Vision CO<sub>2</sub> monitors. These are simple to use devices, which give a colour-coded visual indicator and numerical reading for the level of CO<sub>2</sub> present in the atmosphere. A 'Blue' or 'Green' display would suggest no need to change ventilation, 'Yellow' or 'Amber' would suggest improving ventilation, and 'Red' or 'Purple' would suggest further investigation/action is required. Staff can use these devices to measure the levels of CO<sub>2</sub> in the learning and teaching spaces across West Dunbartonshire.



An A4 visual guide (at the end of this document) has been produced to show people how to simply take readings, and how to submit these readings via a google form. The A4 visual guide should be displayed in learning and teaching spaces for easy reference.

## How do you take a reading?

The Vision CO<sub>2</sub> monitor gives a live reading of the level of CO<sub>2</sub> present in the room, and the display gives a helpful colour-coded visual indicator. Here are a few tips on where to place a monitor, and how to take a reading:

- Measurements should be taken with the room at full occupancy. For classrooms take readings towards the end of the period when CO<sub>2</sub> levels may have built up. If there is adequate ventilation the build-up will not continue to concerning levels.
- Measurements are best taken at the head height of the occupants. This will vary according to occupants and activity.
- Do not take measurements in direct draughts.
- Take measurements in the body of the room, but far enough away from individuals so that direct breath does not affect the monitor (aim for 2 meters)
- Allow time for the readings to stabilise as they may be rising or falling from a previous reading. No significant change for 1 minute is a good guide.
- Take into account any room activity before taking readings. Any burning i.e. gas burners or Bunsen burners, will produce CO<sub>2</sub> and give an elevated reading which does not accurately reflect ventilation for the number of occupants.
- Likewise many science experiments produce CO<sub>2</sub> as a product of a reaction.
- Singing, shouting and exercise will increase CO<sub>2</sub> levels in the room. These should be taken as true readings and additional ventilation may be required for these areas.



- If you obtain some wildly unexpected readings, in the first instance take your meter outside to check it reads somewhere close to 400ppm. If not, it may need recalibrated – speak to your Head Teacher / Head of Centre in the first instance.

## How do you capture a reading?

The Vision CO<sub>2</sub> monitor gives a live reading of the level of CO<sub>2</sub> present in the room. To record the data, simply visit the following google form to record some information:

<https://forms.gle/zQ5vzUi1QSnDrSYVA>

The form asks you to capture a number of pieces of data:

1. **Which Establishment?** Pick the building you are taking the reading in from the list – note – in some cases, this isn't the name of your establishment, as you share a building with others.
2. **What is the 'asset tag' of the space you are monitoring?** Each location has an 'asset tag' – this is a unique reference number for the location you are taking a reading for. (It usually takes the form of a small metal disc attached to the door frame of a room, with a number indicating the level/room – ie 0/123). This is not to be confused with the room name, or classroom number – if in doubt, ask your school office or Head Teacher/Head of Centre.
3. **What date was the reading taken?** Be sure to enter the *date* the reading was taken, especially if you are filling in the form at a later date or time.
4. **What time was the reading taken?** Be sure to enter the *time* the reading was taken, especially if you are filling in the form at a later date or time.
5. **What was the reading?** The Vision CO<sub>2</sub> monitor will display a numerical reading for the level of CO<sub>2</sub> present in the space. This is measured in ppm – parts per million.
6. **How many people were in the room at the time of the reading?** It's important for us to understand the reading submitted to know more about what was happening in the space – the number of people present is an important contributing factor to the levels of CO<sub>2</sub>.
7. **What was the activity?** As important to how many people were present is what they were doing. We've tried to make this list as simple as possible, so please choose the one that most closely matches.
8. **How was the space ventilated?** To understand what can be done to assist the levels of CO<sub>2</sub> in a space, we need to know how the space was ventilated when the reading was taken.



The form can be used as often as needed by any user of the space with access to a Vision CO<sub>2</sub> monitor.

## What happens with the data?

There are two ways that action can be taken – **locally** and **centrally**, following submission of data.

