

AUDITED ANNUAL ACCOUNTS
2020/21



Angus Council – Annual Accounts 2020/21

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Management Commentary

1. Purpose

The Management Commentary explains Angus Council's financial performance for the year ended 31st March 2021. It aims to help people understand what the numbers are and what they tell them with some additional comment. It sets out what the Council is trying to achieve and the broader financial and policy environment in which the Council operates. It outlines the future plans for the Council and the challenges and risks it faces to meet its vision to make Angus a great place to live, work and visit.

Angus Council's financial results are presented in four primary statements (pages 51-54): the Movement in Reserves Statement; the Comprehensive Income and Expenditure Statement; the Balance Sheet and the Cash Flow Statement.

There are a large number of notes which give additional details on the figures in the four primary statements and these include the accounting policies adopted by Angus Council to ensure that the financial statements give a true and fair view of the Council's financial position and transactions. The format and content of the Council's Annual Accounts are governed by The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

2. Coronavirus Outbreak (COVID-19)

Background

In the first quarter of 2020 a coronavirus outbreak (COVID-19) activated across the globe. This resulted in the United Kingdom and Scottish Governments imposing restrictions through guidance and law on the movement of people which came into effect on 23 March 2020. The impact of this led to a "shutdown" of virtually all economic activity within the UK and large-scale government financial intervention, some of which has fallen to local government to administer. This resulted in a significant level of increased economic uncertainty for Angus and the Council.

A special meeting of Angus Council was held on 3rd April 2020 and report [121/20](#) was approved which set out the arrangements to be put in place in terms of decision making at council and committee level in light of the COVID-19 pandemic. Report [122/20](#) taken to the same committee detailed the initial actions which had been taken in response to the COVID-19 pandemic by the Chief Executive of Angus Council. Report [123/20](#) detailed the temporary delegated authorities which were to be put in place to cover Finance and Procurement Activity. Report [124/20](#) provided an update on further actions that were to be taken. From August 2020 the normal Angus Council committee cycle resumed albeit via online meetings rather than face to face, after which time a number of other update reports were taken to committee concerning the Council's return to normal reporting arrangements ([270/20](#)), Winter 2020 plans and COVID-19 response and preparedness ([328/20](#)). More recently in May 2021 report [137/21](#) agreed the use of COVID-19 funding for specific purposes.

Principal Funding and Spend 2020/21

The revision to the Council's 2020/21 General Fund Revenue Budget is detailed in Report [211/20](#) and these were the budgets that Services were monitoring throughout 2020/21 and are included in the Income and Expenditure Statement and figure 7 below. These figures were the original projections based on our best estimates of costs and income in a fast-changing environment. They have been revised during 2020/21 to take account of continued affects COVID-19 has had on Council Services and finances, with a large number of principal funding streams being made available to the Council during this financial year, this was paid in two ways, redetermination at the end of the financial year and direct grant to services during the year. This principal funding was to assist the Council with the impact COVID-19 was having on our cost of services and also to allow the Council to help Angus communities where needed. Report [212/21](#) shows a summary of the final outturn information for the year, including figure 1 below and a further report 265/21 was presented at Policy & Resources on 31 August 2021 which detailed the COVID-19 Funding and Spend for 2020/21.

Fig 1 – COVID-19 Funding & Spend 2020/21

	£m	£m
Funding		
Scottish Government Redetermination	(22.505)	
Less – Agency Grant not included in Service Expenditure	0.556	
Less – Service Grant Income Carry Forward to 2021/22	0.099	(21.850)
Scottish Government Direct Grant Income	(2.052)	
Less – Carry forward to 2021/22	0.084	(1.968)
Early Years Ring-Fenced Grant		(0.895)
Service Core Budget Underspends		(0.730)
Total Funding		(25.443)
Total Net COVID-19 Expenditure		13.888
Balance of Funding to be earmarked		(11.555)*
* - £5.260m of this sum was committed – see fig 9 below		

Agency Funding & Payments to Angus Businesses/Individuals 2020/21

In addition to the COVID-19 related costs and funding detailed in fig 1 above, there is a large value of costs and associated funding which have not been recognised in the Council's accounts in accordance with national accounting guidance and the assessment of principal/agency arrangements. The Council received a large amount of funding where the Council acted as an agent on behalf of the Scottish Government and distributed different types of grants to businesses/individuals across Angus to assist with their sustainability/survival through the numerous lockdown situations and as Council areas moved between restriction levels. The total amount of agency grant distributed in 2020/21 by the Council was in the region of £34m, with the most significant grants shown below

Fig 2

Type of Grant	Primary Use of Funding	£m
Business Support Fund	The initial one-off payment of grant to mitigate the impact of COVID-19 on businesses to help protect jobs, prevent business closure and promote economic recovery. The scheme made sums available to businesses dependent on their rateable value.	21.180
COVID-19 Strategic Framework Business Fund – Protective Measures Closures	Support to businesses mandated to close or directly modify operations by law. There were a number of variations awarded to the Council during financial year 2020/21 due to the variations on restrictions that were implemented through the year.	10.791
Winter & Spring Hardship Payments	Winter and Spring payments of £100 for children and young people from low income households who are in receipt of Free School Meals	0.567

A detailed report on the Council's COVID-19 funding and spend, including agency grants was presented at the Policy and Resource Committee on 31 August 2021, report 265/21 refers.

Further to the grants distributed on behalf of the Scottish Government the Council and the Angus Health & Social Care Partnership distributed a total of £1.453m of personal protective equipment (PPE) and testing kits to third party care providers through community hubs, which was provided by NHS national Services Scotland for social care services.

Other Agency Services

The Council has an agreement with Scottish Water whereby it collects water and waste charges in conjunction with the collection of Council Tax.

Impact on 2021/22 Budget

COVID-19 continues to have a significant impact on the Council and its operations and the Council will continue through the recovery and renewal phase during 2021/22, with the latest update contained in report 208/21. The Council set a 2021/22 budget in March 2021 excluding any costs associated with COVID-19 to allow more time for the financial impact and national funding streams to be considered. A revised budget for 2021/22 was subsequently approved taking into account known COVID-19 related budget pressures through report 213/21. This is the budget that will be monitored during 2021/22 with the expectation that further revision will be made, if necessary, during the financial year in the event that there is a significant change in the assumed impact of COVID-19. The additional grant funding received during 2020/21 and 2021/22 to address COVID-19, compared with the actual and anticipated financial impact, has resulted in the Council being in a better financial position in respect of both reserves and underlying budget. The Council is therefore in a relatively strong position to continue to tackle the COVID-19 impact on its Services using these one-off resources. We continue to anticipate the pandemic's effects being long lasting in health and economic terms, both of which will impact on the Council's services and finances.

3. Introduction and Background

Angus Council is one of 32 Councils in Scotland established in 1996 as part of Local Government reorganisation. The Council covers an area of around 840 square miles, and has 28 elected Members serving a population of approximately 116,000. A coalition administration was formed at the statutory meeting of Angus Council on 16th May 2017. Full details of the elected members of Angus Council can be found at https://www.angus.gov.uk/council_and_democracy.

Fig. 3 The County of Angus



As stated below, Angus Council's vision is to make Angus a great place to live, work and visit. While we cannot make this happen on our own, by working with partner organisations and communities, we aspire to provide integrated, responsive and sustainable services that will help deliver this vision.

4. Our role

Traditionally, councils have been the direct and often sole provider of a very broad range of services. However, due to financial pressures and changing expectations from the public we serve, we can no longer do that. In the coming years we will be working more alongside our partners to focus our resources on efficiently targeting the areas of greatest need and creating the best outcomes for the people of Angus with the resources we have. When planning services, we will consider how they are provided and who can offer the best value – that may or may not be the council.

The council will continue to have a key role in determining priorities and policy. We will continue to lead and co-ordinate partnership working; we will commission services; we will continue to support and enable communities. All of this will be achieved with a much clearer focus on outcomes, quality and sustainability. The Council's role is likely to evolve in the coming months and years as a consequence of the COVID-19 pandemic.

5. The Council Plan 2021-2024

We want Angus to be a great place to live, work and visit and our Council Plan explains how we intend to make that ambition a reality. It starts with our values.

5.1 Our Values

We have been engaging with our staff to identify and live our values. Workshops, focused sessions and surveys were used to develop our understanding of our aspirations for Angus, how we want to work with citizens and the behaviours and attitudes we need to consistently achieve that.

This activity allowed us to identify the following values which underpin all of our work:

- **Focus on People** – we will put people at the heart of designing and delivering our services.
- **Respect** – we will handle all interactions with the Council openly and respectfully.
- **Fairness** – we will create an environment that is equitable for all.
- **Integrity** – we will do what is right, working openly and honestly to build confidence and trust.
- **Collaboration** – we will work jointly with others, sharing knowledge and expertise for a common purpose.

We are engaging with people, partners and colleagues to measure our performance against our values, to challenge our behaviours, attitudes and aspirations so we can ensure that they are firmly embedded within our organisational culture.

The Council agreed an updated Council Plan, [report 61/21](#), in March 2021 alongside a Finance & Change Plan and Workforce Plan. The updated Council Plan reaffirmed our commitment to our four strategic priorities which we continued to work towards during 2020/21 and against which we will measure our outcomes in future:-

5.2 Economy

We want Angus to be a 'go to' place for businesses.

To do this we will:

- Spend Council money locally where we can to help grow our local economy;
- Support the creation of local, fairly paid and lasting job opportunities for our citizens;
- Make Angus a low carbon, sustainable area;
- Support business and economic growth by improving the physical and digital infrastructure.

Fig 4: Performance: The indicators below set out our actual performance and future targets

Council Plan Indicators	16/17	17/18	18/19	19/20	20/21	Target (21/22)	
The percentage of people employed in Angus [Employment rate as a percentage of people in employment in Angus]	76.90%	75.70%	76.28%	77.10%	72.30%	78%	
Wage levels of those people living in Angus and those commuting into the area [Median gross weekly earnings]	Workplace based	£475.10	£460.10	£499.20	£489.60	£544.50	£518.30
	Residence based	£527.80	£542.50	£544.00	£549.90	£575.30	£550
The productivity of the workforce [Gross Value Added]	£19,362	£19,786	£20,514	£21,338	NA	£27,391	
The percentage of new businesses that survive beyond three years	70.60%	63%	66%	58%	NA	66%	
The economic impact of tourism in Angus	£226,710,000	£230,860,000	£240,060,000	£240,500,000	£95,870,000	No target in 2021/22 due to impact of COVID-19 on sector	
New businesses coming into the area [The percentage of Employment land take-up during the reporting year in hectares]	37.85	11	10.73	1.8	NA	10%	
The percentage of premises able to access broadband speeds of at least 24 megabits per second	81.20%	86%	88.10%	89%	92%	100%	
The percentage of Angus Council's procurement spend with local small and medium sized companies (SMEs)	34.47%	38.05%	36.56%	19.95%	NA	44.36%	

- NA – Data not yet available

Our economy has been significantly impacted by the COVID-19 pandemic and will form a significant part of our recovery programme. However, there has been much activity and plans in place to support recovery and growth, focused on low carbon, innovation and permanence. Many of the programmes below are funded by the Angus Fund which demonstrates the impact and significance of the Tay Cities Deal.

5.3 People

We want to maximise inclusion and reduce inequalities.

To do this we will:

- work in partnership to develop trauma informed approaches, creating environments which support compassionate provision of services and encourage people to be kind
- Work collaboratively for and with our citizens to keep them safe in resilient communities;
- Reduce social isolation and loneliness;
- Offer our citizens a range of opportunities to help them achieve their potential and to reduce poverty;
- continue to respond to Scottish Government and public health guidance to ensure that our early learning and school environments are safe and conducive to high quality learning and teaching
- Enhance our senior phase (S4-S6) offering, leading to varied pathways which support and challenge all our young people;
- Increase the attainment and achievement of our young people, including looked after children

Fig 5: Performance: The indicators below set out our actual performance and future targets

Council Plan Indicators	16/17	17/18	18/19	19/20	20/21	Target (21/22)
Percentage of looked after children cared for in Angus	82%	78%	81%	82%	79%	85%

Number of children on the child protection register	96	51	64	45	36	40 or less
Number of children living in poverty	23.6%	24.1%	23.3%	24.0%	NA	20.0%
Percentage of children accessing funded entitlement to early learning and childcare	NA	NA	NA	92%	94%	95%
Rates of reconviction *	23.8%	24.0%	NA	NA	NA	20.0%
Percentage of anti-social behaviour complaints resolved	NA	NA	98%	98%	90%	100%

*Note this is the most recent data available published

- NA – Data is not yet available
- Attainment data – the absence of external assessment information for 2020, and the Ministerial decision to award estimated grades, means that results for 2020 should not be directly compared to those in previous years or future years. As such, performance data for the ‘attainment’ measures in the Council Plan are not recorded here but are addressed in the narrative under Primary and Secondary School in report 279/21.
- The work focused on People has been hugely impacted by COVID-19 and led to the refocusing of much of the council and its partner’s efforts. In order to facilitate a timely response, a Special Arrangements Committee was established with delegated powers to decide any matter which would normally be decided by the Council, Communities and the Policy and Resources Committees to ensure essential work was delivered to support local people and keep them safe. These meetings took place remotely and were live streamed to ensure Angus citizens were aware of political decision making, even during lockdown.

5.4 Place

We want our communities to be strong, resilient and led by citizens.

To do this we will:

- Engage with citizens and communities to deliver the right services in the right place at the right time;
- Increase the supply of affordable housing and improve the council’s current housing stock so it is fit for the future;
- Continue to reduce the council’s carbon footprint with the aim of reducing our net carbon emissions to zero by 2045;
- Coordinate our place-based activity and investment through the development of the Angus Local Development Plan (known as the Angus Plan).

Fig 6: Performance: The indicators below set out our actual performance and future targets

Council Plan Indicators	16/17	17/18	18/19	19/20	20/21	Target (21/22)
Percentage of household waste that goes to recycling	56.71%	55.21%	54.70%	59.10%	NA	68%
Percentage of adults stating their neighbourhood is a good place to live	96%	94%	96%	94%	NA	95%
Percentage of households experiencing fuel poverty	NA	33%	20%	20%	22.0%	15%
How clean are our streets [LEAMS Street cleanliness score]	94.38	91.11	92.9	92.05	95.2	95
Number of homeless applications	745	747	707	661	484	565
Percentage of council tenancies sustained for 12 months	87.10%	91.63%	84.84%	87.10%	88.49	91.5%
Percentage of A class roads	21.61%	23.99%	26.53%	28.64%	26.30%	33%

Maintenance of our roads [Percentage of A, B, C class roads that are considered for maintenance]	Percentage of B class roads	33.31%	35.87%	37.43%	37.91%	37.30%	40%
	Percentage of C class roads	27.70%	30.19%	31.52%	30.10%	27.90%	32%
Number of affordable homes delivered		NA	88	128	92	141	120
Percentage of adults satisfied with parks and open spaces		89.67%	87.67%	86.20%	87.20%	NA	85%

- NA – data is not yet available
- The reconfiguration of the recycling centres during 2019/20 saw the tonnage of recycling collected increase by 9.41% while general waste reduced by 34.12%. It also resulted in a significant increase in the recycling rate achieved, from 52.79% (March 2018 - February 2019) up to 65.12% (March 2019 - February 2020). This work led to Angus winning the “local authority success” award for the redesign of recycling centres at the National Recycling Awards 2020.
- Angus Council has duties under Section 44 of the Climate Change (Scotland) Act 2009 to contribute to reducing Scotland’s greenhouse gas emissions; to contribute to helping Scotland adapt to a changing climate; and to act in the way that it considers most sustainable. Annually, Angus Council submits a statutory report to the Scottish Government on the authority’s progress in contributing to Scotland’s ambitious climate change targets. The report gives information on targets set, actions taken, and outcomes achieved, and further actions required.
- Since the baseline year of 2010/11, Angus Council’s carbon emissions from electricity, gas, oil, LPG and biomass use in buildings has decreased by 44%. Since the previous report on period 2018/19, there was a further 5% reduction in carbon emissions from buildings. Street lighting continues to make significant strides with carbon emissions now down by 78% since 2010/11.

5.5 Council

We want Angus Council to be efficient and effective.

To do this we will:

- Listen to the needs of our customers, and by working for and with them, deliver better public value;
- Support and challenge our workforce for the future, based on our values, to help us to achieve our vision and deliver our priorities;
- Develop a commercial approach where appropriate, to make the most of our limited resources;
- Identify any further opportunities for efficiencies in revenue budget;
- Identify efficiencies in capital spend through end to end review of programme and projects;
- continue the rationalisation of our property.

Fig 7: Performance: The indicators below set out our actual performance and future targets

Council Plan Indicators	16/17	17/18	18/19	19/20	20/21	Target (21/22)
Equalities and diversity – our gender pay gap as a percentage of the workforce	-0.40%	0.70%	-1.56%	-0.78%	-2.08	0%
Reducing the number of council buildings (Percentage reduction in the number of council buildings)	83.59	80	75.9	73.85	74.36	65
Access to our website [Readability figures for website]	NA	NA	62.30%	NA	96.70%	100%
Potential ACCESSLine calls reduced and/or diverted to alternative channels – social media etc:						
No. of ACCESS Line enquiries	1,125	1,710	3,798	4,879	2,407	900

Number of social media followers/engagement rates with Angus Council	NA	NA	NA	4,209,721	5,169,852	5,000,000
Health and safety – a reduction in the number of reported accidents/incidents	NA	NA	3	2	3	0
Access to digital services via Digital Certainty Index	NA	NA	81.20%	93.50%	85.60%	100%
Number of fraud investigations and levels recovered in £'s	No. of fraud Investigations	NA	NA	147	357	420
	£ recovered due to fraud investigations	NA	NA	£108,428	£151,587	£66,357
Percentage of our Change Programme savings targets we have achieved	NA	NA	93.54%	97.60%	94.95%	100%

- NA – Data not yet available
- This year's performance reporting is different because it focuses not only on 2020/2021 performance against our ambitions set out in our original Council Plan, agreed in February 2020, but also against the Council Plan which was updated in September 2020, in order to re-determine priorities and activities to address the effects of the COVID-19 pandemic and support recovery. The performance **report** captures all activity delivered in the period 1 April 2020 to 31 March 2021.

5.6 Strategy on a Page (SOAP)

The most significant change in the 2021-24 update of the Council Plan was the introduction of a Strategy on a Page summary of the Council's overall purpose. This was co-produced with Angus Council employees and targets activity around four themes – what we want to Eliminate; what we want to Reduce; what we want to Raise and what we want to Create. Our ambitions under these four themes are as follows:-

Eliminate –

Child Poverty

Eliminate child poverty through work with partners & business to intervene early, create economic opportunity, while also reducing costs and increasing income for people.

Barriers to Access

Eliminate barriers to accessing the right services at the right time, ensuring the availability of early support for individuals, families and businesses.

Inefficiency

Eliminate inefficiencies within activities, making the best use of resources and technologies, leading to a higher level of consistency and productivity.

Reduce -

Climate Change

Reduce the impact of climate change by being a major contributor to achieving Scotland's national climate change goals, as leaders in clean growth, environmental stewardship and sustainability.

Duplication

Reduce unnecessary duplication and focus on areas of greatest need.

Bureaucracy

Reduce unnecessary bureaucracy wherever it is found, and it is legally permissible to do so.

Raise -

Opportunities for Lifelong Learning

Raise opportunities for lifelong learning for all children, young people, adults, and the workforce, to enable progression in their learning.

Customer Service

Raise the quality of customer service through developing communication channels, underpinned by technology, which continues to provide opportunities for people to engage.

Wellbeing

Raise and promote the wellbeing and safety of communities and the workforce.

Create –

Equity

Create equity by focusing services on those who need them most.

Stronger Partnerships

Create stronger partnerships through collaboration in the planning and delivery of services which benefit the people of Angus. This will include enabling and empowering community leadership.

Inclusive Culture

Create an inclusive culture by trusting and empowering employees, as well as ensure equality in the workforce.

2021 – 2024: SOAP Working Towards Recovery

Our strategic priorities are focused on outcomes. In the 2021 performance report there are updates on activities, policy and importantly prioritisation of our resources to respond to the challenges of and changes due to COVID-19. As part of this reporting period, we have engaged with our staff to consider where we should invest or do more and where we could reduce or stop activities or do them more efficiently. The Strategy on a Page will become a central part of our work for future performance reports. We believe that this will help us to recover from the COVID-19 pandemic to be a more flexible, sustainable and future focused council, better placed to respond to change.

5.7 Council Performance

The Council Plan, the Finance and Change Plan and the Workforce Plan 2019-2024 were refreshed and approved by Council in March 2021. This narrative in this section refers to the work required to deliver the Annual Performance report in September 2021 and governance framework linked to this work. That report focuses on the council performance over the period 1 April 2020 to 31 March 2021 (reflecting what was agreed in the Council Plan in February 2020).

As in previous years the Council Plan performance report (279/21) and community plan performance report (334/21) were tabled at full Council and together give a clear picture on the Council and Partnership priorities. This work provides a solid foundation for the upcoming Best Value Audit.

On an annual basis services are asked for information to populate the Council Plan, Workforce Plan and Finance and Change Plan. Over the past 12 months this process has been streamlined to reduce the impact on staff time. The 2020/21 Performance report (279/21) focuses on what has been done for the previous 12 months, case studies, key statistics, improvements and how we are progressing. This performance report is designed to show how we are delivering on our vision to make Angus a great place to Live, Work and Visit.. Services had already contributed to the performance commentary in the Local Government Benchmarking Framework report that was presented to the Scrutiny & Audit committee on 1 June 2021, [report 183/21](#), and this information has been incorporated into the performance report. In addition, services were given the opportunity to comment more specifically on the performance on the council plan measures.

6. Finance & Change Plan

At its 2021/22 budget setting meeting in March 2021 the Council also agreed a newly combined [Finance & Change Plan](#) which includes a simple guide to how the Council's finances work, the significant financial challenges the Council has dealt with and will face in the future and charts and diagrams which show where the Council spends its money and where that money comes from. It also now contains detailed information on the Council's Change Programme which has already achieved substantial savings through significant improvement to the Council's internal efficiency and this work continues. The latest edition of the Programme focuses on four main areas that are key to address future challenges and take advantage of the opportunities available:

- Demand Management – more timely and targeted support
- Innovation/Commercialisation
- Partnership/Collaboration
- Service Contraction

7. Workforce Plan

The updated [Workforce Plan](#) was agreed by the Council in March 2021. It provides a summary of the Council's current workforce, comments on the impact of the Council's Change Programme and makes an assessment of the future skills and development needs of staff so the Council has a workforce in the future which is still able to meet the needs of Angus citizens.

8. Our Change Programme

The Finance and Change Plan referred to above explains that although the Council can do more to improve its efficiency, it has already done a huge amount to save taxpayers money and reduce its costs. The Council is still providing all the services required to by law and has still managed to save £66.1m (24%) in the last 8 years. These are substantial changes for any organisation and have been made at a time when the Council has had to take on a number of new duties through new legislation. Most of the budget savings made have been delivered through our Change Programme. Our Change Programme is, however, as much about improving outcomes as it is about budget savings so the Programme is made up of dozens of projects aimed at enabling change, investing in improving outcomes and delivering substantial financial savings

A Performance Led Council

The challenges facing the Council are many and varied and mean that we must be clear on our priorities, clear on our current performance and clear on what performance we want to have in future. The Council's Leadership Team supported by leaders and managers across the organisation has therefore put being "a performance led Council" at the centre of our culture and approach. To do this we have developed a Performance-Led Council Programme (PLED) to work with all 23 services on 4 key stages. The main objectives of the programme are to adopt an annual cycle in the following key areas:

- Performance – Improved understanding and use of data, performance indicators, SMART actions, Risks and Performance development reviews. This will provide a more robust and balanced picture of how all services are performing.
- Self-evaluation – Develop an annual cycle of service self-evaluation through the model of How Good Is Our Council (HGIOC) that will feed into corporate priorities to be taken forward as part of the council plan
- Performance management – Improved use of our corporate performance management system, Pentana, to become a transparent and collaborative tool for improvement in, and across our services

- Big Data – Improved use of big data across all council services to enable advanced statistical analysis and predictive modelling to lead to data driven improvements. This will assist in more integrated performance information.

The programme, which started in October 2019 to address the foundations of PLED through stages 1 and 2, was paused in March 2020 to allow services time, resource and opportunity to deal with the current pandemic. This activity was restarted in February 2021, with all services engaged and working towards an end point of Autumn 2021. In addition to this, the Big Data Strategy has begun its consultation phase with a detailed two-year project designed to help meet stages 3 and 4 of the PLED programme. The key workstreams of the project are follows:

- Improved collaboration and productivity between services on data
- Develop improved infrastructure to increase quality and efficiency of our data and data management
- Skills and training programme to increase levels of data literacy
- Improved data analysis and reporting of data through a central data warehouse

As part of the Performance-Led council programme, services are reviewing their Performance Indicators to ensure they are relevant to their operational and strategic priorities. A key part of this work is to ensure that the council plan performance measures (as shown in sections above) are linked into the sections with SMART actions to evidence how we are improving and why. In addition to this we have introduced targets against the council plan indicators to assist services understand how the actions can lead to better service and overall council performance. This is part of a wider programme of the PLED to increase the use of our data and analytics within services and across the council to help it to drive improvement. This will assist in delivering improved public performance reporting that is reflective of our performance, improvement actions and provides more balanced reflection. This will be presented in the improved performance report and more regular scrutiny of the data.

9. Operating Context

The challenges which face Angus Council over the next five years will be the focus of work within our 8 service areas:

- **Education & Lifelong Learning** – the education and lifelong learning service is mainly responsible for early years, primary and secondary schools and any additional support needs within Angus relating to our young people;
- **Children, Families & Justice** – where the main areas of responsibility include statutory children & families services and criminal justice social work;
- **Human Resources, Digital Enablement, Information Technology & Business Support** - covers a number of key support functions which enable service delivery across the Council;
- **Infrastructure Services** – responsible for roads & transport (roads, pavements, parking, flood & coastal protection) and Property Assets;
- **Communities** – mainly responsible for waste (waste collection and recycling); planning (applications, building warrants, conservation, environment & development planning); housing (council & social housing, private landlord registration, empty homes, homelessness, supported & sheltered housing); trading standards; parks & cemeteries (ground maintenance, landscaping services, tree management, allotments and burial grounds); environmental health (health & safety, food safety, pollution, animal welfare, pest control);
- **Strategic Policy, Transformation & Public Sector Reform** – mainly responsible for strategic policy & economy; risk, resilience & safety; governance & change and internal audit;
- **Finance** - Revenues & Benefits (Council Tax, benefits & money advice, welfare rights); Finance Corporate & Services Support;

- **Legal & Democratic Services** - Licensing and registrars; Legal Support Services; Facilities Management Services.

All of the above services work closely together to deliver services across localities according to their needs. However, Angus Council is just one part of the public service landscape and we work closely with other partners and arm's length external organisations such as:

- [Angus Health and Social Care Partnership](#) (the Integration Joint Board for the Angus area);
- [ANGUSalve](#);
- Charitable Trusts;
- Common Good;
- [Tayside Contracts Joint Committee](#).

More information on these partners can be found in the Group Accounts, pages 105 - 116.

10. Financial Context – How the budgets were set for financial year 2020/21

Angus Council's General Fund (which covers all non-Council Housing services) is funded by Revenue & Capital Grant provided by the Scottish Government, council tax income, prudential borrowing for capital purposes only, grants and contributions from external sources, capital receipts and one-off funding from general fund balances.

Angus Council's general fund revenue and capital budgets for 2020/21 were originally agreed at a special Council meeting on 27 February 2020 Report [82/20](#).

In order for the Council to set a balanced budget for 2020/21 the budget strategy included Change Programme savings of £5.2 million and £4 million of one-off measures from reserves. These are detailed in Report [88/20](#).

In order to take account of the impact COVID-19 was having on the Council's costs and income a revised budget was agreed at a Council meeting on 10 September 2020, report [211/20](#) refers. This budget was the revised monitoring budget for the financial year 2020/21 and further revisions were made and reported to the Policy & Resources Committee throughout the year in response to changing circumstances caused by the pandemic.

The council's Housing Revenue Account (HRA) is funded by rents from council-owned properties. The revenue and capital budgets for Housing were set at a special meeting of the Communities Committee on 11th February 2020, report [43/20](#) refers. The Council is required by statute to record the income and expenditure relating to the provision, improvement and management of Council Houses separately from the General Fund. This can be seen on the Housing Revenue Account statement on page 117.

11. Financial Results

The annual accounts report the financial performance of the Council and their purpose is to demonstrate that the Council has used its public funds to deliver on the Council's vision and strategic objectives. The requirements governing the format and content of the Council's Annual Accounts are contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020 code). The 2020/21 Annual Accounts have been prepared in accordance with this Code. A simplified summary of the Council's financial performance for 2020/21 was presented at the meeting of Angus Council on 24 June 2021 and report 212/21 and its appendices are available on the website.

The Accounting Code of Practice sets the format and content of local authority annual accounts and requires a set of accounting statements to be prepared which sets out the position at each financial year end. These accounts are prepared by the Director of Finance (Section 95 Officer) for submission to an

independent external auditor so that they may scrutinise their accuracy and completeness. The accounts present the council's financial transactions for the year and show that there has been a proper use of public funds as mentioned above.

The Accounting statements comprise of:

- A movement in reserves statement;
- A comprehensive income and expenditure statement;
- A balance sheet;
- A cash flow statement;
- A variety of Accounting Notes which include a summary of significant accounting policies, analysis of significant figures within the accounting statements and other explanatory information.
- Group Accounts
- Housing Revenue Income and Expenditure Statement
- Council Tax Income Account
- Non-Domestic Rates Income Account
- Charitable Trusts
- Common Good

11.1 What Revenue and Capital Expenditure Covers

Revenue expenditure covers all the costs of running and operating council services in any one year while capital expenditure represents money spent by the Council for buying, upgrading or improving assets such as buildings and roads.

The difference between capital and revenue expenditure is that the Council and Angus citizens receive the benefit from capital expenditure over more than one year.

11.2 Revenue Outturn Position

The Comprehensive Income and Expenditure Statement Summary below sets out the cost of running Angus Council Services, Housing Revenue Account and Adult Services (Angus Integration Joint Board) along with the overall revenue outturn position for the financial year from 1 April 2020 to 31 March 2021.

Fig.8 Comprehensive Income and Expenditure Statement (CIES) Summary

	Net Spend £m	Net Budget £m	Variance £m
Education & Lifelong Learning	124.494	132.507	8.013
Communities	27.013	27.702	0.689
Children, Families & Justice	20.860	22.163	1.303
Infrastructure Services	23.505	23.961	0.456
Strategic Policy, Transformation & Public Sector Reform	9.016	10.543	1.527
Human Resources, Digital Enablement, Information Technology & Business Support	8.555	8.579	0.024
Finance	4.333	4.598	0.265
Legal & Democratic Services	2.698	2.662	(0.036)
Other Services	8.830	11.006	2.176

Facilities Management	6.387	6.735	0.348
Corporate Items	0.008	0.101	0.093
Tayside Valuation Joint Board	0.813	0.813	0.000
General Fund Net Expenditure	236.512	251.370	14.858
Adult Services	54.316	54.316	0.000
Housing Revenue Account	(0.653)	1.654	2.307
Net Cost of Service as per CIES	290.175	307.340	17.165
Other operating expenditure/(income)	(0.449)		
Financing & Investment Income & Expenditure	19.393		
Taxation and Non-specific Grant Income	(305.140)		
Deficit on Provision of Services transferred to the General Fund Reserve	3.979		

The table above shows that the overall revenue outturn 2020/21 was a deficit of £3.979m. After making the required adjustments as shown in the Expenditure Funding Analysis (note 5) along with transfers to and from earmarked reserves (note 6) means an increase of £11.963m in the General Fund Reserve and an increase of £2.278m on the Housing Revenue Account reserve as shown in the Movement in Reserves Statement on page 51.

The table (Fig 8) above also shows that across all general fund net expenditure budgets there was a favourable variance against the original budget of £14.9 million. The majority of the variance was known about or planned for during 2020/21 and in setting the 2021/22 budget as part of the Council's proactive financial management arrangements. However, some of it also arose after the year end due to the impact COVID-19 has had on Council Services during 2020/21. The ability to provide a 'normal' range of services and generate some sources of income has not been possible. In addition, some of these savings were taken to allow flexibility when implementing the COVID-19 recovery plan in 2021/22. Also a number of grants which were received in 2020/21 but the spend for which will be incurred over a number of years e.g. the early years expansion project. These savings and prepaid grants require to be earmarked and carried forward from 2020/21 to 2021/22.

In broad terms variances within General Fund Services revenue budgets arose due to the following main reasons:-

- a. Slippage within employee costs has returned an additional saving of £0.6m against the budgeted slippage target, mainly due to delays in recruitment due to COVID-19;
- b. Savings in budget provisions for energy and non-domestic rates costs (£1.2m);
- c. Slippage in projects and works (£6m) – underspends against budgets in these areas arise for a variety of reasons but the main reason is the impact that COVID-19 has had on some Services being able to provide their 'normal' services, either due to lockdowns and/or where services simply haven't had the resource to progress projects in line with expected timelines. A reduction in payments to third party providers who would have provided some of these services e.g. Tayside Contracts for School Meals is also a factor;
- d. Pre-paid grants, due to technical accounting treatment are shown as savings at year end (£6.9m),

This overall saving on services budgets for 2020/21 needs to be viewed in the context that the COVID-19 pandemic has had on the ability of Services to deliver services in the normal way and also in the context of further savings which have now been removed from Directorate budgets in 2021/22. A total of £5.161 million of savings were implemented when the 2021/22 budget was set in March 2021. This includes savings of £3.696m in relation to Angus Health and Social Care Partnership.

Overall Impact on the General Fund Reserve

The actual year end position on the General Fund Reserve was an increase of £12.001 million.

11.3 Capital Outturn Position

Angus Council spent £38.301 million (gross) during the year on various General Fund and Housing capital projects which is detailed in note 27 to the accounts. On a net basis (i.e. after accounting for dedicated capital receipts, grants and contributions), spend during 2020/21 was £11.346 million.

The General Fund capital programme reported gross expenditure of £22.736 million against a full year budget of £33.847 million, representing slippage of £11.111 million. The most significant areas of General Fund capital expenditure (on a gross basis) undertaken during the year included:

- £0.407 million on the provision of an integrated transport hub at Orchardbank, Forfar;
- £1.740 million on the provision of waste related services;
- £0.841 million on the provision, maintenance and upkeep of the council's buildings, property and IT infrastructure;
- £6.338 million on infrastructure works to roads, footpaths, bridges, cycleways, active travel, etc.;
- £1.395 million on flooding / coastal protection related works, including a major flood scheme at Brothock Water, Arbroath;
- £3.925 million on new Early Learning and Childcare Centres in Forfar and Carnoustie;
- £2.379 million on the Early Years Expansion programme within schools;
- £0.750 million to extend Edzell Primary School;
- £1.057 million on information and communications technology equipment in schools, including digital inclusion for children and young people;

The COVID-19 pandemic had a significant impact on the capital programme during 2020/21, as highlighted in the slippage that arose across all areas, but particularly within Infrastructure (£5.657 million), Communities (£1.933 million) and Education & Lifelong Learning (£1.031 million). The lockdown at the start of the financial year caused most capital works to cease completely, and with a very measured and gradual unlocking thereafter, the capital programme was never fully caught up. Further information on the capital outturn position for 2020/21 can be found in [report 212/21](#).

More detailed narrative on the council's capital investment plans, treasury management (borrowing and investments), prudential indicators and loans fund liabilities can be found in the Council's Capital Strategy ([report 73/21](#)) and Treasury Management Strategy Statement ([report 101/21](#)). The 2020/21 Treasury Management Annual report will be presented to committee on the 30 November 2021 (report 373/21s).

12. Housing Revenue Account (HRA) Revenue and Capital Outturns

Angus Council owns 7,695 properties for which it charges rent.

All expenditure associated with HRA properties must be funded from the rental income generated. Any surplus or deficit at the end of the year is transferred into or out of the Housing Revenue Account (HRA) balances. For 2020/21, the transfer of a net surplus of £2.278m resulted in HRA balances of £5.374m at 31 March 2021.

The Housing Capital Programme reported gross expenditure of £15.565m, representing slippage of £2.344m against a budget of £17.909m. The most significant areas of HRA capital expenditure (on a gross basis) undertaken during the year included:

- £9.8m on new council housing provision;
- £0.5m on heating installations / replacements;
- £2.3m on energy saving measures;
- £0.7m on kitchen replacements;
- £1.2m on bathroom replacements;
- £0.2m aids and adaptations; and
- £0.3m on garage improvements.

Slippage mainly arose within the programmes for: heating installations / replacements (£1.168m); energy savings (£1.660m); and window replacements (£0.422m) offset by additional spend in the new build programme (£0.963m).

13. Usable Council Reserves

The Council holds a number of Reserves and those which are classified as “Usable Reserves” for accounting purposes can be used to support service expenditure on a one-off basis. All of the transactions on the General Fund and Housing revenue and capital budgets in 2020/21 affect the Council’s reserves as does expenditure met from transfers from the Reserves such as the Renewal and Repairs Fund. The Movement in Reserves Statement shows the balance on the Council’s Usable Reserves.

Based on all of the transactions for the 2020/21 financial year the main usable reserves and their balance at 31 March 2021 are shown below together with the equivalent balances at 31 March 2020.

Fig. 9 Usable Reserves

	Balance As At 31/3/21 £m	Balance As At 31/3/20 £m	Movement £m
General Fund Reserve	49.332	37.369	11.963
Housing Revenue Account	5.374	3.096	2.278
Capital Fund	3.755	1.519	2.236
Renewal and Repairs Fund	1.621	2.193	(0.572)
Insurance Fund	1.501	1.339	0.162
Usable Capital Receipts	2.257	0.458	1.799
Unapplied Capital Grant	2.612	1.805	0.807
Total	66.452	47.779	18.673

The General Fund Reserve is split between uncommitted balances (the level of funding available to Angus Council to manage financial risks and unplanned expenditure) and balances which have been committed for specific purposes.

The General Fund Reserve is £49.332m as of 31 March 2021 and some £43.279m of this General Fund Reserve is committed as follows:

Fig. 10 General Fund Reserve Commitments

	£m
Working Balance/Contingency (per existing policy)	4.705
Applied in 2021/22 Budget Setting	4.891
Future years reserve strategy	1.000
Severance Costs	1.162
Provision for Participatory Budgeting	0.404
Saving on debt charges, used for informing discussions/decisions on the 20/21 budget setting process (committee report 64/18 refers)	1.042
Change Fund (committee report 83/14 refers)	0.871
Tay Cities Deal Fund	0.694
Investment Projects (approved as part of 2019/20 budget setting)	0.523
Service Developments (approved as part of 2020/21 budget setting)	1.048
Prior Year 100 % Carry forward Requests	2.613
Ringfenced Grants received in 2020/21 that need to be earmarked for future drawdown as per accounting regulations	6.874
Prior Year Redetermination Monies	0.681
2020/21 Non COVID-19 Redeterminations Monies	0.392
2020/21 COVID-19 Redetermination Monies which are committed for specific projects	5.260
ANGUSalive – Income Generation uncertainty/inability to deliver 2020/21 savings targets in Change Programme	0.458
Museums Collection Fund	0.007
Welfare Reform Fund	0.698
Affordable Housing Revenue Account	2.946
Proposed 2020/21 100% Revenue Budget Carry Forwards	2.747
Demolition of Lochside Leisure Centre	0.427
COVID-19 Contingency agreed per report 211/20	2.057
Car Park Reserve	0.357
Arbroath Harbour Reserve	0.180
Specific Reserves	0.231
Devolved School Management Scheme (DSM)	1.011
Total Committed Within General Fund Reserve	43.279
Uncommitted General Fund Reserve at 31 March 2021	6.053
This Uncommitted balance is made up of:-	
2020/21 COVID-19 Redetermination Monies which are not committed for specific projects	4.278
Non COVID-19 Uncommitted General Fund	1.775

Once this committed balance has been removed from the net General Fund Reserve, the Council has an uncommitted balance of £6.053 million at 31 March 2021. £4.278m of this is in relation to 2020/21 COVID-19 Redeterminations which were received and not for specific projects leaving an unearmarked General Fund reserve of £1.775m. This uncommitted balance position is after allowing for an earmarked contingency sum of around 1.8% of the net revenue budget (£4.7 million) and it is considered prudent to continue with this position to address any significant one-off issues (e.g. COVID-19 impacts) which may arise during the course of the current and forthcoming financial year. This contingency sum will also provide a suitable financial base for future years as part of the Council's medium term budget strategy.