### Action - Locally

As the Vision CO<sub>2</sub> monitoring device provides live readings, some action can be taken locally to improve ventilation.

### ***Between 800 ppm and 1,500 ppm***

Where an observed reading is between 800 and 1,500 ppm ('Yellow' or 'Amber' display), consideration should be given to improve the ventilation in the space. This may be as simple as opening doors or windows to increase the ventilation, or it may require discussion with the RPO (Responsible Premises Officer), Head Teacher or Head of Centre.

If ventilation cannot be improved by simple means of opening windows or doors, discussion should be had with the RPO (Responsible Premises Officer), Head Teacher or Head of Centre about the use of the space with a view to reducing the levels of CO<sub>2</sub> present. Could less people be in the space at any one time? Could the space be used differently?

### ***Above 1,500 ppm***

Where a reading is above 1,500 ppm ('Red' or 'Purple' display) and all means of ventilating the space and the use of the space have been explored, a case conference will need to be held. To organise a case conference, the RPO (Responsible Premises Officer), Head Teacher or Head of Centre should contact Corporate Health & Safety, who will then facilitate input from Energy & Compliance, Asset Management and Education to determine the best course of action. A case conference will be organised within 24 hours.

### ***Local Health & Safety meetings***

It is anticipated that CO<sub>2</sub> monitoring becomes an agenda item at local Health & Safety meetings. Gathered data will be shared with RPOs and Trade Union representatives.

## **Action - Centrally**

The data submitted through the form will be analysed by central officers in Education and Energy and Compliance.

### ***Below 800 ppm (parts per million)***

Where a submitted reading is below 800 ppm ('Blue' or 'Green' display), no action will be taken centrally.

### ***Between 800 ppm and 1,500 ppm***

Where a submitted reading is between 800 and 1,500 ppm ('Yellow' or 'Amber' display), central Education Officers will raise monthly with the RPO (Responsible Premises Officer), Head Teacher or Head of Centre what has been done to lower readings.

### ***Above 1,500 ppm***

Where a reading is above 1,500 ppm ('Red' or 'Purple' display) and all means of ventilating the space and the use of the space have been explored, central officers in Education and Energy and Compliance will bring this to the attention of Corporate Health & Safety, who will then facilitate input from Energy & Compliance, Asset Management and Education in a case conference within 24 hours to determine the best course of action. Action points from this case conference will be captured, and reported to the Learning Estate Project Board.

### ***Joint Health & Safety Committee meetings***

It is anticipated that CO<sub>2</sub> monitoring becomes an agenda item at Joint Health & Safety Committee meetings. Analysed totals and areas of concern will be shared with members, and progress to address any concerns reported.

<https://forms.gle/zQ5vzUi11QSnDrSYVA>

Gather  
Data



What does  
the reading  
tell you?

## CO<sub>2</sub> Monitoring (Quick Guide)

**BELOW 800ppm**

**NO ACTION REQUIRED**

**BETWEEN 800 – 1,500ppm**

**DISCUSSION:**  
Is the space adequately ventilated?  
Is there an alternative to using the space?

**ABOVE 1,500ppm**

**CASE CONFERENCE:**  
Health & Safety, Education, Asset  
Management



Up to 600ppm



601 - 800ppm



801 - 1000ppm



1001 - 1500ppm



1501 - 2000ppm



Over 2000ppm



## WEST DUNBARTONSHIRE COUNCIL

Report by: Chief Officer - Roads &amp; Neighbourhood (Shared Service)

Council: 22 December 2021

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**Subject: Controlled Crossing - A814 Dumbarton Road at Hall Street and Miller Street, Clydebank**

**1. Purpose**

- 1.1** This report seeks to advise members on the costs to remove and/or reinstate at an alternative location the installed pedestrian crossing facility located at A814 Dumbarton Road at Hall Street, Clydebank in the vicinity of the Clydebank Town Hall.