The Repairs and Renewals Fund Reserves at 31 March 2021 are £1.621 million; and this made up of following components; Property £0.445 million; Information Technology £0.089 million; Roads & Transport £0.106 million; Parks & Cemeteries £0.061 million and £0.920 million Services to Communities.

The Insurance Fund covers the main classes of insurance and is specifically earmarked for possible future insurance claims.

The Capital Receipts Reserve represents the proceeds from non-current asset disposals not yet used and which are available to meet future capital expenditure.

The Capital Grants Unapplied Account holds those grants and contributions received towards capital projects where Angus Council has met the conditions that would otherwise require repayment of the monies, but the monies have yet to be applied to meet expenditure.

14. Balance Sheet

The Balance Sheet represents a snapshot of Angus Council's overall financial position on 31 March 2021. It brings together the year-end balances of all Angus Council's accounts and presents money owed to and by the Council, assets owned and the balances and reserves at the Council's disposal. The overall net assets of Angus Council have increased by £68.193 million from £542.358 million in 2019/20 to £610.551 million in 2020/21.

The main reasons for this increase are due to an increase in non-current asset £16m , an increase in short term debtors and investments of £26m and a reduction in pension liability of £23m.

15. Group Accounts

Angus Council has a material interest in a number of companies and joint ventures, which requires the preparation of Group Accounts. Details of the consolidated Group Accounts of Angus Council can be found on pages 105 to 116.

16. Financial Indicators

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends the inclusion of certain "financial ratios" in the Management Commentary to assist the reader to assess the performance of Angus Council over the financial year and the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity. Significant changes in the indicators from the previous year have generally been caused by the impact of the COVID-19 pandemic on the Council's normal operations and finances.

Fig. 11 Financial Indicator Commentary

Financial Indicator	2020/21	2019/20	Purpose
Uncommitted General Fund reserve (incl contingency) as a proportion of annual budgeted net expenditure	3.7%	2.2%	Reflects the level of funding available to manage financial risk/unplanned expenditure
Movement in the uncommitted General Fund balance	£4.761m	(£6.164m)	Reflects the extent to which the Council has increased/(decreased) its uncommitted General Fund Reserve
Council Tax – in Year Collection Rate	96.9%	97.4%	Demonstrates the Council's effectiveness in collecting council tax debt

Ratio of council tax income to overall level of funding	20.0%	20.0%	This reflects the Council's capacity to vary expenditure by raising Council Tax Income
Capital Financing Requirement	£262.277m	£274.478m	Measurement of requirements to borrow for capital purposes
External debt levels	£260.965m	£269.241m	Actual borrowing for capital investment purposes
Ratio of financing costs to net revenue stream	9.4% (GF) 9.7% (HRA)	10.7% (GF) 8.8% (HRA)	Measurement of the extent of council's funds available to fund borrowing costs

17. Looking Forward

17.1 Operating Principles

The updated Council Plan 2021-2024, published in March 2021 acknowledged that as we continue to face the challenges presented by and as a result of the COVID-19 pandemic, mindful that its long term impact is yet to become clear we reaffirm our commitment to the following priorities.

1. Angus to be a go to place for business
2. To maximise inclusion and reduce inequalities
3. Our communities to be strong, resilient and led by citizens
4. Angus Council to be efficient and effective

This update demonstrates the council's commitment to adapt how we work and shift our focus to working more closely with our citizens, our communities, our businesses – putting them at the heart of everything we do for better outcomes. Throughout the COVID-19 pandemic we have seen more than ever the value of the work done in our communities, the benefit of working in partnership and adapting quickly what we do, recognising that living and working in, and visiting Angus will be very different in the immediate future.

Our strategic priorities are focused on outcomes. The refreshed plan updated some details on our planned activities and highlighted new opportunities, policy and importantly prioritisation of our resources to respond to challenges of and change due to COVID-19. We have engaged with our staff to consider where we should invest or do more and where we could reduce or stop activities or do them more efficiently. As a result, we have prepared a Strategy on a Page, detailed above, as our key purpose statement which will help to guide our thinking and what we do over the medium to long term.

In our initial plan published last year we detailed what we were changing and why. In October 2020 we reported on our numerous successes, the achievements we have made to date, showing that these changes are already delivering efficiencies and improvements. We will continue to build on these.

Therefore, this year we are focusing on responding to continued challenges as a result of the pandemic such as physical distancing and using opportunities to increase outdoor activities and use of outdoor spaces as well accelerating our own agile programme and implementing changes to how and where we work. We will improve connectivity to increase inclusion and support health and wellbeing. More than ever, our citizens and businesses are reliant on excellent connectivity and require the digital infrastructure and skills to study, to learn, to shop and to trade so we will accelerate planned improvements in these areas.

In addition, this year we will invest in additional short term resources to increase economic growth, reduce demand for complex, high-cost interventions and at the same time improve outcomes for vulnerable families and tackling the increase in public health issues resulting from the pandemic. Treating people with respect and upholding and promoting human rights underpins decisions we make and services we deliver. In addition we will contribute to the global “green reset”, through our aim to minimise the environmental impact of our actions and with the Tay Cities Deal now signed, we will use the Angus Fund to create a greener, low carbon Angus through our ambitious Mercury Programme.

In 2022 the Community Plan which provides direction in delivery of the Angus vision – ‘Angus is a great place to live, work and visit’ will be reviewed due to the changing environment we are now working. This will play a role in the Council Plan refresh 2022 – 2024 which will be focused on the Strategy on a Page themes.

17.2 Operating context

The services the Council provides remain essential but the delivery of these has been hugely impacted by COVID-19 and we are continuing to review our future approach to service delivery in light of the pandemic as part of our Recovery and Renewal phase. This will include reviewing new legislation the implementation of which has in some cases been delayed due to COVID-19.

The Accounts Commission’s Local Government in [Scotland Overview 2021](#) issued on 27 May 2021, summarises the key challenges and performance issues faced by councils. This report, is the first in a series of reports that will reflect on the evolving and long-term nature of the impact of COVID-19. This report considers the initial impact on councils and the future reporting will give a more detailed analysis of the impact and lessons learned from the pandemic, including an assessment of progress being made in early phases of recover in 2022 before looking ahead to how councils have supported their local communities to begin recovery. The Council’s Scrutiny & Audit Committee will be formally considering the terms of this report and the Financial Overview 2019/20 report during August 2021.

17.3 Financial Context

Angus Council, like other Local Authorities in Scotland, gets most of the money needed to provide services from grants provided by the Scottish Government. Some 80% of the Council’s General Fund net revenue budget is paid for through these grants. Income from Council Tax pays for these services too but only covers 20% of their net cost. Current funding arrangements mean the Council is heavily dependent on government grant to pay for services and in recent years the level of that grant available to support existing services has been falling in real terms (taking into account inflation). Additional grant from the Scottish Government was received during 2020/21 to assist Councils with the impact of COVID-19. In a recent report Audit Scotland commented “Funding from the Scottish Government to local government between 2013/14 and 2019/20 decreased by 4.7% in real terms. The increased funding in 2019/20 improved the position that existed last year (2018/19), when the total reduction was 7.6%. Scottish Government funding to other areas of the total Scottish budget decreased by 0.8% between 2013/14 and 2019/20, demonstrating that local government funding has still undergone a larger reduction than the rest of the Scottish Government budget over this period”.

In line with good practice the Council prepares plans and makes estimates of its expenditure and income into future years so it can be prepared for what may happen. The Council’s latest Medium Term Budget Strategy (MTBS) ([report 74/21](#)) covers the period to 2023/24. The projected funding gap identified in that Strategy continues to be one of the biggest challenges that the council faces in the next few years. The projected gap will be addressed primarily through the Council’s Change Programme and from the new use of reserves strategy. The figures previously reported in the documents mentioned above have since been updated as part of the revisions to the 2021/22 revenue budget and the updated position is set out in the table below (Fig. 7). As highlighted in section 2 a revision of 2021/22 budgets was undertaken to address the ongoing impact COVID-19 is currently estimated to have on the Council’s finances, report [212/21](#).

The Change Programme is projected to deliver £5.2 million of budgeted savings in financial year 2021/22. In addition to this it is estimated that the programme will achieve savings totalling £18.7 million over financial years 2022/23 and 2023/24. This is not sufficient at present to address the projected funding gap identified in the table below.

Fig. 12 Comparison of Estimated Funding Gap and Estimated Savings from Change Programme

	2022/23 £m	2023/24 £m	2 Year Total £m
Projected Funding shortfall	12.7	10.5	23.2
Estimated Savings From Change Programme	(10.1)	(8.6)	(18.7)
Estimated use of uncommitted general fund balance per proposed use of reserve strategy	(1.0)	0	(1.0)
Remaining Funding Gap	1.6	1.9	3.5

It is however important to note the role that Council Tax increases can play in reducing or potentially eliminating the remaining funding gap in figure 12 above. For example if the Council ultimately agreed Council Tax increases in 2022/23 and 2023/24 at the maximum level allowed for 2020/21 of 4.84% this would yield more than £5.3m in additional income which would be sufficient to close the remaining gap identified above.

Angus Council is not alone when it comes to facing these challenges, all Councils in Scotland face similar issues, as detailed in the Accounts Commission's financial overview report for 2019/20. Key messages from this report include:

- Councils' funding and income increased by £0.8 billion in 2019/20. There was an increase in Scottish Government funding of £0.5 billion, but reductions over the past seven years are still larger than in other areas of the Scottish Government;
- Nearly half of the increase in Scottish Government funding in 2019/20, and all the initial additional funding in 2020/21, was to fund the expansion in early learning and childcare;
- Councils continue to plan for, and deliver, savings as part of their annual budgets, but there are significant variations in individual councils' ability to deliver planned savings;
- More councils added to their usable revenue reserves totalling £65 million (net) in 2019/20;
- The financial cost of COVID-19 on councils in 2020/21 is estimated to be £767 million, with just over half due to lost income. We estimate that funding announced by November 2020 meets 60 to 70 per cent of the cost pressures identified by councils, although total costs and funding are still uncertain;
- Councils' auditors reported wider medium-term financial implications of COVID-19.

The financial context for the Council into future years remains an exceptionally challenging one and the position continues to be impacted by COVID-19 albeit the majority of these costs are being covered by additional grant funding, it's the impact on Council employee resource that continues to be an issue. Nevertheless the Council is as well placed as it can be to take on this challenge both financially and culturally. Significant effort and investment is being put into working with communities and partners, to the development of the Council's senior leaders and to ensuring the Council is performance led and strong on self-evaluation. The Council's forward financial planning, its strong reserves, its prudent financial management and its comprehensive Change Programme also provide a solid base to tackle future challenges.

17.4 Future risks & uncertainties

The principal risks and uncertainties facing Angus Council are included in the Corporate Risk Dashboard last submitted to Scrutiny & Audit committee on 26 January 2021, report [13/21](#) refers. This identifies high risks to the Council, in addition to financial sustainability, as being:

- IT Resilience & Cyber Attack (Business Continuity), interruption of service or inability to provide IT services due to loss of the data centre. Work is being done around the Recovery Time Objectives & the implementation of Office365 will improve resilience for all services.
- Health & Safety Compliance, additional controls/actions are being put in place to reduce the likelihood of the council not fully complying with Health & Safety at Work legislation.
- Pandemic – COVID-19, the ongoing response to the global pandemic impacts the council's ability to continue to provide essential services and to protect the most vulnerable citizens of Angus, the wider community & the local economy.

18. Conclusion & Acknowledgment

The 2020/21 financial year has been the most challenging Angus Council and its partners have ever faced due to the COVID-19 pandemic. The pandemic has brought pain and severe disruption to all our communities and resulted in very heavy workloads for many staff across our public services. The reliance on the Council, its staff and our partners to support the people and businesses in Angus and deliver Government COVID-19 assistance programmes over the last 12 months has been enormous and huge credit must go to all of those members of staff who have delivered the essential services the citizens of Angus rely on. When it mattered most the Council and its staff were there and delivered for the people and businesses of Angus and did so in very challenging circumstances both personally and professionally.

We are pleased to record that the council has successfully delivered on many of its targets and priorities during the 2020/21 financial year despite the pandemic. The Council has also successfully managed its financial affairs over the last financial year which reflects well on both the efforts and professionalism of the employees and the effectiveness of our financial management procedures. The continuation of prudent financial management and medium term financial planning has allowed the Council to operate within budget and achieve prescribed financial objectives. Accordingly, we wish to record our thanks to all of the Council's staff for their essential contribution to helping ensure that essential public services were delivered within the financial targets set.

The impact of COVID-19 onto the Council's finances in 2020/21 and beyond has though created significant uncertainty with regard to sufficiency of budgets in some service areas and the delivery of the Change Programme. This will necessitate increased scrutiny and review of Council finances on an ongoing basis.

Finally, we would like to take this opportunity to acknowledge the significant effort in producing the Annual Accounts and record our sincere thanks to all of the staff for their continued hard work and support. We greatly appreciate the significant efforts of all those who were involved.

Margo Williamson
Chief Executive
30 November 2021

Councillor David Fairweather
Leader of the Council
30 November 2021

Ian Lorimer
Director of Finance
30 November 2021

Annual Governance Statement 2020/21

Introduction

Angus 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. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003. This means that it must plan to continuously improve its performance, while maintaining an appropriate balance between quality and cost. It must do this with regard to economy, efficiency and effectiveness.

To fulfil this duty, elected members and senior officers are responsible for putting in place arrangements to ensure that Angus Council has proper governance and that it delivers its functions. These include:

- setting the strategic direction, vision, culture and values of the Council;
- effective operation of corporate systems, processes and internal controls;
- engaging with communities;
- monitoring progress against strategic objectives;
- delivering services cost effectively; and
- ensuring that appropriate arrangements are in place for the management of risk.

To this end, the Council has approved and adopted a Local Code of Corporate Governance (the Local Code). This is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA)/ the Society of Local Authority Chief Executives (SOLACE) framework, Delivering Good Governance in Local Government and the supporting guidance notes for Scottish Local Authorities.

The Local Code sets out the core principles of good governance and the key policies, procedures and structures which demonstrate Angus Council's compliance. It is also applicable in general terms to elected members and officers on external bodies. A copy of our [Local Code of Corporate Governance](#) is available on the Council's website.

This annual governance statement explains how the Council has complied with the terms of the Local Code for the year ended 31 March 2021. It also meets the requirements of the Local Authority Accounts (Scotland) Regulations 2014, which require all relevant bodies to prepare an annual governance statement. The statement covers relevant governance issues as they affect those entities included as part of the Council's Group Accounts, reliance having been based on their respective governance statements and internal audit annual reports.

Guidance published by CIPFA in 2018 is accepted as best practice for local authority audit committees. CIPFA guidance recommends that all audit committees should *"report regularly on their work, and at least annually report an assessment of their performance"*. (Audit Committees Practical Guidance for Local Authorities and Police).

The Council complies with this guidance. The first annual report from the Scrutiny & Audit Committee was submitted to Council in September 2018 and has continued annually thereafter ([Report 280/21](#) refers for 2020/21).

COVID-19

During March 2020, just prior to the commencement of the reporting period relating to this Annual Governance Statement, the Council was required to initiate an emergency response to the COVID-19 pandemic. By necessity this involved significant changes and disruption to the manner in which Council services were normally delivered – some services stopped entirely, others were under immense strain due to increased demand, and some new services were established with pace and urgency to respond to the needs of our citizens, communities and businesses. The Council's annual review of the governance

framework has considered the significance of the governance impact that COVID-19 has had on the Council's range of services during 2020/21 and continuing into 2021/22.

As a direct result of this, changes to existing strategic and operational governance arrangements, along with some new governance arrangements were deployed as part of our response. This included special and robust measures to support proper decision making and continued democratic accountability. These changes were considered and agreed by full Council at its meeting on 3 April 2020 (held remotely), contained within a suite of reports as follows:

- [Report 121/20](#), [Appendix 1](#), [Appendix 2](#) – the report sets out proposed arrangements to be put in place in terms of decision making at council and committee level in light of the COVID 19 pandemic and also proposes extending the delegated authority of certain Officers, until such time as it is deemed to be appropriate to revert back to the current Scheme of Delegation and the Orders of Reference of Committee.
- [Report 122/20](#) – the report informed members of the actions taken by the Chief Executive in response to the COVID-19 pandemic.
- [Report 123/20](#) – the report sought Council approval to some additional temporary delegations regarding finance and procurement activity to allow urgent business to be conducted and to maximise the ability of the Council to respond to current and emerging COVID-19 issues.
- [Report 124/20](#) - the report sought to provide an update on the actions of Angus Council in preparation, readiness and the ongoing response to the COVID-19 Pandemic.
- [Report 126/20](#) – the report advised Council of the financial support and resilience arrangements being put in place nationally to help local people, businesses and our key suppliers and seeks approval of a number of local support measures to complement those national arrangements.

[Report 121/20](#) established a Special Arrangements Committee and a Special Education Committee on a temporary basis with delegated powers as set out in that report. The Special Arrangements Committee met on 28 April 2020, 26 May 2020 and 23 June 2020.

At its meeting on 23 June 2020, the Special Arrangement Committee considered [Report 175/20](#) which set out revisions to the interim arrangements that were agreed at the meeting of the Council on 3 April 2020, to allow all members to be involved in the decision making of the Council. That meeting agreed that meetings of all service committees would resume in August 2020 in accordance with the previously agreed timetable of meetings, with the consequential ceasing of meetings of the Special Arrangements Committee and the Special Education Committee.

The meeting also agreed that Council and Committee meetings be held remotely, subject to review in 6 months' time, and that a remote meeting of full Council would take place on Wednesday 12 August 2020. Since that time, and throughout the remainder of the 2020/21 financial year, remote meetings have continued to take place in lieu of physical meetings, with reviews taking place during that period.

The interim arrangements with regard to the provision of Information Reports to committees ceased, and normal reporting arrangements were re-established in November 2020 ([Report 270/20](#) refers).

A further change was made to the Scheme of Delegations to Officers ([Report 328/20](#) refers) relating to ongoing response to COVID-19 arrangements and the operational arrangements required to be put in place to manage the potential worst-case scenario and concurrent resilience risks over winter 2020 and in the context of the Coronavirus pandemic.

A key part of maintaining assurance throughout 2020/21 in relation to the ongoing procedure and policy matters during the pandemic has been provided by the Councils emergency management and disaster

recovery governance arrangements. These have been delivered through regular Bronze (operational), Silver (tactical) and Gold (strategic) meetings. Records of these meetings, which have been scaled up and down during the ‘waves’ of the pandemic, are available to provide a full audit trail of decision making. These have also been reflected in the Council’s ongoing Sitrep reports which have been issued to all the Council’s elected members throughout the pandemic. Ongoing external communications through a variety of media channels, to keep the public in Angus well informed, linked to a pan Tayside approach, have also been a key part of the Council response.

In overall terms, it is considered that the Council has responded extremely well to the enormous challenges raised by the pandemic and in a manner that has been well planned, proportionate and responsive to the changing circumstances. The emergency response has been delivered in a controlled environment, with appropriate governance arrangements deployed to provide robust assurance under the circumstances. Recovery and renewal plans are also being developed as an integrated part of our strategic planning arrangements. A report with an update on Angus Council’s response to the COVID-19 pandemic, including ongoing and proposed recovery and response initiatives, as well as providing an updated route map for Angus Council in line with Scottish Government ‘Strategic Framework Protection Levels’, was considered by the Council at its meeting on 24 June 2021 (Report [208/21](#), [Appendix 2](#)).

The Governance Framework

The governance framework comprises the systems, processes, values and culture by which the Council is governed. It enables the Council to monitor progress against the outcomes set out in the Council Plan.

The governing body of Angus Council is the full Council. Some functions, including setting the annual budget and Council Tax, can only be discharged by the full Council. However, during the period from 3 April 2020 to 12 August 2020, and as an initial response to conducting Council business during the initial ‘wave’ of the COVID-19 pandemic, the Council agreed to establish two temporary Committees instead of the Council and its standing committees, namely:

- the Special Arrangements Committee; and
- the Special Education Committee.