**2. Recommendations**

- 2.1** It is recommended that the Council:

- i) Notes the incurred costs to date in item 4.9 and the potential costs to remove and/or relocate the pedestrian crossing, respectively in items 4.10 and 4.11;
- ii) Agrees that the new crossing remains in situ as per the designed scheme;
- iii) Agrees that the traffic signal poles are upgraded to black; and
- iv) Notes that Officers have explored costs and design practicality with regards to the option of removing the secondary signal head and replacing with an overhead gantry and that this is not considered an appropriate layout for this location.

**3. Background**

- 3.1** Council agreed a motion with addendum on 27 October 2021 as follows:

*“The Council laments the positioning of traffic lights at the corner of Hall Street/Dumbarton Road as it impacts to the detriment of the Hall Street War Memorial. Council agrees we should consider removing or relocating these lights to a more suitable location once Council have had a site visit and seen a detailed report into the proposal before making a final decision.*

*Council asks Officers to prepare a report with options to achieve this and bring it to December 2021 Council.*

*A site visit should be arranged for interested members with appropriate Officers and Partner Agencies.”.*

- 3.2** A site visit was taken place on 22 November 2021 and the feedback from Elected Members has been considered within this report.
- 3.3** This report sets out the incurred costs to install the traffic signals and associated public realm works. It also sets out the cost implications to remove the traffic signals and the potential cost to relocate the crossing point.

#### **4. Main Issues**

- 4.1** Connecting Clydebank is a public realm project that has been developed through public consultation and in partnership with our funding partner, Sustrans. The layout has been considered by Planning Committee on 29 August 2018 and was approved by Planning Committee held on the 14 November 2018, It was also been approved by the Sustrans Steering Panel.
- 4.2** A key element of the Connecting Clydebank project's aims and objectives is to link the Queens Quay development with Clydebank Town Centre and the NCN cycle routes adjacent to the Forth and Clyde Canal.
- 4.3** Two of the locations that were identified as key destinations and pedestrian generators were the Clydebank Town Hall and the Titan Boulevard and it was highlighted that crossing the busy A814 was perceived by users as an obstacle.
- 4.4** The planning permission for Connecting Clydebank included a new controlled crossing with junction table formed on Dumbarton Road at Miller Street and Hall Street junctions.
- 4.5** The location and type of junction have been designed in line with National Roads design guidance and the Design Manual for Roads and Bridges.
- 4.6** The junction on Dumbarton Road at Hall Street and Miller Street has two pedestrian crossing points that, although look to be separate, work in tandem, e.g. if a pedestrian stands at the Town Hall and presses the button requesting to cross, the crossing at the church would be at red too. This facilitates the safe movement of vehicles exiting/entering Hall Street and Miller Street.

The traffic signal heads and crossing points are designed for safety and are appropriate for the type of road location, visibility requirements and are user friendly facilitating both cycle and pedestrian crossing.

The footway has been widened by approx. 2m and the traffic signals are located on what was previously carriageway.

- 4.7** The junction table detail allows diagonal crossing and reduces speed of vehicles both through the vertical height but also the change in material. It is designed to be aesthetically pleasing and adds to the public realm of the area.

- 4.8** As the road is wide at this location with parking bays and a layby located closeby there is a risk a larger vehicle may obscure one of the traffic signal heads. To mitigate this risk the traffic signals have been designed with a secondary signal head to give additional visual warning to drivers coming from the Kilbowie Rd junction reducing the risk of them accidentally running a red light.

The signal heads are a standard size and are as specified by design regulations.

- 4.9** The incurred costs to complete the construction of the junction on Dumbarton Road at Hall Street and Miller Street is £350,000.

This includes the installation of the junction table encompassing both crossing points, traffic signals, cabling and ducting.

- 4.10** Officers have investigated the potential cost to remove the signalised crossing on Dumbarton Road at Hall Street and to redesign the junction with a single crossing point only on Dumbarton Road at Miller Street.

The anticipated cost to remove the traffic signals is £107,000.

This includes the removal of the signals, reducing the size of the high quality speed table to the crossing at the Church only and carriageway reinstatement.

- 4.11** The cost to reinstate the crossing in an alternative position would be £430,000.