Following the agreement of the Special Arrangements Committee at its meeting on 23 June 2020 ([Report 175/20](#) refers), the Council and the following standing committees were reinstated and in place during the remainder of 2020/21:

- the Children and Learning Committee;
- the Civic Licensing Committee;
- the Communities Committee;
- the Development Standards Committee;
- the Policy and Resources Committee; and
- the Scrutiny and Audit Committee.

The core constitutional documents of the Council are:

- Standing Orders, which regulate the proceedings at Council meetings;
- Order of Reference of Committees, which details the Council’s committees, sub committees and their associated remits; and
- Scheme of Delegation to Officers, which details the delegation to a range of appropriate officers.

All are reviewed on a regular basis to ensure they are fit for purpose and the latest version is available via the Council’s website: [Standing Orders of the Council, 13 August 2020](#).

Internal Financial Control

Within the Council's overall governance framework there are specific arrangements in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period.

It is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision, delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. Controls cannot eliminate the risk of failure to achieve strategic priorities and outcomes, but the system is designed to manage risk to a reasonable level.

Statutory Roles

The Council's Chief Executive is responsible and accountable for all aspects of executive management.

The Council's financial management arrangements comply in all material respects with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2016)*. The Council's Chief Financial Officer/ Section 95 Officer (Director of Finance), is involved in the development of all strategic and financial policy matters and has direct access to all elected members. They report directly to the Chief Executive on all matters including their statutory role. For the year under review (2020/21), the Chief Financial Officer was able to fulfil the requirements of the role through the arrangements which existed.

The Council's Monitoring Officer (Director of Legal & Democratic Services) is responsible for ensuring that agreed procedures are followed and there is compliance with all applicable statutes and regulations.

Adult social work services are delivered under the direction of the Angus Integration Joint Board, established under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The work of the Angus Health & Social Care Partnership is overseen by the Angus Integration Joint Board (IJB). Agendas, reports and minutes of the IJB are published on the Council website. The IJB Chief Officer is a member of the Council's Corporate Leadership Team. The postholder of this position changed during the course of the 2019/20 reporting period and the current position has continued to be filled on an interim appointment basis during the full course of 2020/21.

The Council's Chief Social Work Officer (CSWO) (Director of Children, Families & Justice) is responsible for providing effective professional advice to elected members and officers in the authority's provision of statutory social work duties. The CSWO also provides professional governance and leadership in the delivery of social work and social care services. The role of the CSWO complies with revised guidance issued by Scottish Ministers in July 2016. The CSWO's annual report details the arrangements that are in place within Angus to allow the CSWO to fulfil this role and provides assurance to elected members as to the governance of statutory social work services in Angus. The CSWO assurances cover all social work services, including those which have been delegated to the IJB. The Council's CSWO annual report for 2019/20 was considered by the Council at its meeting on 10 September 2020 ([Report 213/20](#) and [Appendix](#) refer) and the CSWO 2020/21 annual report will be brought to the Council in Autumn 2021. The National Chief Social Work Officers [Annual Report](#) Summary 2019/20 is also available on the IRISS Website.

Internal Audit Service

The Council operates an internal audit service which reports directly to the Chief Executive. The in-house team is supplemented by additional IT audit input from a contractor. The service is led by the Service Leader Internal Audit, who reports on a functional basis to the Scrutiny & Audit Committee. The Service Leader Internal Audit reports in their own name, retains final edit rights over all audit reports and provides the Scrutiny & Audit committee with an annual report on governance, risk and internal control.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). As required by PSIAS, an external quality assessment was due to be undertaken before the end of 2019. This was delayed by late finalisation of the peer review process through which the assessment was to be made and work on the assessment process was further delayed in March 2020 due to the COVID-19 pandemic. As an interim measure, a self-assessment was submitted in March 2020 and confirmed the service was compliant with PSIAS. The external assessment recommenced in September 2020 and the completed report was considered by the Council's Scrutiny & Audit Committee at its meeting on 26 January 2021 ([Report 11/21](#) refers). The report presented the results of the External Quality assessment (EQA) undertaken by the Internal Audit team from Scottish Borders Council. It confirmed compliance with the requirements of the PSIAS and made a small number of recommendations where improvements could be achieved relating to Assurance Mapping and Risk Management.

A new edition of CIPFA's guidance on the *Role of the Head of Internal Audit in Public Sector Organisations* was published in April 2019. The Head of Internal Audit is the Service Leader Internal Audit within Angus Council. A review of the organisational and Head of Internal Audit responsibilities under the Principles within the guidance confirms that the Council and Service Leader Internal Audit comply with the Principles. A detailed self-assessment, reported to Scrutiny & Audit Committee in November 2019 ([Report 387/19](#)), identified a small number of areas where actions could be taken to further strengthen the internal audit planning process and audit involvement in changes to systems and policies. These continued to feature during 2020/21 as part of other operational improvement work relating to risk management and the use of Pentana (the Council's performance management system).

The Counter-Fraud Team (CFT) is a specialist resource which reports to the Service Leader Internal Audit and operates within Strategic Policy, Transformation & Public Sector Reform Directorate.

Angus Council acknowledges its responsibility for ensuring the risks and negative impacts associated with fraud are managed effectively and any allegations of fraud and corruption are investigated by CFT staff in partnership with Council colleagues where appropriate. The continued work of CFT plays a key role in the Council's response to the risk of fraud and corruption. It has also played an active role in reviewing potentially fraudulent grant claims as part of the Council's response to the COVID-19 pandemic.

The team has overall responsibility for assessing and investigating allegations of fraud and corruption and for reporting findings. A self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption confirms that the Council has adopted a response that is appropriate for its fraud and corruption risks ([Report 159/20](#) refers).

All of the allegations investigated during 2020/21 were of low financial value or non-cash related and none has had a material impact on the Council's financial standing. Report [181/21](#) considered by the Scrutiny & Audit Committee at its meeting on 1 June 2021, contains further detail on the work of the Counter Fraud Team.

The Council recognises that there is an increased risk of fraud during a period of extensive change. In addition, there is a significant challenge of ensuring that grant funding relating to COVID-19 is appropriately allocated. In response to this, the additional member of staff appointed to the Counter-Fraud team on a temporary basis, from 20 May 2019 to 31 March 2021, has been extended until May 2022.

Annual Review of the Governance Framework

The Council conducts an annual review of the effectiveness of its overall governance framework. The review is undertaken on behalf of the Chief Executive by the Corporate Governance Officers Group. This group is responsible for monitoring compliance with the principles of good governance. It also makes recommendations for additions and/ or improvements to the governance framework to reflect any changes in the way the Council does business and any new legislation affecting the Council's governance arrangements.

The annual review of the governance framework is informed by:

- annual assurances from service Directors, who are responsible for the development, maintenance and improvement of the governance arrangements within their own directorate;
- an annual assurance statement and questionnaire completed by the Chief Officer, Angus IJB;
- annual assurances from the S95 Officer, Monitoring Officer and Chief Social Work Officer;
- consideration of governance issues by the Scrutiny & Audit Committee, including internal and external audit reports, counter-fraud updates, corporate risk register updates and complaints summary reports;
- reports from other scrutiny bodies and inspectorates;
- a review of the governance statements prepared by subsidiaries and associates included in the Council's Group Accounts; and
- assurance letters received from the Chair of the IJB Audit Committee and the Chair of the AngusAlive Board.

In addition, for year 2020/21, the annual review of the governance framework has also considered the impact of the COVID-19 pandemic on Council services over that period. As part of the annual assurances sought from service Directors, there was also a requirement to provide information in relation to any changes to normal governance arrangements as a result of COVID-19, and reflect on any high lights and low lights of the year from a service delivery perspective. Despite this highlighting significant disruption to services due to the impact of COVID-19 during the reporting period, there are no significant governance related matters arising from that review that require to be specified in this Annual Governance Statement.

The Council's Service Leader Internal Audit conducts an independent review of the Council's risk management processes, systems of internal control and corporate governance processes as part of their Internal Audit Annual Report 2020/21 ([Report 178/21, Appendix 1](#)).

Their review of 2020/21, includes the opinion that:

- "6. In my professional judgement as Service Leader Internal Audit, notwithstanding the delays caused in completing work due to the impact of the COVID-19 pandemic, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal audit.*
- 7. In my opinion the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money.*
- 8. The internal audit work for the year has identified a number of areas of good practice and good internal control. A number of recommendations to improve systems and controls have been made. The more material findings are highlighted later in this report. Overall during 2020/21 the level of assurance provided from audit work has improved on previous years.*
- 9. I have concluded that the Local Code of Corporate Governance is adequate and effective, and although some areas for improvement have been identified, the Code is complied with in all material respects."*

The conclusion from the review activity outlined above is that in 2020/21 the Council continued to demonstrate that the governance arrangements and framework within which the Council operates are sound and operating effectively, notwithstanding the significant challenges in relation to the COVID-19 pandemic.

Improvement Areas

The annual review process identified the following areas where improvements have been made during 2020/21, or where further improvements are planned for 2021/22 to enhance the Council's governance framework. Progress will be reported to the Scrutiny & Audit Committee. An update on the improvement actions identified in the 2019/20 Annual Governance Statement was reported to the Scrutiny & Audit committee in June 2021 (Report [180/21](#), [Appendix 1](#), Annex 2 refers).

- Angus Council, as one of the constituent bodies of the Angus Integration Joint Board and the associated Integration Scheme, along with NHS Tayside, have a legal requirement to review said Integration Scheme in accordance with the related legislation. This was considered by the Council at its meeting on 10 September 2020 ([Report 220/20](#) refers). A project is now being initiated and co-ordinated on a pan Tayside basis. In relation to this work, it is highlighted that the Council's Chief Social Work Officer has stated in their governance statement that: *"Following changes made to the clinical governance reporting arrangements at a pan Tayside level, work is required to ensure that the Integration Scheme for health and social care is updated to reflect localised governance channels, including detail regarding agreed practice governance frameworks for social work and social care. Meantime, arrangements are in place with officers to ensure oversight continues."* This matter will be raised as part of the overall project and associated Integration Scheme review work.
- The Fairer Scotland Duty (Part 1 of the Equality Act 2010), places a legal responsibility on particular public bodies in Scotland to pay due regard to (actively consider) how they can reduce inequalities of outcome, caused by socio-economic disadvantage, when making strategic decisions. Local Authorities are included in this and are required to publish a written assessment showing how they have done this.

The Equalities Impact Assessment and Fairer Scotland guidance and template have now been updated. Training has now been developed and is available to staff via the online e-learning system. Two dates have also been set to hold Question & Answer sessions which are bookable for staff to attend. This is currently being communicated to all staff.

- As the Council changes, while managing this alongside business as usual activity, risk requires to be considered, addressed and reviewed continuously. The [Risk Management Strategy](#) bi-annual review commenced in March 2021. This will be reviewed by the Scrutiny & Audit Committee during 2021 and approval will thereafter be requested at the next available Policy & Resources Committee. An in-depth review of the Corporate Risk Register was undertaken and agreed by the Corporate Leadership Team during 2020, and reported to the Scrutiny & Audit Committee at its meeting on 26 January 2021 ([Report 13/21](#), [Appendices 1, 2 & 3](#)). This included a specific risk register item for COVID-19 response.
- Internal audit reviewed risk management arrangements and identified that these were revised during 2018/19 and embedded at a corporate level during 2019/20. Further work to provide training and develop service risk registers was planned for 2020 but this was put on hold due to COVID-19. This work re-started in early 2021 and included training for elected members in April 2021. Whilst there is still further work to be done, the new arrangements are working well at a corporate level to share and integrate risk priorities across the Council whilst supporting services to be more accountable and responsible for all aspects of risk underpinning their business objectives ([Internal Audit Annual Report 2020/21](#), [Report 178/21](#)).
- The key actions identified in the Risk, Resilience and Safety Service strategic action plan have now been progressed which includes the provision of an updated Health & Safety Policy for the Council. This is a significantly revised version which meets the necessary standards, including compliance with the Health & Safety Executive's management system which is the HSG65 (revised) model of plan, do, check and act. The progress with this work is being monitored and a number of identified operational actions have to be concluded. This is partly due to the

ongoing situation with COVID-19 pandemic. Progress will be monitored at such times as these activities can resume. The introduction of the SHE Assure digital safety management system is currently being piloted with specific services and will be rolled out during 2021.

- During the final quarter of 2019/20, the results of an Angus Health & Social Care Partnership (AHSCP) whistleblowing investigation were shared with the Chief Social Work Officer (CSWO). A number of actions were identified for progression by the AHSCP management team. A specific point regarding the complexity of operating two separate organisations' whistleblowing policies in an integrated service delivery context with multi-professional teams and leadership routes emerged. The Council is reviewing the existing policy and guidance in the context of integration. While this improvement action has been progressed towards a conclusion during 2020/21 and has been issued to the respective parties for consultation, it is not yet completed.
- Angus Council were 'Cyber Essentials' accredited and PSN compliant until June 2020. As a result of resourcing issues and other priority work due to COVID-19 the Council was unable to complete all remediation work to achieve PSN last year. PSN connectivity and services have continued and the Council was awarded its annual PSN certificate of compliance in August 2021.
- All Emergency and Resilience Plans are reviewed and updated annually where required. The latest versions are on ResilienceDirect and, where applicable, on the Council website. Angus Council also remains an active and participatory member of the Regional Resilience Partnership, and Tayside Local Resilience Partnership in the planning and preparation for the response to and recovery from major incidents and emergencies. This has played a significant part in the Council's response to the COVID-19 pandemic.
- It was agreed by the Special Arrangements Committee, at its meeting on 26 May 2020, to review the current governance arrangements in relation to the Council's Standing Orders, the Order of Reference of Committees and the Scheme of Delegation to Officers by establishing a short life Member and Officer Working Group ([Report 142/20](#) refers). This work has been in progress during 2020/21 and is now planned for completion before May 2022. The outcome of the review will thereafter be reported to Council for consideration.
- Further work was undertaken during 2020/21 to review and update all the operational sub-delegations required to ensure that across the Council these reflect the current management structure and operational arrangements. Except for the Angus Health & Social Care Partnership scheme, which has been progressed but remains to be finalised, all the other aspects of this work are complete.
- It is also highlighted that an update to the Financial Regulations has been in progress during 2020/21. The updated Financial Regulations were considered and approved by Council at its meeting on 9 September 2021 ([Report 284/21](#) refers).
- The Public Records (Scotland) Act 2011 (PRSA) requires authorities to prepare and implement a Records Management Plan (RMP). The RMP for Angus Council and Angus Licensing Board was approved by the Keeper of the Records of Scotland in March 2017. The last Progress Update Review was submitted in September 2020 and the next submission date is June 2021. The recent PRSA Assessment Team's report, concluded that: "Based on the progress update assessment the Assessment Team considers that Angus Council and Angus Licensing Board continue to take their statutory obligations seriously and are working hard to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations".

The previous PRSA review process identified that a lack of space may inhibit or prevent archive material from Angus Council being stored in the archive collection. It was highlighted last year that options to address this risk are being discussed with ANGUSalive. This continues to be the

position while ANGUSalive consider these long term storage requirements, and this will be aligned with the 'ANGUSalive Transformation Project' ([Report 224/20](#) refers). In the interim, archive storage arrangements are being actively managed in an appropriate manner.

- During 2020, three data protection breaches were reported to the Information Commissioner's Office (ICO) which was a reduction from 2019 where seven breaches were reported to the ICO. No formal action was taken by the ICO but the ICO did make recommendations for each report and services are required to address these matters. Whilst there was a reduction in breaches reported to the ICO, there were an increase of breaches logged overall: in 2019, 118 breaches were logged; and in 2020, 122 breaches were logged. Regular reports are provided for the Corporate Leadership Team (CLT) on Data Protection/ Information Governance/ Freedom of Information compliance. An improvement action was raised as part of the 2019/20 governance review to ensure that data protection training is completed comprehensively by all Council staff. For management purposes that action has been closed off.

The 2020/21 governance review has however also identified the continued need to ensure that data protection training is completed comprehensively by all Council staff and therefore a new action has been raised.

- A high profile data breach occurred in the early part of June 2021 in relation to the Education and Lifelong Learning Directorate at the Brechin High School site. This involved the unauthorised access and release of personal information. The data breach was reported to the Information Commissioner's Office (ICO) and the investigation is currently ongoing. The matter has also been reported to Police Scotland, with a separate investigation underway. The incident has wider implications for Education and Lifelong Learning IT infrastructure and an action plan is also being developed to address the issues identified.
- It has also been identified that data breaches emerging from Angus Health & Social Care Partnership (AHSCP) should be reported via Angus Council or NHS Tayside (not directly from AHSCP), and the procedure is being revised to address this matter.
- A report was considered by the Scrutiny & Audit Committee at its meeting on 1 December 2020 ([Report 311/20](#)) which provided elected members with information about Freedom of Information and Environmental Information requests received by the Council for the period 1 January 2015 until 30 September 2020. This report had been specifically requested by the Scrutiny & Audit Committee to identify key themes of such requests.
- Improvement work to update both the Council's complaints handling system and handling of Freedom of Information (FOI) requests using the Firmstep system was completed during the course of 2020/21.
- The Council operates the Scottish Public Service Ombudsman's (SPSO) complaints handling procedure for local authorities. During 2020/21, 74.8% of stage 1 complaints and 54.5% of stage 2 complaints were closed within the target timescales set by SPSO guidance (5 working days for stage 1, 20 working days for stage 2). Further detail is included in [Report 186/21](#), which was considered by the Scrutiny & Audit Committee at its meeting on 1 June 2021.
- Concerns were raised by internal audit relating to the performance of the Environmental Health Service in 2019. An action plan was agreed, and additional staff resources were put in place in order to address concerns around ability to deliver statutory functions. The action plan is substantively complete. The one outstanding action which relates to rationalising the content of current guidance, policies and procedures, was previously extended from July 2020 to September 2020. This has subsequently been extended due to prioritising staff resource towards the Council's COVID-19 pandemic response and a new date is being agreed between the service Internal Audit.

- The identification of similar user access control issues emerging from previous internal audits in relation to the ResourceLink and Northgate Housing systems was raised as a new action in the 2019/20 Annual Governance Statement. The resultant action to ensure suitable council-wide arrangements are put in place to avoid recurrence has now been completed.
- The 2019/20 annual governance review also highlighted that Internal Audit had identified limited assurance in audits relating to 'Climate Change Targets 2020' and 'Progress Towards Cashless Council'. The 'progress Towards Cashless Council' action has been completed and the 'Climate Change Targets 2020' action is complete
- Internal Audit have identified IT Interfaces as an area where limited assurance was provided. The limited assurance opinion results from there being a lack of documentation of the design and operation of interfaces for Council systems, as well as a reliance on the knowledge of a small number of staff for their successful day to day operation. An audit action for this item has been established.
- Last year's annual governance review work also identified an improvement action in relation to the end to end process for the billing and collection of payments for adult social care. This relates to the administrative processing efficiency of the complex system that involves financial assessment staff, care managers and sales ledger staff. Some of the teams involved in the process have been the subject of organisational changes and it was considered that the system could be improved. Work to progress this area for improvement continues and includes Internal Audit who are carrying out a review of elements of the process.
- The Scrutiny & Audit Committee carried out a self-assessment against the 'Good Practice and Evaluating the Effectiveness' checklists in the CIPFA Audit Committee guidance at a 'virtual' workshop held on 29 April 2021. The summary of the findings at the workshop are included in Appendix 1 of the annual report from the Scrutiny & Audit Committee to full Council (Report [184/21](#), [Appendix 1](#) refers). The action in last year's Annual Governance Statement has been closed.

A new action has been created to cover the improvement actions identified during the 29 April 2021 workshop, including one action which has been carried forward. Progress with these actions will be monitored by the Scrutiny & Audit Committee.

- The Scrutiny & Audit Committee's Scrutiny Panel review into Parking Charges was reported to the Scrutiny & Audit Committee at its meeting in December 2019 ([Report 384/19](#), [Appendix 1](#)). A follow-up report was prepared and considered by the Scrutiny & Audit Committee at its meeting on 1 December 2020 ([Report 308/20](#) refers).

While progress was demonstrated in the report to address the actions, a number of follow-up actions were identified. These follow-up actions are mainly linked to areas of improvement work already being addressed (i.e. options appraisal guidance, Standing Orders etc. Member Officer working Group, public consultation approach being considered by the Corporate Leadership Team). A report providing guidance to Councillors on distinguishing between their strategic role and any operational work, based on the guidance available at a national level and also to clarify the ways in which elected members can raise concerns about operational changes, particularly changes that are likely to affect large numbers of people, was considered by the Council at its meeting on 24 June 2021 (Report [217/21](#) refers).

- The Council's 2019/20 Annual Governance Statement contained a specific section relating to the former Lochside Leisure Centre. The statement set out the context of the court case and related appeal, along with the outcome of the court decision. The outcome of the court decision was put before elected members at Council at its meeting on 10 September 2020 in a confidential (exempt) report. The decision taken by Council was not to appeal the outcome to

the Supreme Court and to proceed to consult on the future of the former Lochside Leisure Centre, Forfar. The wider Common Good ramifications of the decision were also highlighted.

Progress in relation to the matters following on from that report are as follows:

- o A review of those assets affected by the court case is in progress and Report [190/21](#), [Appendix 1](#) which was considered by the Policy & Resources Committee at its meeting on 8 June 2021, sought approval to publish a list of properties proposed to be included in the common good register for Arbroath, subject to consultation and subsequent responses. That report also noted that a further report would be brought to Committee in due course seeking approval before taking the steps outlined in the report for each of the other common good burghs;
- o The Council's updated approach to accounting treatment of common good assets, including an assessment of the impact on both the common good and general funds, was considered by the Council at its meeting on 13 May 2021 ([Report 138/21](#) and [Appendices A, B and C](#) refer);
- o The Council agreed to progress an initial consultation regarding the future use of the former Lochside Leisure Centre, Forfar at its meeting on 5 November 2020 ([Report 269/20](#) refers).

The initial consultation was progressed in the terms agreed by the Council and, at its meeting on 18 March 2021, the Council considered an update on the outcome of the initial consultation to determine the Council's proposals for the building and land; and to agree to progress to formal consultation under Section 104 of the Community Empowerment (Scotland) Act 2015 ([Report 98/21](#) refers). At that meeting, the Council agreed to defer the decision.

[Report 139/21](#) was subsequently considered by the Council at its meeting on 13 May 2021, and it was agreed to further defer any decision on the future of Lochside Leisure Centre to the next Council meeting on 24 June 2021 ([Report 218/21](#) refers). At that meeting it was agreed to market the property for lease in order to gauge interest, with a report coming back to Council on 9 September 2021 to determine which one of five options outlined in appendix 1 of said report would be progressed.

[Report 277/21](#) was subsequently considered by Council on 9 September 2021, and it was agreed that option 5 (demolition) in that report be progressed to public consultation under Section 104 of the Community Empowerment (Scotland) Act 2015.

- o The Council agreed at its meeting on 5 November 2020 to procure an independent external review of all evidence and decisions taken from 2013 to present in determining the decision to demolish Lochside Leisure Centre. ([Report 273/20](#) refers).

The report from the independent review undertaken by Azets, was considered by the Council at its meeting on 18 March 2021 ([Report 97/21](#), [Appendix 1](#) refer). The report from Azets concluded that:

- Based on its review of evidence, the decision by the Council on 7 February 2019 to approve the demolition of Lochside Leisure Centre was not unreasonable;
- Three weaknesses were identified, as detailed in the report, none of which are significant in nature; and
- The main lesson to be learned is the importance of producing options appraisals to support decision-making. It was recommended that Management develop formal

guidance for the documentation of options appraisals and that documentation of options in Council and Committee papers be proportionate to the nature of the decision being made.

The Council has since prepared formal options appraisal guidance which will be considered by Council in due course.

- In terms of the Council's emergency response to the COVID-19 pandemic, the Council's Service Leader Internal Audit has included the following observations from audit work in the 2020/21 Internal Audit Annual Report:
 - *"Oversight of Angus Alive, the IJB, and Tayside Contracts continued to provide good and improving oversight during 2020/21. In particular good arrangements were developed to allow effective joint planning and working in response to COVID-19 with the management teams at Angus Alive and Tayside Contracts."*
 - *"The Council plan is aligned with the change programme and the budget. Significant review has taken place during the year to ensure the impact of COVID-19 has been recognised as fully as possible."*
 - *"Governance changes to address the COVID-19 impact at both officer and member levels were well planned, proportionate, and reviewed and amended appropriately throughout the year."*
 - *"Audit work undertaken in response to new COVID-19 risks identified a high level of good control within new systems being implemented."*
 - *"COVID-19 recovery is being planned at both a strategic and operational level. Officers are working to ensure that these are linked and that recovery is also linked to on-going activity within services and at a corporate level, eg through the change programme."*

Some Directors have identified improvements to governance arrangements within their own service, but these are not considered material enough to affect the overall assessment of the Council being generally compliant with the requirements of our [Local Code of Corporate Governance](#).

Progress with the actions to address the ongoing and new improvement areas included in this annual governance statement will be reported to the Scrutiny & Audit Committee at its meetings in January and June 2022.

Conclusion

Angus Council is committed to achieving good standards of corporate governance to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The Corporate Governance Officers Group, on behalf of the Chief Executive, maintains an overview of all aspects of the Council's governance framework and is focussed on ensuring that good standards of governance are maintained as the Council works to fulfil its ambitions as set out in the Council Plan.

The Council recognises the contribution effective governance makes to the stewardship of resources and the achievement of outcomes. The maintenance of effective governance arrangements is particularly important during times of change, as the organisation becomes leaner and adopts new ways of delivering services.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council's systems of governance and that the annual review demonstrates compliance with the core principles of good governance.

Margo Williamson		Councillor David Fairweather
Chief Executive		Leader of the Council
30 November 2021		30 November 2021

Angus Council Remuneration Report 2020/21

Background

The Local Authority Accounts (Scotland) Regulations 2014 (“The 2014 Regulations”) require local authorities to prepare a Remuneration Report as part of the annual statutory accounts.

In accordance with this requirement this report sets out:-

- The remuneration policy context for senior councillors and senior employees and the Council’s role in determining these;
- The number of employees whose remuneration was in excess of £50,000 per annum;
- The number and cost of exit packages agreed rising in bands of £20,000 up to £100,000 and bands of £50,000 thereafter;
- The remuneration and pension rights of senior councillors;
- The remuneration and pension rights of senior employees.

Senior Councillors Remuneration Policy Context

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004, (Remuneration) Regulations 2007 (“The 2007 Regulations”) and subsequent amendments to these. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements as the Leader of the Council, the Provost (the Civic Head), Senior Councillors or Councillors.

It should be noted that reference to “Senior Councillors” (upper case) within The 2007 Regulations is narrower than the use made of this term in The 2014 Regulations and thus for the purposes of this Remuneration Report reference to senior councillors (lower case) within this report (other than where reference is being made to The 2007 Regulations) also includes other senior posts such as the Leader, Provost, etc. A senior councillor within this Remuneration Report is therefore a councillor who holds a significant position of responsibility in the Council’s political management structure.

When determining the level of remuneration for councillors the Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC is an advisory Non-Departmental Public Body set up in 2005 to advise Scottish Ministers on the remuneration, allowances and expenses incurred by local Council councillors.

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 Angus Council is £35,713. The Regulations permit the council to remunerate one Civic Head. The regulations set out the maximum salary that may be paid to that Civic Head. Angus Council’s Civic Head (the Provost) is paid at 75% of the Leader of the Council’s salary (£26,785). The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration.

The 2007 Regulations also set out the salary that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum salary that may be paid to a Senior Councillor is 75% of the total salary of the Leader of the Council. The total of salaries that the Council may pay all of its Senior Councillors shall not exceed £290,152 and 13 in number. 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. The Council’s policy as it applied during 2020/21 was for the Conveners of the “main” committees to have salaries of £24,104 and the Vice Conveners of the “main” committees to have salaries of £20,979.

In addition to the Senior Councillors of the Council, the 2007 Regulations also set out the remuneration payable to councillors with the responsibility of a Convener or a Vice-Convener of a Joint Board. The 2007 Regulations require the remuneration to be paid by the Council of which the convener or vice-convener (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the convener or vice-convener being a member of the Local Government Pension Scheme. The Council can seek to be reimbursed by the Joint Board for any additional remuneration paid to the member from being a Convener or Vice-Convener of a Joint Board beyond that which they would receive from their role as a Senior Councillor or Councillor with their own local Council.

Angus Council's remuneration scheme for councillors (which encompasses the salaries of all elected members including the Leader, Civic Head and Senior Councillors) was agreed at a meeting of the full Council on 14 June 2018, the minute of which is available under item 10 at:-

https://www.angus.gov.uk/media/minute_of_council_meeting_14_june_2018_0

Amendments to this were agreed at a meeting of the full Council on 7 February 2019, the minute of which is available under item 4 at:-

https://www.angus.gov.uk/media/minute_of_meeting_of_7_february_2019

In accordance with The 2007 Regulations, the Council publishes on its website details of the remuneration and expenses of all councillors. It is highlighted that a number of the expenses disclosed in that information are excluded from this Remuneration Report in accordance with the requirements of The 2014 Regulations. The full information can be accessed at:-

https://www.angus.gov.uk/media/councillors_expenses_2020_2021_pdf

Senior Employees Remuneration Policy Context

In accordance with The 2014 Regulations, the senior employees included in table 5 include any local Council's employee:-

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

Senior employees may also have a contractual right of access to the Council's car lease scheme and where they are participating this is included within "non-cash expenses" together with any other benefits in kind. The remuneration information detailed in table 5, as required by The 2014 Regulations, relates to the total received by an individual while they are an incumbent of a senior employee post. Employees commencing or leaving employment during the course of the year and changes in expenses can therefore create distortions in the comparative figures between years. In light of this and for the purpose of clarity, detailed below are the salaries for 2020/21 of the posts which are classed as senior employees of the Council.

Table 1

Post	2020/21 Salary £
Senior Management – Angus Council	
Chief Executive	138,047
Depute Chief Executive	120,901
Director of Education & Lifelong Learning (Chief Education Officer)	95,872
Director of Communities	95,872
Director of Children, Families & Justice (Chief Social Work Officer)	95,872
Director of Infrastructure	95,872
Director of Finance (Section 95 Officer)	99,718
Director of Human Resources, Digital Enablement, Information Technology & Business Support	95,872
Director of Strategic Policy, Transformation & Public Sector Reform	95,872
Director of Legal & Democratic Services (Monitoring Officer)	95,872

Subsidiary Body: ANGUSalive	
Chief Executive	95,872

General Disclosure of Employees By Remuneration Band

Table 6 shows the number of Council employees who received remuneration in excess of £50,000 per annum in 2019/20 and 2020/21 which will include pay and, if applicable, any taxable expenses and non-cash benefits.

Exit Packages

The Code requires authorities to report summary information in relation to exit packages: exit costs from employee departures. The table below sets out the relevant costs of departure that have been agreed in the financial statements in accordance with The 2014 Regulations requirements on termination benefits. Included in this definition are the costs of voluntary redundancy, early retirements and ex gratia payments. Exit costs from employee departures due to ill health retirements or departures are excluded, in accordance with The 2014 Regulations.

Table 2 below discloses the number of relevant exit packages agreed during 2020/21 and their costs grouped in the relevant bandings.

Table 2

Banding by Total Cost of each exit package	Total Number Agreed		Redundancy Payments, costs of exit in each band *				Pension curtailment cost in each band **		Total cost of exit in each band	
	2020/21	2019/20	Compulsory		Other		2020/21	2019/20 Restated	2020/21	2019/20 Restated
£			2020/21 £	2019/20 £	2020/21 £	2019/20 £	2020/21 £	2019/20 Restated £	2020/21 £	2019/20 Restated £
Up to 20,000	2	6	7,304	52,164	0	0	0	77	7,304	52,241
20,001 – 40,000	1	2	0	30,000	21,398	0	0	36,123	21,398	66,123
40,001 – 60,000	0	1	0	0	0	10,880	0	45,795	0	56,675
60,001 – 80,000	1	2	0	7,811	0	0	70,331	124,365	70,331	132,176
80,001 – 100,000	0	0	0	0	0	0	0	0	0	0
100,001 – 150,000	0	1	0	15,793	0	0	0	90,687	0	106,480
150,001 – 200,000	0	1	0	0	0	19,585	0	147,208	0	166,793
200,001 – 300,000	0	0	0	0	0	0	0	0	0	0
300,001 – 400,000	0	0	0	0	0	0	0	0	0	0
Total	4	13	7,304	105,768	21,398	30,465	70,331	444,255	99,033	580,488

*There were 2 compulsory redundancy payments in 2020/21 (2019/20 - 9).

**The 2019/20 pension curtailment costs have been restated to capture arrears of £57,025 paid in 2020/21.

**The pension curtailment figure is calculated by the actuary using actuarial techniques and assumptions. They are in respect of early retirements, and they reflect the additional costs of them taking retirement early and their pensions not being reduced to reflect this. This figure is an estimate for this report as per regulations and is not an actual payment made by the Council. The 2019/20 figures have been restated to include the costs for 1 employee who left the Council on the 3rd December 2019 whose costs were not previously disclosed as they were not included in the actuarial report.

Pension Benefits Policy Context

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS). Teacher’s benefits are provided through the Scottish Teachers’ Superannuation Fund (STSF).

Councillors’ and local government employees’ pension benefits are based on career average pay. Their pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is adjusted by the change 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 re-valued 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. Pension benefits for those Pension Scheme members who were members prior to 1 April 2016 will include some entitlement earned under the previous final salary pension scheme.

Normal Pension Age equals State Pension Age for benefits built up from 1st April 2016. From 1 April 2009 a tier contribution system was introduced for scheme participants. A participant’s total contributions are based upon on how much of their pay falls into each tier and the rate applicable for that tier. The overall percentage paid by the employee is made up of an average of how much of their pay falls into the different bands. The bands for 2020/21 and 2019/20 are shown in table 3 below:-

Table 3

Full Time Equivalent Pay	Contribution Rate Payable By Councillors / Employees 2020/21	Full Time Equivalent Pay	Contribution Rate Payable By Councillors / Employees 2019/20
Up to £22,200	5.50%	Up to £21,800	5.50%
Over £22,200 and up to £27,100	7.25%	Over £21,800 and up to £26,700	7.25%
Over £27,100 and up to £37,200	8.50%	Over £26,700 and up to £36,600	8.50%
Over £37,200 and up to £49,600	9.50%	Over £36,600 and up to £48,800	9.50%
Over £49,600	12.00%	Over £48,800	12.00%

Further information on the LGPS can be found at:-

The Scottish Public Pensions Agency (SPPA) website

The pension benefits in respect of those senior councillors who take part in the LGPS are detailed in table 7 while those in respect of senior employees are detailed in table 8.

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 full pension on retirement without reduction on account of its payment at that age; without exercising any option to convert some of that pension entitlement into a lump sum (in respect of post 1 April 2009 accrued benefits only); and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service with Angus Council (and its predecessors) or has transferred into the Fund from another employer. It is highlighted, however, that the pension benefits arising from any additional voluntary contributions undertaken by the individual are excluded from the figures shown in accordance with The 2014 Regulations.

Remuneration of Senior Councillors (1 April 2020 to 31 March 2021)

The following table provides details of the remuneration paid to Angus Council's councillors for senior roles only in 2020/21.

Table 4

2019/20 Salary, Fees & Allowances £	Responsibility (1 April – 31 March)	Senior Councillor	2020/21 Salary, Fees & Allowances £	2020/21 Taxable Expenses £
26,208	Civic Head / Provost	R Proctor MBE	26,785	0
23,585	Depute Provost (to 14/12/2020)	C Brown BEM	17,038	0
34,944	Leader of the Council Convener of Policy & Resources	D Fairweather	35,713	0
23,585	Depute Leader and Finance Convener of the Council / Vice Convener of Policy & Resources	A Macmillan Douglas OBE	24,104	0
23,585	Convener of Children & Learning	D Wann	24,104	0
20,527	Vice Convener of Children & Learning	L Speed	20,979	0
23,816	Convener of Communities	M Salmond	24,104	231
20,527	Vice Convener of Communities	T Stewart	20,979	0
23,585	Convener of Development Standards	D Lumgair	24,104	0
21,840	Vice Convener of Development Standards / Convener Tayside Joint Valuation Board (Note 1)	G Nicol	22,320	0
23,841	Convener of Scrutiny & Audit	A King	24,104	256
20,527	Vice Convener of Scrutiny & Audit	B Duff	20,979	0
20,527	Economic Development Spokesperson	B Davy	20,979	0
23,585	Convener Civic Licensing & Licensing Board (to 14/12/2020) Convener Civic Licensing & Licensing Board & Depute Provost (from 15/12/2020)	C Fotheringham	24,104	0
20,527	Vice Convener Civic Licensing & Licensing Board	R Moore	20,979	0
351,209	TOTAL		351,375	487

Notes:

1. £4,466 of the remuneration relates to the councillor's responsibility as Convener of Tayside Valuation Board and this is paid by the Joint Board rather than the Council.

Remuneration of Senior Employees

The following table provides details of the remuneration paid to Angus Council's senior employees.

Table 5

2019/20 Total Remuneration £	Post	Senior Employee	Note	2020/21 Salary, fees & allowances £	Election Payments £	2020/21 Taxable Expenses £	2020/21 Compensation for Loss of Employment £	2020/21 Total Remuneration £
139,557	Chief Executive	M Williamson	1	138,047	1,076	0	0	139,123
117,380	Depute Chief Executive	M Armstrong		120,901	0	0	0	120,901
22,951	Director of Education & Lifelong Learning (Chief Education Officer)	K McIntosh	2	95,872	0	0	0	95,872
93,080	Director of Communities	S Ball		95,872	0	0	0	95,872
93,743	Director of Children, Families & Justice (Chief Social Work Officer)	K Lindsay		95,872	0	0	0	95,872
93,080	Director of Infrastructure	I Cochrane		95,872	0	0	0	95,872
96,975	Director of Finance (Section 95 Officer)	I Lorimer	1	99,718	0	0	0	99,718
93,080	Director of HR, Digital Enablement, IT & Business Support	S Faulkner		95,872	0	0	0	95,872
93,080	Director of Strategic Policy, Transformation & Public Sector Reform	V Smith		95,872	0	0	0	95,872
89,910	Director of Legal & Democratic Services (Monitoring Officer)	J Buchanan	3	95,872	0	0	0	95,872
932,836				1,029,770	1,076	0	0	1,030,846

	Subsidiary Body: ANGUSalive							
93,080	Chief Executive	K Hunter		95,872	0	0	0	95,872

Notes:

1. In 2020/21 there is 1 election payment totalling £1,076 which relates to an earlier financial year. In 2019/20 election payments totalled £7,952 .
2. K McIntosh commenced in post on 01st January 2020.
3. The post of Director of Legal & Democratic Services was established in 2019/20 with J Buchanan commencing in post on 22nd April 2019.

General Disclosure of Employees By Remuneration Band

The following table details the number of employees whose remuneration was in excess of £50,000 per annum. The employee figures include local government employees (LGE), those remunerated under the Scottish Negotiating Committee for Teachers (SNCT) and chief officials (CO) (based upon the post the employee occupied at 31 March). The figures therefore include those senior employees on which additional remuneration information is provided in Table 5.

Table 6

2019/20 LGE	2019/20 SNCT	2019/20 CO	2019/20 Total	Remuneration Band	2020/21 LGE	2020/21 SNCT	2020/21 CO	2020/21 Total
33	85	0	118	£50,000 - £54,999	42	93	0	135
2	59	0	61	£55,000 - £59,999	2	56	0	58
5	23	0	28	£60,000 - £64,999	4	24	0	28
17	8	0	25	£65,000 - £69,999	12	14	0	26
2	1	0	3	£70,000 - £74,999	9	1	0	10
0	2	0	2	£75,000 - £79,999	0	2	0	2
0	1	1	2	£80,000 - £84,999	0	0	0	0
0	5	1	6	£85,000 - £89,999	0	3	1	4
0	0	5	5	£90,000 - £94,999	0	2	0	2
0	0	1	1	£95,000 - £99,999	0	0	8	8
0	0	0	0	£100,000 - £104,999	0	0	0	0
0	0	0	0	£105,000 - £109,999	0	0	0	0
0	0	0	0	£110,000 - £114,999	0	0	0	0
0	0	1	1	£115,000 - £119,999	0	0	0	0
0	0	0	0	£120,000 - £124,999	0	0	1	1
0	0	0	0	£125,000 - £129,999	0	0	0	0
0	0	1	1	£130,000 - £134,999	0	0	0	0
0	0	0	0	£135,000 - £139,999	0	0	1	1
59	184	10	253	Total	69	195	11	275

One of the chief officers in the CO column is not an Angus Council chief officer but a senior Angus IJB officer who is employed by the Council.