This anticipated cost is an increase from the previous incurred cost as it includes the increased cost of materials and reflects supply issues.

- 4.12** Further to the site visit Officers have reviewed traffic signals located in other historic settings and have noted that in these locations the traffic signals are often painted black.

The cost to paint the traffic signals would be in the region of £8,500. This can be incorporated within and funded by the current project and associated budget.

- 4.13** Officers have also considered the installation of a gantry arrangement to potentially remove the requirement of the secondary traffic signal heads. Costs are dependent on the design detail and it is expected to be in the region of £70-100,000. Gantry systems are commonly used on motorways and other key transport routes and therefore there are limited examples on a similar road layout to Dumbarton Road and it is not considered a suitable option to proceed to design.

- 4.14** There is no revenue budget allocated for the removal of the traffic signals of £107,000. It is also required to repay the externally funded element of the incurred costs of £350,000, which is 70%, and there is no allocated revenue budget for this. There is also no capital budget allocated for the relocation of the traffic signals of £430,000.
- 4.15** The CDM Regulations place a responsibility on the Council to ensure the designs are safe. The Council would therefore need to justify any decision to remove this additional protection quite thoroughly to protect all parties. The process would also need to be subject to an independent road safety audit. The result may be a need to install other mitigations which may have different implications.
- 4.16** Should events be held in Solidarity Square the signals are able to have any sound-effects switched off for the duration and/or the signals.
- 4.17** If changes are agreed to the approved scheme approval would require to be sought from the Planning Committee. Should Planning approval not be granted a further report would be submitted to Council to consider the implications of this.

## **5. People Implications**

- 5.1** There are no personnel issues in relation to this report.

## **6. Financial and Procurement Implications**

- 6.1** Any decision to remove installed traffic lights will have the following financial implications, none of which are budgeted:

### Revenue

Incurring cost of installation	£350,000
Cost to reinstate and remove traffic signals	£107,000
Cost to carry out further road safety audit	£5,000
<b>Total revenue implication</b>	<b>£462,000</b>

### Capital

Relocation of the crossing to an alternative location	<b>£430,000</b>
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## **6.2 External Funding Implications**

As funder, Sustrans, would be refunded 70% of £350,000 as this element of the project is now complete but would be no longer in place. Sustrans will fund 70% of the total project costs and the Council will fund the remaining 30%.

Sustrans retain their right to consider any proposed changes to the approved design and review whether the project continues to deliver against the aims and objectives. This may have an impact on the funding award which is £2.5m

West Dunbartonshire may be considered less favourably for future funding awards from Sustrans as deliverability is a scoring criteria of any bid.

### **6.3 Procurement Implications**

Should the traffic signals be removed and relocated the associated costs could be delivered by the current contractor as the compensation event would be within the permitted allowable percentage increase to contract cost.

## **7. Risk Analysis**

- 7.1** Should a decision be made to alter the approved works already carried out there is a significant financial implication at a time when financial resources are scarce and this must be seen as not being Best Value or Value for Money and a significant risk to the reputation of the Council and its existing governance arrangements.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** There is no Equalities Impact as a result of this report

## **9. Consultation**

- 9.1** Extensive consultation was undertaken as part of the Connecting Clydebank project with external and internal partners and stakeholders and this report has been subject to consultation with Legal and Finance Officers of the Council.

## **10. Strategic Assessment**

- 10.1** At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 - 2022 are as follows:

- A Strong local economy and improved employment opportunities.
- Supported individuals, families and carers living independently and with dignity.
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged.
- Open, accountable and accessible local government.
- Efficient and effective frontline services that improve the everyday lives of residents.

- 10.2** The Connecting Clydebank project contributes to all of the strategic priorities identified. The recommendations within the report align with the strategic priorities. Should the decision be made to remove the traffic signals this would not align with all the strategic priorities, in particular efficient and effective frontline services that improve the everyday lives of residents.

**Gail Macfarlane**  
**Chief Officer – Roads and Neighbourhood Services**  
7 December 2021

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**Appendices:** None

**Background Papers:** None

**Wards Affected:** Clydebank Waterfront