Pension Benefits – Senior Councillors

Eleven of the fifteen senior councillors participated in the pension scheme. The pension entitlements for these senior councillors for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year. All senior councillors shown in the table are members of the Tayside Pension Fund and the pension figures shown relate to the benefits that the individual has accrued as consequence of their total local government service with Angus Council.

Table 7

In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/20 £	Responsibility	Senior Councillor	Notes	In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/21 £	Accrued Pension Benefit at 31/03/21 £000	Accrued Pension Benefit at 31/03/21 lump sum £000	Accrued Pension Benefit Movement from 31/03/20 £000	Accrued Pension Benefit Movement from 31/03/20 lump sum £000
3,577	Civic Head / Provost	R Proctor MBE		0	0	0	(5)	0
1,089	Depute Provost	C Brown BEM		0	0	0	(1)	0
5,940	Leader of the Council / Convener of Policy & Resources	D Fairweather		6,071	6	2	1	0
4,009	Depute Leader and Finance Convener of the Council / Vice Convener of Policy & Resources	A Macmillan Douglas OBE		4,098	3	0	1	0
4,009	Convener of Children & Learning	D Wann		4,098	2	0	1	0
3,490	Vice Convener of Children & Learning	L Speed		3,566	2	0	0	0
4,009	Convener of Communities	M Salmond		4,098	2	0	1	0
3,490	Vice Convener of Communities	T Stewart		3,566	2	0	0	0
0	Convener of Development Standards	D Lumgair		0	0	0	0	0
3,713	Vice Convener of Development Standards / Convener of Tayside Valuation Joint Board	G Nicol		3,794	2	0	1	0

In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/20 £	Responsibility	Senior Councillor	Notes	In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/21 £	Accrued Pension Benefit at 31/03/21 £000	Accrued Pension Benefit at 31/03/21 lump sum £000	Accrued Pension Benefit Movement from 31/03/20 £000	Accrued Pension Benefit Movement from 31/03/20 lump sum £000
2,339	Convener of Scrutiny & Audit	A King		0	0	0	(8)	(2)
3,490	Vice Convener of Scrutiny & Audit	B Duff		3,566	4	0	1	0
3,490	Economic Development Spokesperson	B Davy		3,566	2	0	0	0
4,009	Convener Civic Licensing & Licensing Board	C Fotheringham		4,098	4		1	0
3,490	Vice Convener Civic Licensing & Licensing Board	R Moore		3,566	2	0	0	0
50,144	Total			44,087	31	2	(7)	(2)

Pension Benefits – Senior Employees

The pension entitlements of senior employees for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year. It is highlighted that the pension contributions relate to only those made when an individual has been an incumbent of a senior employee post. All senior employees shown in the table are members of the Tayside Pension Fund and the accrued pension benefit figures shown are those that the individual has accrued as consequence of their total local government service, in whichever post(s), with Angus Council (and its predecessors) or has transferred into the Fund from another employer.

Table 8

In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/20 £	Post	Senior Employee	Note	In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/21 £	Accrued Pension Benefit at 31/03/21 £000	Accrued Pension Benefit at 31/03/21 lump sum £000	Accrued Pension Benefit Movement from 31/03/20 £000	Accrued Pension Benefit Movement (lump sum) from 31/03/20 £000
22,346	Chief Executive	M Williamson		23,468	73	5	6	0
19,955	Depute Chief Executive	M Armstrong		20,553	45	56	4	2
3,902	Director of Education & Lifelong Learning (Chief Education Officer)	K McIntosh	1	16,298	5	0	2	0
15,824	Director of Communities	S Ball		16,298	54	99	3	3
15,936	Director of Children, Families & Justice (Chief Social Work Officer)	K Lindsay		16,298	31	31	3	1
15,824	Director of infrastructure	I Cochrane		16,298	43	65	3	2
16,458	Director of Finance (Section 95 Officer)	I Lorimer		16,952	47	74	3	2
15,606	Director of HR, Digital Enablement, IT & Business Support	S Faulkner		16,298	48	82	4	3
15,824	Director of Strategic Policy, Transformation & Public Sector Reform	V Smith		16,298	45	70	3	2
14,901	Director of Legal & Democratic Services (Monitoring Officer)	J Buchanan	2	16,298	24	0	22	0
156,576		Total		175,059	415	482	53	15
	Subsidiary Body: ANGUSalive							
15,824	Chief Executive	K Hunter		16,298	10	0	2	0

Notes:

1. K McIntosh commenced in post on 1st January 2020.
2. The post of Director of Legal & Democratic Services was established in 2019/20 with J Buchanan commencing in post on 22nd April 2019.

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year. The relevant information relating to 2020/21 can be found in the table below.

	Central function employees	Education function employees
Trade union representatives	21	16
FTE trade union representatives	16.09	15.6
Percentage of working hours spent on facility time		
0% to 0.99% of working hours	16 representatives	16 representatives
1 to 50% of working hours	5 representatives	0 representatives
51 to 99% of working hours	0 representatives	0 representatives
100% of working hours	0 representatives	0 representatives
Total pay bill and facility time costs		
Total pay bill	£93,003,242.03	£71,219,696.97
Total cost of facility time	£5,759.05	£306.07
Percentage of pay spent on facility time	0.01%	0.00%
Paid trade union activities		
Hours spent on paid facility time	366.5	12.16
Hours spent on paid trade union activities	246	0
Percentage of total paid facility time hours spent on paid TU activities	67.12%	0.00%

Audit Review

The following information in the Remuneration Report has been audited by Audit Scotland:-

Exit Packages – Page 40

Senior Councillor’s Remuneration – Page 42

Senior Employees’ Remuneration – Page 43

Pay Bandings Information – Page 44

Pension Benefits Information for Senior Councillors – Pages 45-46

Pension Benefits Information for Senior Employees – Page 47

The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements and with the auditor’s knowledge and are not otherwise misleading.

Margo Williamson

Chief Executive
30 November 2021

Councillor David Fairweather

Leader of the Council
30 November 2021

The 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 the proper officer of the authority 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 Director of Finance;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- Approve the Annual Accounts for signature. (Approval is formally delegated to the Scrutiny & Audit Committee)

I confirm that these Annual Accounts were approved for signature by the Scrutiny & Audit Committee on 30 November 2021.

Signed on behalf of Angus Council

Councillor David Fairweather
Leader of the Council
30 November 2021

The Director of Finance's Responsibilities

The Director of Finance 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 Accounting Code).

In preparing the Annual Accounts, the Director of Finance, has:

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

The Director of Finance has also:

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

I certify that the financial statement of accounts 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.

Ian Lorimer CPFA
Director of Finance
30 November 2021

Movement in Reserves Statement as at 31 March 2021

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The "Net increase / decrease before transfers 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. .

	General Fund Balance £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Renewal & Repair Fund £000	Capital Fund £000	Insurance Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at 31 March 2019	31,371	4,211	3,299	1,524	2,319	1,521	1,346	45,591	453,966	499,557
<u>Movement in reserves during 2019/20</u>										
Surplus or (deficit) on provision of services	(2,883)	(2,255)	0	0	0	0	0	(5,138)	0	(5,138)
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	0	47,942	47,942
Total Comprehensive Expenditure and Income	(2,883)	(2,255)	0	0	0	0	0	(5,138)	47,942	42,804
Adjustments between accounting & funding basis under regulations (Note 5)	8,692	640	(924)	(1,066)	0	(16)	0	7,326	(7,326)	0
Net Increase/ Decrease before Transfers to Earmarked Reserves	5,809	(1,615)	(924)	(1,066)	0	(16)	0	2,188	40,616	42,804
Transfers to/from Earmarked Reserves (Note 6)	189	500	(570)	0	(126)	14	(7)	0	(3)	(3)
Increase / Decrease in Year	5,998	(1,115)	(1494)	(1,066)	(126)	(2)	(7)	2,188	40,613	42,801
Balance at 31 March 2020 carried forward	37,369	3,096	1,805	458	2,193	1,519	1,339	47,779	494,579	542,358
<u>Movement in reserves during 2020/21</u>										
Surplus or (deficit) on provision of services	(7,961)	3,982	0	0	0	0	0	(3,979)	0	(3,979)
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	0	80,486	80,486
Total Comprehensive Expenditure and Income	(7,961)	3,982	0	0	0	0	0	(3,979)	80,486	76,507
Adjustments between accounting & funding basis under regulations (Note 5)	20,766	(769)	807	364	0	1,453	0	22,621	(22,621)	0
Net Increase/ Decrease before Transfers to Earmarked Reserves	12,805	3,213	807	364	0	1,453	0	18,642	57,865	76,507
Transfers to/from Earmarked Reserves (Note 6)	(842)	(935)	0	1,435	(572)	783	162	31	(8,345)	(8,314)
Increase / Decrease in Year	11,963	2,278	807	1,799	(572)	2,236	162	18,673	49,520	68,193
Balance at 31 March 2021 carried forward	49,332	5,374	2,612	2,257	1,621	3,755	1,501	66,452	544,099	610,551

Comprehensive Income and Expenditure Statement for the year 31 March 2021

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Council's raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2019/20				2020/21			
Gross Spend £000	Gross Income £000	Net Spend £000	Service	Gross Spend £000	Gross Income £000	Net Spend £000	Net Budget £000
129,762	(11,303)	118,459	Education & Lifelong Learning	142,009	(17,515)	124,494	132,507
55,608	(31,638)	23,970	Communities	58,486	(31,473)	27,013	27,702
22,114	(2,176)	19,938	Children, Families & Justice	23,473	(2,613)	20,860	22,163
27,573	(5,505)	22,068	Infrastructure	28,103	(4,598)	23,505	23,961
13,064	(2,382)	10,682	Strategic Policy, Transformation & Public Sector Reform	12,384	(3,368)	9,016	10,543
8,722	(954)	7,768	Human Resources, Digital Enablement, Information Technology & Business Support	9,529	(974)	8,555	8,579
5,867	(1,541)	4,326	Finance	6,163	(1,830)	4,333	4,598
3,547	(755)	2,792	Legal & Democratic Services	3,585	(887)	2,698	2,662
9,571	(3,730)	5,841	Other Services	12,782	(3,952)	8,830	11,006
3,195	(543)	2,652	Facilities Management	6,756	(369)	6,387	6,735
306	0	306	Corporate Items	8	0	8	101
789	(8)	781	Joint Boards	821	(8)	813	813
124,051	(73,886)	50,165	Adult Services*	135,213	(80,897)	54,316	54,316
404,169	(134,421)	269,748	General Fund Net Expenditure	439,312	(148,484)	290,828	305,686
32,721	(30,705)	2,016	Housing Revenue Account	30,710	(31,363)	(653)	1,654
436,890	(165,126)	271,764	Net Cost of Services	470,022	(179,847)	290,175	307,340
		988	Other Operating Expenditure – (Gain)Loss on disposal of non- current assets			(449)	
		17,850	Financing and Investment Expenditure & Income (Note 7)			19,393	
		(285,464)	Taxation and Non-Specific Grant Income (Note 8)			(305,140)	
		5,138	Deficit on Provision of Services			3,979	
		(32,682)	(Surplus) or deficit on revaluation of non-current assets			(34,658)	
		(15,260)	Re-measurements of the net pension liability			(45,829)	
		(47,942)	Other Comprehensive (Income)/Expenditure			(80,487)	
		(42,804)	Total Comprehensive (Income)/Expenditure			(76,508)	

*Adult Services (Angus Health & Social Care Partnership Integration Joint Board) expenditure and income above have been grossed up in accordance with financial reporting treatment in line with LASAAC guidance.

Balance Sheet as at 31 March 2021

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.

31/3/2020 £000		Notes	31/3/2021 £000
850,936	Property, Plant & Equipment	11	864,719
5,870	Heritage Assets	12	5,870
1,400	Investment Property		3,150
2,485	Assets Held for Sale		2,534
491	Long Term Investments	28	482
3,936	Long Term Debtors	13	3,177
865,118	Long Term Assets		879,932
62,226	Short Term Investments	28	74,593
345	Inventories		396
21,026	Short Term Debtors	14	34,273
4,702	Cash and Cash Equivalents	15	10,918
88,299	Current Assets		120,180
(8,476)	Short Term Borrowing	28	(7,396)
(51,890)	Short Term Creditors	16	(62,454)
0	Provisions		0
(60,366)	Current Liabilities		(69,850)
(141,587)	Long Term Borrowing	28	(139,133)
(88,758)	Pension Liability	21	(65,702)
(120,348)	Other Long Term Liabilities	31	(114,876)
(350,693)	Long Term Liabilities		(319,711)
542,358	Net Assets		610,551
47,779	Usable Reserves	6	66,452
494,579	Unusable Reserves	17	544,099
542,358	Total Reserves		610,551

The accounts were issued for audit on 30 June 2021 and the audited accounts were authorised for issue by the Director of Finance on 30 November 2021.

Ian Lorimer CPFA
Director of Finance
30 November 2021

Cash Flow Statement as at 31 March 2021

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

31/3/2020 £000		31/3/2021 £000
(5,138)	Net Surplus/(Deficit) on the Provision of Services	(3,979)
	Adjustment for Non-Cash Movements	
45,105	Depreciation and Impairments	48,765
1,573	Non current asset adjustments	1,106
15,844	Retirement benefits	22,773
0	Net movement in stock	(51)
1,300	Net movement in debtors	(11,132)
(3,421)	Net movement in creditors and provisions	9,048
(899)	Other Internal accounts adjustments	(637)
59,502		69,872
	Adjustments for Items Shown Within Investing and Financing Activities	
(610)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,554)
(26,393)	Capital grants and contributions applied to capital financing	(23,140)
(27,003)		(24,694)
27,361	Net Cash Inflows from Operating Activities *	41,199
(42,783)	Purchase of property, plant and equipment, investment property and intangible assets	(38,217)
(1,396)	Purchase of Short Term and Long Term Investments	(12,500)
536	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(425)
27,159	Capital grants, receipts and contributions applied to capital financing	23,899
(16,484)	Net Cash Outflow from Investing Activities	(27,243)
0	Cash receipts of short and long-term borrowing	0
(3,355)	Cash repayments of short and long-term borrowing	(3,533)
(4,291)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(4,800)
446	Other receipts from financing activities	593
(7,200)	Net Cash In/(Outflows) from Financing Activities	(7,740)
3,677	Net Increase / (Decrease) in Cash and Cash Equivalents	6,216
(1,025)	Cash and Cash Equivalents at the Beginning of the Reporting Period	(4,702)
(4,702)	Cash and Cash Equivalents at the End of the Reporting Period	(10,918)

- The cash flows from operating activities in 2020/21 include interest received of £0.859m (2019/20, £1.069m) and interest paid of £17.156m (2019/20, £19.079m).

Notes to the Accounts

Note 1 – Summary of significant Accounting Policies

A(i). General Principles

The Statement of Accounts 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, with Section 12 of the Local Government in Scotland Act 2003 requiring them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

A(ii). Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest 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 the cash flows fixed or determined by the contract; and
- Where revenue 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 it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

B. Disposal of Operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:-

- The sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the accounting period or before the earlier of: three months after the commencement of the subsequent accounting period; or the date on which the draft financial statements are issued;
- If a termination, the former activities have ceased permanently;
- The sale or termination has a material effect on the nature and focus of the Council's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the Council's continuing operations; and
- The assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Income and expenditure directly related to discontinued operations is shown separately on the face of the Comprehensive Income & Expenditure Statement (CIES) under the heading of discontinued operations. Liabilities relating to discontinued operations are disclosed separately in a note to the Balance Sheet.

C. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable on demand without penalty, on notice of not more than 24 hours or 1 working day.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. In this regard, fixed term deposits are not highly liquid and are not readily convertible to cash and are therefore not cash equivalents, regardless of the period remaining to maturity at the balance sheet date - unless a particular deposit matures on the next working day following the balance sheet date. Notice accounts are considered to be fixed deposits for the purposes of treatment under this policy.

Bank overdrafts, where evident, are considered to be an integral part of the Council's cash management and are thus included within cash and cash equivalents.

D. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

General

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

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

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

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

E. Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts, where applicable, to record the cost of holding Non-Current Assets during the year:-

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, impairment or revaluation losses or amortisations. However, it is required to make an annual contribution from revenue to contribute towards the reduction in its overall borrowing requirement and does so through loans fund principal charges. Depreciation, impairment losses and amortisations are therefore replaced by capital financing charges in the General Fund and Housing Revenue Account Balances. This is achieved by way of an adjusting transaction in the Capital Adjustment Account in the Movement in Reserves Statement based upon the difference between the two figures.

F. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees that fall due wholly within 12 months after the end of the period in which the employees render the related service, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of

Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to Other Services line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to either terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

Post Employment Benefits

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

- a) The Scottish Teachers' Pension Scheme is administered by the Scottish Public Pensions Agency (SPPA); and
- b) The Local Government Pension Scheme, administered by Dundee City Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), which are earned as employees accumulate qualifying service for the Council.

- a) Scottish Teachers Pension Scheme

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme. In light of this no liability for future payments of benefits is recognised in the Balance Sheet and the Education & Lifelong Learning service line in the Comprehensive Income and Expenditure Statements is charged with the employer's contributions payable to Scottish Teachers Pension Scheme in the year;

- b) The Local Government Pension Scheme

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

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

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

- current service cost – the increase in liabilities as a result of years of service earned this year. These are allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked at 31 March;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. These are debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Other Services;

- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. These are debited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return. These are credited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains / losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees. These are debited / credited to the Surplus / Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Other Services;
- re-measurements of the net pension liability – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These are debited to the Pensions Reserve; and
- contributions paid to the Tayside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense within the Comprehensive Income & Expenditure Statement, rather per IAS 19 the increase or decrease in pension cost liability is shown. This is offset through the Movement on Reserve Statement.

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

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) 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.

G. 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 Statement of Accounts is authorised for issue. Two types of events can be identified:-

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events. However, where a category of events would have a material effect, a disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

H. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and then 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 on the carrying amount of the liability, multiplied (where appropriate) by the effective rate of interest (EIR) for the instrument. The EIR 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 borrowings that the Council has, no EIR adjustment is necessary and the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement. An EIR adjustment could however be required where borrowing or investment interest rates are stepped or variable.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. The Council's policy in respect of premiums / discounts arising from debt restructuring is to debit / credit these in full to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of restructuring.

Where premiums and discounts were incurred prior to 1 April 2006 and were scheduled to be charged to the Comprehensive Income and Expenditure Statement on an amortised basis, regulations allow the impact on the General Fund Balance to continue to be spread over future years and this is applied by the Council.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge 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.

I. Financial Assets

Loans and Receivables

These are assets which have fixed or determinable payments but are not quoted in an active market.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. In subsequent years they are 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. For most of 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 (loans at less than market rates) are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, 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 debtor, with the difference serving to increase 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. In light of this the reconciliation of amounts debited and 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.

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

Any gains and losses that arise on the de-recognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Available-for-Sale Assets

These are assets which have a quoted market price and / or do not have fixed or determinable payments.

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at, and thereafter carried at, fair value. Where the asset has fixed or determinable payments, 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 amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Information regarding the Council's approach to calculating fair values is contained in note 29, however the following broad principles can be noted:-

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

- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value would, where applicable, be balanced by an entry in an Available-for-Sale Reserve and the gain / loss recognised in the Surplus / Deficit on Revaluation of Available-for-Sale. The exception would be where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain/loss for the asset accumulated in the Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains / losses previously recognised in the Statement of Recognised Gains and Losses.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

J. Foreign Currency Transactions

The Council carries out only negligible foreign currency transactions in any year and these are processed on the basis of prevailing market exchange rates.

K. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:-

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attaching 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 or future economic benefits or service potential must be returned to the person or body providing the grant or contribution.

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-ring-fenced 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 yet to be 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.

L. 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. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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).

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. 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 posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

M. Interests in Companies and Other Entities

The Council has material interests in other entities that have the nature of subsidiaries, associates and jointly controlled entities which require the preparation of group accounts. Group accounts are included after the Council's own single-entity accounts which record the extent of financial interest in other entities.

N. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

O. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment properties are not depreciated but are revalued as part of the 5 year rolling programme according to market conditions at time of revaluation. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

P. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken in conjunction with other ventures that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council would recognise on its Balance Sheet the assets that it controls and the liabilities that it incurs and would debit and credit the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by other venturers, with the assets being used to obtain benefits for the venturers. The joint venture would not involve the establishment of a separate entity. The Council would account for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

Q. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a Long Term Liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

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 the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance lease is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance. This is achieved by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement based upon the difference between the two figures.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on the basis of the actual charge due for the year under the terms of the lease. Initial direct costs incurred in negotiating and arranging the lease are charged as an expense in the year incurred.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is removed from Non-Current Assets (Property, Plant & Equipment or Assets Held for Sale) and a Long Term Debtor created to recognise the finance lease asset.

Lease rentals receivable are apportioned between:-

- income towards the lessee's acquisition of interest in the asset – applied to write down the Long Term Debtor; and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited as income to the services that hold the item of property, plant or equipment. Income is credited on the basis of the actual income due for the year under the terms of the lease. Initial direct costs incurred in negotiating and arranging the lease are charged as an expense in the year incurred.

R. Overheads

The costs of overheads are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP).

S. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes 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 item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:-

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

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

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

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

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

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

For non-property assets that have short useful lives or low values (or both), the depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

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

Where impairment losses are identified, they are accounted for by:-

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

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

Disposals

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals

(if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. Receipts received are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Usable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement. It is the Council's policy to fully utilise receipts to reduce borrowing in the year they are received unless formally approved otherwise.

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is not charged in the year of acquisition but thereafter the straight line method of depreciation is applied where appropriate. An exception is made for assets without a determinable finite useful life (ie, freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:-

Asset Category	Depreciation Bases	Useful Life
Council Dwellings	Straight – line allocation over the useful life	50 years
Other Buildings	Straight – line allocation over the useful life estimated by valuer	Maximum of 60 years, determined by valuer
Vehicle & Equipment	Straight – line allocation over its useful life	4-10 years varies depending on class of asset
Infrastructure	Straight – line allocation	20 years

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

Componentisation

Componentisation refers to accounting separately for the different component parts of assets, particularly for depreciation purposes.

Criteria for Assessment for Componentisation

An individual asset will only be considered for componentisation if it meets the following criteria:

- It is an operational asset (assets under construction will only be considered once they become operational);
- It has an overall asset value exceeding £1.5m at the balance sheet date;
- It has an overall remaining useful life exceeding 25 years at the balance sheet date.

Assets not meeting the above criteria will not be split into components and will be treated as a single asset for fixed asset accounting purposes.

Asset Components

Assets which meet the criteria for assessment will be split into their significant components where these have substantially different useful economic lives.

Council dwellings are valued as beacons and each beacon will be treated as an individual asset and therefore componentised based on the components set out below.

In this regard, the following components have been established:

Component		Useful Life	% of Valuation
Land	Land	N/A	N/A
Other Buildings	Substructure, superstructure and internal finishes	60 years	35%
Council Dwellings	Substructure, superstructure and internal finishes	50 years	35%
Fittings	Windows, roof covering, services, internal fittings	20 years	50%
External Works		30 Years	15%

The above component split should apply to the majority of property assets meeting the criteria for assessment, but each asset will be reviewed by Angus Council and the external valuer. If the above split is not considered appropriate, further steps will be taken to establish appropriate alternative components.

Component categories for other assets will be considered as necessary but will follow the principles of the categories outlined above.

Where an individual component is subsequently replaced, the carrying amount of the old component is derecognised to avoid double counting and the new component reflected in the carrying amount. In relation to Council dwellings, components replaced will not be derecognised as the values to be removed would be insignificant.

T. Heritage Assets

The council holds and conserves heritage assets for future generations in support of the primary objective of increasing knowledge, understanding and appreciation of the history of the area of Angus.

All Heritage Assets will be recorded within catalogues or inventories held by the Council with only the assets having a fair value of £100,000 or more being recognised and recorded on the balance sheet in accordance with the Council's policy on Heritage Assets.

The figures disclosed in the balance sheet are based on the assessment used for Insurance purposes by the Council. Any increase or decrease in these values will be charged to either a previous revaluation reserve or to the Comprehensive Income & Expenditure Statement.

An impairment review will be conducted every year and if there is any indication that material differences are estimated these will be treated in accordance with the property, plant and equipment policy on impairments.

It is not normal for the Council to dispose of Heritage Assets but if this is the case these disposals will be treated in accordance with the Council's general policy in relation to the disposal of property, plant and equipment.

Depreciation is not applied to Heritage Assets as it is considered these all have indefinite lives.

U. Private Finance Initiative (PFI), Public Private Partnership (PPP) and Similar Contracts

These 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 contractor. As the Council is deemed to control the services that are provided under its schemes and as ownership of the property, plant and equipment either remains with the Council or will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the operators each year are analysed into five elements:-

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- Payment towards liability – applied to write down the Balance Sheet liability towards the operator (the profile of write-downs is calculated using the same principals as for a finance lease); and
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

V. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that is likely to require settlement by a transfer of economic benefits or service potential and where a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision within the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service where there is certainty that reimbursement will be receivable if the Council settles the obligation.

Contingent Liabilities

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 disclosed in a note to the accounts.

Contingent Assets

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 or service potential.

W. Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council.

X. Revenue Expenditure Funded from Capital under Statute

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

Y. Value Added Tax (VAT)

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

Z. Common Good

Following exercises to review legal titles, etc. there are occasions when it is necessary for the transfer of assets between the General Fund and Common Good accounts and vice versa. Each transfer between the Common Good and the General Fund, and vice versa, will be considered on a case by case basis. For current year transfers, accounting adjustments will be made effective on the date of the transfer. Where the actual transfer has occurred in a previous year but has not been identified until a later year, the accounting adjustments will be made on 1 April in the year that the asset transfer is identified.

During the year the Council reviewed its approach to Capital Accounting on Common Good assets and introduced an alternative accounting treatment for the use of depreciation statutory adjustments on the Common Good Funds, details of this can be found in report 138/21.

Restatements

Where appropriate prior year information will be restated in order to reflect the incumbent guidance and legislation. In addition restatements will take place when it is deemed that this will make a material improvement to the information included in the accounts. All restatements will be applied within the context of the Council's accounting policies.

Note 2 - Accounting Standards Issued, but Have not Yet Been Adopted

The following accounting standards have been issued but not yet been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Code required implementation from 1 April 2021 and there is therefore no impact on the 2020/21 financial statements.

IFRS 16 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 lease liabilities (with the exception being low value and short-term leases). The Council had commenced preparation for implementation from 1 April 2020. As a result of the current COVID-19 response, CIPFA / LASAAC have deferred implementation of IFRS 16 for local authorities to 1 April 2022. Preparation for this deferred implementation continues.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statements of Accounts are:

Public Sector Funding

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

Employee Benefits

The accrual in relation to employee benefits is estimated on the basis of sampled information provided by managers regarding outstanding annual leave.

Council Tax Provision

The bad debts provision is based on an average of the lowest five collection years since 1993/94. This careful and prudent approach protects against any significant detrimental changes to payment patterns

Council House Valuation

The valuation of the Council's housing stock is undertaken on the basis of a beacon approach. Through this approach only a limited number of representative houses are valued and the total stock valuation is extrapolated from this.

Scottish Government COVID-19 Business Grants

Income and expenditure in relation to Scottish Government COVID-19 Business Grants has been accounted for on the basis that Angus Council has acted as an Agent on behalf of the Scottish Government. The council used the LASAAC guidance to inform judgement to account for these grants on an agency basis. This means that the receipt and distribution of the grant funding is excluded from the Comprehensive Income and Expenditure Statement.

Asset Valuations

The Council employs professional valuers who are registered with the Royal Institution of Chartered Surveyors. These valuers carry out regular reviews of the value of assets reported in the Balance Sheet and any significant changes in value are processed as asset revaluations or impairments. These values are based on their professional opinion using available market information at the time of assessment. There is valuation uncertainty in light of the COVID-19 pandemic and its impact on property markets. The impact is considered less on operational specialised assets, such as schools, where there is no diminution in the economic service potential or demand for it. In relation to

surplus assets, assets held for sale and investment properties, the impact may be more significant, however there is limited evidence on which to base an adjustment to asset valuations.

Note 4 - Assumptions made about the Future and other Major Sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by Angus 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 Council’s Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance on those assets not funded through the Housing Revenue Account, bringing into doubt the useful lives assigned to non-housing assets. The carrying amount of PPE at 31 March 2021 is £1,126.564 million with an accumulated depreciation charge of £256.757 million.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives had to be reduced. (See note 11 and policy S)</p>
	<p>In line with RICS Red Book guidance, JE Shepherd are obliged to remind the Council that in undertaking any valuation exercise the degree of subjectivity involved varies significantly as will the degree of certainty (that is, the probability that the valuer’s opinion would be the same as the price achieved by an actual sale at the valuation date). These variations are generally very minor with an accurate figure being produced through the use of comparables however variations can arise due to inherent features of the property, the marketplace, economy or the quality of comparable information available.</p> <p>The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with real estate markets continuing to experience lower levels of transactional activity and liquidity, particularly in the Angus area. Travel, movement and operational restrictions have been implemented by many countries and in some cases, ‘Lockdowns’ have been applied to varying degrees and to reflect further waves of COVID-19. Although these new waves may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally albeit as at the date of valuation property markets are mostly functioning again.</p> <p>We continue to be faced with an unprecedented set of circumstances caused</p>	<p>For the avoidance of doubt, the inclusion of the explanatory note the ‘Material Valuation Uncertainty’ declaration does not mean that the valuations cannot be relied upon. Rather, the declaration has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinions were prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 the valuers are highlighting the importance of the valuation date and recommend that we keep the valuations contained within this report under frequent review.</p> <p>It should be noted that this valuation uncertainty extends to all assets including the ones valued at 31 March 2021 as part of the 5 year rolling valuation programme. Although there was a valuation uncertainty declared in the 2019/20 accounts, due to the cost and time implications the assets valued at 31 March 2020 have not been revisited but an overall impairment review is considered annually as part of the normal revaluation process.</p>

	<p>by COVID-19. In the case of the subject properties, as at the date of valuation, transaction volumes and relevant evidence are at an insufficient level upon which the valuer base their judgement. Accordingly, the valuations are reported as being subject to 'Material Valuation Uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations than would normally be the case.</p>	
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Turbulence in world markets arising from the COVID-19 pandemic has created medium-term uncertainty about scheme assets. A firm of consulting actuaries is engaged to provide the Tayside Pension Fund with expert advice about the assumptions to be applied. The net pension liability at 31 March 2021 is £65.702m.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £16.7 million.</p> <p>Although the effect on the net pension liability of changes in assumptions can be measured, the assumptions interact in complex ways. Movements in corporate bond yields and inflation can have a significant impact on the discount rate used to calculate pension liabilities. This in turn can have a substantial impact on the IAS19 balance sheet position.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 5 – Expenditure Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2020/21	Usable Reserves						Unusable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Capital Fund £000		
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement							
Charges for depreciation and impairment of non-current assets	32,126	12,234	0	0	0	(44,360)	
Revaluation losses on property Plant and Equipment	4,404	0	0	0	0	(4,404)	
Capital grants and Contributions applied	(18,470)	(4,670)	(605)	0	0	23,745	
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(288)	(161)	0	0	0	449	
Statutory provision for the financing of capital investment	(11,242)	(1,443)	0	0	0	12,685	
Capital expenditure charged against the General Fund and HRA balances - CFCR	(8,131)	(7,647)	0	0	1,523	14,255	
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	0	0	1,412	0	0	(1,412)	
Capital Receipts for leases	0	0	0	(9)	0	9	
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	373	(70)	(303)	
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(144)	0	0	0	0	144	
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	21,859	914	0	0	0	(22,773)	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	652	4	0	0	0	(656)	
Total Adjustments	20,766	(769)	807	364	1,453	(22,621)	

Comparative Figures in 2019/20	Usable Reserves					
	General Fund Balance £000	Housing Revenue Account £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Capital Fund £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	31,100	13,240	0	0	0	(44,340)
Revaluation losses on property Plant and Equipment	765	0	0	0	0	(765)
Capital grants and Contributions applied	(24,579)	(1,827)	(2,100)	0	0	28,506
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	322	666	0	0	0	(988)
Statutory provision for the financing of capital investment	(11,473)	(1,170)	0	0	0	12,643
Capital expenditure charged against the General Fund and HRA balances - CFCR	(3,107)	(10,860)	0	0	0	13,967
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	0	0	1,176	0	0	(1,176)
Capital Receipts for leases	0	0	0	1	0	(1)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	(1,067)	(16)	1,083
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(144)	0	0	0	0	144
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	15,250	594	0	0	0	(15,844)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	558	(3)	0	0	0	(555)
Total Adjustments	8,692	640	(924)	(1,066)	(16)	(7,326)

Note 6 - Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2020/21.

Usable Reserves	Opening Balance at 1/4/20 Restated £000	Transfer Out 20/21 £000	Transfers In 20/21 £000	Closing Balance at 31/3/21 £000
Sub Total General Fund	37,369	(23,229)	35,192	49,332
Housing Revenue Account	3,096	(1,435)	3,713	5,374
Total General Fund	40,465	(24,664)	38,905	54,706
Insurance Fund	1,339	0	162	1,501
Renewal and Repairs Fund	2,193	(572)	0	1,621
Capital Fund	1,519	(70)	2,306	3,755
Usable Capital Receipts	458	(797)	2,596	2,257
Capital Grants Unapplied	1,805	(605)	1,412	2,612
Total	47,779	(26,708)	45,381	66,452
General Fund Commitments				
Working Balance/Contingency (per existing policy)	4,880	(175)	0	4,705
Applied in 2021/22 Budget Setting	4,671	(4,671)	4,891	4,891
Future years reserve strategy	2,500	(1,500)	0	1,000
Severance Costs	1,162	0	0	1,162
Provision for Participatory Budgeting	421	(17)	0	404
Saving on debt charges, (committee report 64/18 refers)	1,042	0	0	1,042
Change Fund (committee report 83/14 refers)	1,161	(1,000)	710	871
Tay Cities Deal Fund	500	(56)	250	694
Investment Projects (approved as part of 2019/20 budget setting)	1,363	(840)	0	523
Service Developments (approved as part of 2020/21 budget setting)	0	0	1,048	1,048
Prior Year 100 % Carry forward Requests	4,529	(1,916)	0	2,613
Ringfenced Grants received in 2020/21 that need to be earmarked for future drawdown as per accounting regulations	7,171	(7,171)	6,874	6,874
Prior Year Redetermination Monies	1,512	(831)	0	681
2020/21 Non COVID-19 Redeterminations Monies	0	0	392	392
2020/21 COVID-19 Redetermination Monies which are committed for specific projects	0	0	5,260	5,260

ANGUSlive – Income Generation uncertainty/inability to deliver 2020/21 savings targets in Change Programme	0	0	458	458
Museums Collection Fund	7	0	0	7
Welfare Reform Fund	250	0	448	698
Affordable Housing Revenue Account	3,144	(860)	662	2,946
Demolition of Lochside Leisure Centre	455	(28)	0	427
Approved 2020/21 100% Revenue Budget Carry Forwards	0	0	2,747	2,747
COVID-19 Contingency agreed per report 211/20	0	0	2,057	2,057
Car Park Reserve	356	0	1	357
Arbroath Harbour Reserve	168	0	12	180
Specific Reserves	229	0	2	231
Devolved School Management Scheme	518	0	493	1,011
Total	36,039	(19,065)	26,305	43,279

Note 7 - Financing and Investment Income and Expenditure

2019/20 £000		2020/21 £000
17,485	Interest payable and similar charges	17,147
1,967	Net Interest on the defined benefit liability	3,446
(1,058)	Interest receivable and similar income	(722)
(1)	(Income)/expenditure in relation to investment properties and changes in their fair value	0
(543)	Share of Tayside Contracts (Surplus)/Deficit	(478)
17,850	Total Expenditure	19,393

Note 8 - Taxation and Grant Incomes

2019/20 £000		2020/21 £000
	Revenue tax and grant income:	
(49,783)	Council tax income	(52,071)
(27,468)	Non domestic rates	(17,768)
(177,786)	Scottish Government Revenue Grants	(212,161)
(4,034)	Scotland's Schools for the Future (Note 1)	0
	Capital grants and contributions:	
(19,551)	Scottish Government General Capital Grant	(12,296)
(6,299)	Scottish Government Specific Capital Grants	(9,376)
(212)	Other capital grants	(1,411)

(331)	Other capital contributions	(57)
(285,464)	Total Income	(305,140)
	Credited to Services:	
(21,063)	Housing Benefit Grants	(20,183)
(212)	Educational Maintenance Allowance Grant	(269)
(166)	Discretionary Housing Payments	(218)
(1,780)	Criminal Justice Social Work Grant	(1,934)
(5,000)	Early Learning and Childcare Grant	(8,988)
(2,113)	Pupil Equity Fund/Attainment Scotland Fund	(2,184)
0	COVID-19 Service Specific Grants	(2,039)
(321)	Scottish Government General Capital Grant for Capital Expenditure on 3 rd Party Assets	(147)
(30,655)	Total	(35,962)

Footnote 1 - The Scotland's Schools for the Future funding was previously accounted for in the Taxation and Non-Specific Grant Income line in the CI&E account, this is now included in the Education & Lifelong Learning service in the net cost of services.

Note 9 – Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the council tax and rent payers how the funding available to the Council (i.e. government grants, rents, fees and charges, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by councils in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services.

Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2019/20				2020/21		
Expenditure Chargeable to the General Fund & HRA	Adjustments Between the Funding & the Accounting Basis	Net Spend CIES		Expenditure Chargeable to the General Fund & HRA	Adjustments Between the Funding & the Accounting Basis	Net Spend CIES
£000	£000	£000		£000	£000	£000
103,897	14,562	118,459	Education & Lifelong Learning	106,410	18,084	124,494
16,404	7,566	23,970	Communities	19,300	7,713	27,013
18,405	1,533	19,938	Children, Families & Justice	18,737	2,123	20,860
10,558	11,510	22,068	Infrastructure	11,928	11,577	23,505
7,856	2,826	10,682	Strategic Policy, Transformation & Public Sector Reform	6,289	2,727	9,016
6,009	1,759	7,768	Human Resources, Digital Enablement, Information Technology & Business Support	6,518	2,037	8,555
3,587	739	4,326	Finance	3,355	978	4,333
2,334	458	2,792	Legal & Democratic Services	2,262	436	2,698
5,728	113	5,841	Other Services	8,630	200	8,830
2,014	638	2,652	Facilities Management	1,848	4,539	6,387
306	0	306	Corporate Items	8	0	8

781	0	781	Joint Boards	813	0	813
46,133	4,032	50,165	Adult Services	48,976	5,340	54,316
224,012	45,736	269,748	General Fund Net Expenditure	235,074	55,754	290,828
(11,785)	13,801	2,016	Housing Revenue Account (HRA)	(13,646)	12,993	(653)
212,227	59,537	271,764	Net Cost of Services	221,428	68,747	290,175
(267,614)	988	(266,626)	Other (income)/Expenditure	(285,747)	(449)	(286,196)
(55,387)	60,525	5,138	(Surplus) or Deficit on Provision of Services	(64,319)	68,298	3,979
5,257	(53,199)	(47,942)	Other Comprehensive (Income)/Expenditure	(38,490)	(41,997)	(80,487)
(50,130)	7,326	(42,804)	Total Comprehensive (Income)/Expenditure	(102,809)	26,301	(76,508)

2019/20		2020/21		
Total General Fund and HRA £000		General Fund £000	HRA £000	Total General Fund and HRA £000
35,582	Opening General Fund and HRA Balance	37,369	3,096	40,465
(5,138)	Less/Plus Surplus or Deficit on Provision of Services	(7,961)	3,982	(3,979)
10,021	Transfer to/from Other Reserves	19,924	(1,704)	18,220
40,465	Closing General Fund and HRA Balance	49,332	5,374	54,706

Notes to the expenditure and funding analysis, adjustments between funding and accounting basis.

2020/21				
Adjustments from the General Fund to Arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustments for Capital Purposes	Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education & Lifelong Learning	13,564	3,947	573	18,084
Communities	4,738	2,959	16	7,713
Children, Families & Justice	173	1,937	13	2,123
Infrastructure	10,306	1,264	7	11,577
Strategic Policy, Transformation & Public Sector Reform	1,790	934	3	2,727
Human Resources, Digital Enablement, Information Technology & Business Support	777	1,253	7	2,037
Finance	0	972	6	978
Legal & Democratic Services	21	412	3	436
Other Services	73	126	1	200
Facilities Management	4,503	36	0	4,539
Corporate Items	0	0	0	0
Adult Services	585	4,732	23	5,340
Total Angus Council Services	36,530	18,572	652	55,754
Tayside Joint Valuation Board	0	0	0	0
General Fund Net Expenditure	36,530	18,572	652	55,754
Housing Revenue Account (HRA)	12,234	755	4	12,993
Net Cost of Services	48,764	19,327	656	68,747
Other Income & Expenditure	(449)	3,446	(45,443)	(42,446)
Difference between General Fund Surplus or (Deficit) and Comprehensive Income and Expenditure Statement surplus or (Deficit) on the Provision of Service	48,315	22,773	(44,787)	26,301

2019/20				
Adjustments from the General Fund to Arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustments for Capital Purposes	Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Education & Lifelong Learning	11,572	2,385	605	14,562
Communities	5,323	2,253	(10)	7,566
Children, Families & Justice	93	1,448	(8)	1,533
Infrastructure	10,565	949	(4)	11,510
Strategic Policy, Transformation & Public Sector Reform	2,258	570	(2)	2,826
Human Resources, Digital Enablement, Information Technology & Business Support	868	895	(4)	1,759
Finance	0	742	(3)	739
Legal & Democratic Services	22	438	(2)	458
Other Services	74	39	0	113
Facilities Management	606	32	0	638
Corporate Items	0	0	0	0
Adult Services	484	3,562	(14)	4,032
Total Angus Council Services	31,865	13,313	558	45,736
Tayside Joint Valuation Board	0	0	0	0
General Fund Net Expenditure	31,865	13,313	558	45,736
Housing Revenue Account (HRA)	13,240	564	(3)	13,801
Net Cost of Services	45,105	13,877	555	59,537
Other Income & Expenditure	988	1,967	(55,166)	(52,211)
Difference between General Fund Surplus or (Deficit) and Comprehensive Income and Expenditure Statement surplus or (Deficit) on the Provision of Service	46,093	15,844	(54,611)	7,326

Adjustments for Capital Purposes

This column includes depreciation and impairment of non-current assets, amortisation of intangible assets and gain on disposal of non-fixed assets.

Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income. This represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs; and the net interest on the defined benefit liability charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement relates to the Employee Benefit Accrual.

Note 10 - External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims provided by the Council's external auditors:

2019/20 £000		2020/21 £000
250	Fees payable to (external auditors) with regard to external audit services carried out by the appointed auditor for the year	261

Note 11 - Property, Plant and Equipment

Movements in 2020/21

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PPP Assets Included in Property, Plant and Equipment *
Gross Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
1 April 2020	326,574	404,051	55,019	283,626	5,200	7,555	17,618	1,099,643	160,590
Additions	7,618	10,740	4,643	8,285	85	0	9,129	40,500	2,199
Revaluation increases/ (decreases) recognised in the RRA	(617)	8,563	0	0	0	0	0	7,946	0
Revaluation increases/ (decreases) recognised in the NCS	0	(5,500)	0	0	0	0	0	(5,500)	0
Disposals /Demolitions	(29)	(743)	(1,054)	0	0	(1,824)	0	(3,650)	0
Reclassified as Assets Held for Sale	0	(134)	0	0	0	0	0	(134)	0
Reclassified Assets	1,582	1,838	0	(552)	0	0	(4,763)	(1,895)	0
Transfer to the Common Good	0	(14,314)	0	0	0	0	0	(14,314)	0
Other Movements	0	(748)	0	0	(106)	(396)	0	(1,250)	0
31 March 2021	335,128	403,753	58,608	291,359	5,179	5,335	21,984	1,121,346	162,789
Accumulated Depreciation and impairment									
1 April 2020	0	(60,441)	(41,268)	(144,029)	(603)	(2,366)	0	(248,707)	(40,976)
Depreciation charge	(12,083)	(18,525)	(3,600)	(10,369)	(33)	(336)	0	(44,946)	(5,171)
Revaluation Losses/Gains	0	33,016	0	0	0	37	0	33,053	0
Disposals/ Demolitions	1	586	781	0	0	1,321	0	2,689	0
Reclassified Assets	0	0	0	0	0	0	0	0	0
Transfer to the Common Good	0	1,211	0	0	0	0	0	1,211	0
Other movements	0	39	0	34	0	0	0	73	0
31 March 2021	(12,082)	(44,114)	(44,087)	(154,364)	(636)	(1,344)	0	(256,627)	(46,147)
Net Book Value									
31 March 2020	326,574	343,610	13,751	139,597	4,597	5,189	17,618	850,936	119,614
31 March 2021	323,046	359,639	14,521	136,995	4,543	3,991	21,984	864,719	116,642

Comparative Movements in 2019/20

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
Gross Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
1 April 2019	349,035	388,109	52,359	275,326	5,605	5,774	12,092	1,088,300	158,757
Additions	6,938	6,357	2,969	8,278	180	0	19,415	44,137	1,833
Additions – ACCCT Assets	2,995	0	0	0	0	0	0	2,995	0
Revaluation increases/ (decreases) recognised in the RRA	(33,204)	1,142	0	0	0	0	0	(32,062)	0
Revaluation increases/ (decreases) recognised in the NCS	0	(856)	0	0	0	0	0	(856)	0
Disposals /Demolitions	(224)	(119)	(443)	0	0	(1,076)	0	(1,862)	0
Reclassified Assets Held for Sale	0	(1,083)	0	0	0	0	0	(1,083)	0
Reclassified Assets	1,034	9,992	0	0	0	2,863	(13,889)	0	0
Other Movements	0	509	134	22	(585)	(6)	0	74	0
31 March 2020	326,574	404,051	55,019	283,626	5,200	7,555	17,618	1,099,643	160,590
Accumulated Depreciation and impairment									
1 April 2019	(48,275)	(45,526)	(38,078)	(133,477)	(570)	(742)	0	(266,668)	(35,805)
Depreciation charge	(13,050)	(16,968)	(3,547)	(10,552)	(33)	(190)	0	(44,340)	(5,171)
Revaluation Losses/Gains	61,313	365	0	0	0	0	0	61,678	0
Disposals /Demolitions	12	22	357	0	0	232	0	623	0
Reclassified Assets	0	1,666	0	0	0	(1,666)	0	0	0
Other Movements	0	0	0	0	0	0	0	0	0
31 March 2020	0	(60,441)	(41,268)	(144,029)	(603)	(2,366)	0	(248,707)	(40,976)
Net Book Value									
31 March 2019	300,760	342,583	14,281	141,849	5,035	5,032	12,092	821,632	122,952
31 March 2020	326,574	343,610	13,751	139,597	4,597	5,189	17,618	850,936	119,614

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. The 2020/21 valuations were undertaken by External Valuers, J&E Shepherd Chartered Surveyors (MRICS qualified). 2020/21 is the second year of the current programme and valuations for 2020/21 were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

As part of our 5 year revaluation plan, the assets that were valued in 2020/21 were coastal schools and main office buildings.

A new 5 year valuation plan was agreed with Property Asset colleagues and the External Valuer for 2019/20 to 2023/24. Assets which will be revalued as part of 2021/22 annual accounts will be landward schools, industrial units and industrial land.

Note 12 – Heritage Assets
Reconciliation of the Carrying Value of Heritage Assets held by the Council

	Tangible Heritage Assets			Total Assets
	Museum Fine Art	Museum Other Collections	Civic Regalia	
	£000	£000	£000	
Valuation at 31 March 2020	5,070	700	100	5,870
Valuation at 31 March 2021	5,070	700	100	5,870

The valuations disclosed in the balance sheet are based on the assessments prepared for Insurance purposes, internally with advice from National Museums and Galleries.

All other items which may be deemed as being Heritage Assets have not been included on the balance sheet, in the main due to materiality. It is not considered practical to provide valuations as they were all under the de-minimus of £100,000.

Expenditure which in the Council's view is required to preserve or prevent further deterioration of individual items is recognised in the Comprehensive Income and Expenditure Account. The council aims to maintain the condition of these assets in a steady state of repair, subject to budgetary and operational constraints.

There are no transactions relating to Heritage Assets to be disclosed in the 2020/21 Accounts.

The assets shown on the balance sheet are all currently valued at £100,000 or above in accordance with the policy on Heritage Assets and are as follows:

		Valuation at 31 st March 2021 £000
Fine Art Collection		
Painting, The Adoration of the Magi	Pieter Breughel	2,300
Painting, St John Preaching in Wilderness	Pieter Breughel	2,000
Others		770
Total Fine Art Collection		5,070
Other Collections & Civic Regalia		800
Total Heritage Assets in Balance Sheet		5,870

Note 13 – Long Term Debtors

2019/20 £000		2020/21 £000
189	Housing Advances	165
3,402	Police Scotland Loan	2,776
72	Leases	0
269	Common Good	233
4	Empty Homes Initiative	3
3,936	Total Long Term Debtors	3,177

Note 14 – Short Term Debtors

2019/20 £000		2020/21 £000
1,534	Local Tax	2,502
7,636	Trade Customers	8,962
1,018	Related Parties	609
10,838	Others	22,200
21,026	Total Short Term Debtors	34,273

Note 15 - Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2019/20 £000		2020/21 £000
30	Cash held by the Council	32
(1,770)	Bank Overdraft	(2,085)
6,442	Cash Investments	12,971
4,702	Total Cash and Cash Equivalents	10,918

Note 16 – Short Term Creditors

2019/20 £000		2020/21 £000
(1,391)	Local Tax	(662)
(19,146)	Trade Payables	(27,233)
(19,873)	Other Payables	(22,703)
(2,930)	Public Finance Initiatives	(4,210)
(8,550)	Related Parties	(7,646)
(51,890)	Total Short Term Creditors	(62,454)

Note 17 - Unusable Reserves

31 March 2020 £000		31 March 2021 £000
154,200	Revaluation Reserve Account	187,677
435,729	Capital Adjustment Account	429,228
(925)	Financial Instruments Adjustment Account	(781)
(88,758)	Pensions Reserve	(65,702)
(5,667)	Accumulated Absences Account	(6,323)
494,579	Total Unusable Reserves	544,099

Revaluation Reserve Account (RRA)

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.

2019/20 £000		2020/21 £000
123,484	Balance at 1 April	154,200
32,854	Upward revaluation of assets	35,088
(172)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(431)
(1,966)	Difference between fair value depreciation and historical cost depreciation	(1,180)
154,200	Balance at 31 March	187,677

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. 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 from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

This table provides details of the source of all the transactions posted to the Account.

2019/20 £000		2020/21 £000
424,837	Balance at 1 April	435,729
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(45,105)	Charges for depreciation and impairment of non-current assets	(48,764)
(988)	Revaluation gain/losses on Property, Plant and Equipment	449
0	Amortisation of intangible assets	0
	Revenue expenditure funded from capital under statute	
0	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
1,966	Adjusting amounts written out of the Revaluation Reserve	1,180

2019/20 £000		2020/21 £000
	Capital financing applied in the year:	
1,498	Use of the Capital Receipts Reserve to finance new capital expenditure	788
(415)	Unapplied Capital Receipts	(1,161)
(1)	Capital receipt for finance lease	9
27,329	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	21,728
0	Application of grants to capital financing from the Capital Grants Unapplied Account	605
12,644	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	12,685
13,967	Capital expenditure charged against the General Fund and HRA balances	14,255
0	Transfer of Assets from General Fund to Common Good as per new legislation	(8,343)
(3)	Other Adjustment	68
435,729	Balance at 31 March	429,228

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 historic premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but if appropriate are 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 of premiums currently on the Account at 31 March 2021 will be charged to the General Fund over the next 7 years.

2019/20 £000		2020/21 £000
(1,069)	Balance at 1 April	(925)
144	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	144
0	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0
(925)	Balance at 31 March	(781)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the

resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019/20 £000		2020/21 £000
(88,174)	Balance at 1 April	(88,758)
15,260	Re-measurement of net pensions liability	45,829
(15,844)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(22,773)
(88,758)	Balance at 31 March	(65,702)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance (including Housing) 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 the Account.

2019/20 £000		2020/21 £000
(5,112)	Balance at 1 April	(5,667)
(555)	Amounts accrued at the end of the current year	(656)
(5,667)	Balance at 31 March	(6,323)

Note 18 - Termination Benefits

The Council terminated the contracts of a number of employees in 2020/21 incurring liabilities of £0.058m (£0.226m in 2019/20). Further detail is provided in the Remuneration Report, page 40, table 2.

Note 19 – Councillor Remuneration, Allowances and Expenses

2019/20 £000		2020/21 £000
578	Remuneration	589
1	Allowances	0
40	Expenses	2
619	Total	591

Note 20 – Teachers Pensions Scheme Accounted for as Defined Contribution Scheme

Teachers employed by the council are members of the Scottish Teachers' Pension Scheme (STPS) administered by the Scottish Government (Scottish Public Pensions Agency) and is a multi-employer scheme. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. Angus Council does not underwrite any other entities' liabilities in the scheme.

The Scheme is technically a defined benefit scheme, however the scheme is unfunded and the Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by Councils. The council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of the Annual Accounts, it is therefore accounted for the same basis as a defined contribution scheme.

In 2020/21, the employer's rate of contribution was 23.0% and the amount paid over in respect of employer's contributions was £11.820 million (£10.313m in 2019/20, 17.2% to 31 August 2019, then 23.0% from 1 September 2019). The estimated value of employer contributions payable to teachers pension scheme in 2021/22 is £11m.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for as unfunded obligations and payments in Note 21 below.

Note 21 - Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

The council participates in the Local Government Pension Scheme (Tayside Pension Fund)), administered locally by Dundee City Council – this is a funded defined benefit 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 scheme currently provides benefits based on career average revalued salary and length of service on retirement.

In 2020/21 the council paid employer contributions totalling £12.507m (£11.684m in 2019/20) representing 17.0% of employees' pensionable pay.

The Council also has liabilities for any discretionary payments outside the main scheme. These benefits are unfunded defined benefit arrangements and liabilities are recognised when awards are made. Investment assets are built up to meet pension liabilities for discretionary awards and cash has to be generated to meet actual pensions payments as they eventually fall due.

In 2020/21, the council paid £1.016m representing 0.81 of pensionable pay in unfunded discretionary benefits (£1.189m representing 1.0% in 2019/20). 2 awards were made in 2020/21 amounting to £0.058m (£0.226m in 2019/20) in respect of employees leaving the council. This £0.058 million is in addition to the employer contributions of £11.820 million and £12.507 million referred to above.

The principal risks to the authority of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes (i.e. large-scale withdrawals of members 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 sections. (please refer to Note 1, item F for further details).

It is not possible to identify the extent to which a surplus or deficit in the scheme may affect the amount of future contributions.

Pensions Position

The pension accounting requirements of International Accounting Standards (IAS 19) have been applied to the accounting statements. Under these requirements, costs of services delivered by the council are restated to include an actuarially assessed cost of the increased liability falling upon the council in respect of employee pensions under the Local Government Pension Scheme. This is as opposed to the actual employer contributions paid during the year in accordance with the Scheme. Adjustments are made to ensure that the impact on council tax and housing rents from the IAS 19 presentational requirements is neutral.

The IAS19 requirements also lead to the creation of a Pension Asset or Pension Liability offset by a Pension Reserve. At the 31 March 2021 there was a Pension Liability of £65.702 million with a corresponding negative Pension Reserve. This Pension Liability is the difference between the value at 31 March 2021 of the Scheme's assets (investments, etc) attributable to the council and the present value of the liabilities relating to pensions for council employees (past and present). Thus if the council were to have discharged its responsibilities at 31 March 2021 there would have been a shortfall of some £65.702 million. The Pension Liability of £65.702 million compares with £88.758 million for the previous year – a favourable movement of £23.056 million.

As noted above, these liabilities are expressed in present value terms rather than the cash amount that will eventually be paid out in order to allow for the "time value of money". This is undertaken by discounting these future cash amounts by use of a corporate bond rate.

Amendments to the IAS19 standard now requires that, when determining any past service cost or gain or loss on settlement, the net defined benefit liability is remeasured using current assumptions and the fair value of plan

assets at the time of the event. The amendment does, however, note that the extra remeasurement does not need to be applied where the application of that remeasurement is immaterial. As requested by the Employer we have treated 1 event, which occurred over the accounting period, as a material 'special event'.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and the Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Year to 31 Mar 2020 £000	<i>The amounts recognised in the CIES statement are:</i>	Year to 31 Mar 2021 £000
26,519	Service cost	32,612
231	Administration expenses	238
	Financing and Investment Income and Expenditure	
1,967	Net interest on the defined liability /(asset)	3,446
28,717	Total Recognised in the Comprehensive Income & Expenditure Account	36,296
	The amounts recognised in the Movement on Reserves Statement:-	
(15,844)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(22,773)
12,873	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	13,523
11,684	Employer's contributions payable to scheme	12,507
1,189	Retirement benefits payable to pensioners	1,016

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

Net Pension Asset as at	31 Mar 2021 £000	31 Mar 2020 £000	31 Mar 2019 £000
Present value of the defined benefit obligation	899,034	723,330	763,011
Fair Value of plan assets	(845,033)	(644,401)	(685,796)
Sub-Total	54,001	78,929	77,215
Present value of unfunded obligation	11,701	9,829	10,959
Net liability arising from defined benefit obligation	65,702	88,758	88,174

Reconciliation of the present value of the Scheme Liabilities (Defined Benefit Obligation)

Year to 31 March 2020 £000		Year to 31 March 2021 £000
773,970	Opening Balance at 1 April	733,159
26,041	Current service cost	32,485
18,376	Interest cost	14,197

(68,353)	Actuarial (gains)/losses arising from changes in financial assumptions	181,537
0	Actuarial (gains)/losses arising from change in demographic assumptions	(13,995)
0	Experience (gain)/loss on defined benefit obligation	(18,292)
(20,722)	Estimated benefits paid net of transfers in	(21,889)
478	Past service costs, including curtailments	127
4,334	Contributions by Scheme participants and other employers	4,451
(965)	Unfunded pension payments	(1,045)
733,159	Closing Balance at 31 March	910,735

Reconciliation of the movements in the Fair Value of Scheme (Plan) Assets

Year to 31 March 2020 £000		Year to 31 March 2021 £000
685,796	Opening Balance at 1 April	644,401
16,409	Interest on assets	10,751
(53,340)	Return on assets less interest	198,972
0	Other actuarial gains/(losses)	(3,870)
(231)	Administration expenses	(238)
13,120	Contributions by employer including unfunded	13,500
4,334	Contributions by Scheme participants and other employers	4,451
(21,687)	Estimated benefits paid plus unfunded net of transfers in	(22,934)
644,401	Closing Balance at 31 March	845,033

- Please note that the £13.500 million above is an estimated amount used by the Actuary in the preparation of the IAS 19 report and the actual amount of £13.523 million has been reflected through the CIES. This produces a difference of £0.023 million which is due to timing differences of when they collate data for the preparation of the Actuarial report.

Local Government Pension Scheme Assets

The scheme assets disclosed above consist of the following categories, by proportion of the total assets held:-

Detailed Fund Asset Share	28 February 2021 %
Equities	
Consumer	8
Manufacturing	3
Energy & Utilities	2
Financial Institutions	9
Health and Care	5
Information Technology	9
Others	12
Debt Securities	
Corporate Bonds (investment grade)	12
Corporate Bonds (non-investment grade)	
UK Government	1
Others	1

Private Equity		
	All	0
Real Estate		
	UK Property	10
	Overseas Property	0
Investment Fund Unit Trusts		
	Equities	24
	Bonds	2
Derivatives		
Cash and Cash Equivalents		
	All	2
TOTAL		100.0

The following table provides analysis of each category of the above assets that have a quoted market price in an active market and those that do not.

Asset Breakdown	31 March 2021 % Quoted	31 March 2021 % Unquoted
Fixed Interest Government Securities		
UK	3.5	0.0
Overseas	0.5	0.0
Corporate Bonds		
UK	1.7	2.5
Overseas	8.8	0.0
Equities		
UK	13.2	0.0
Overseas	33.8	24.7
Property		
All	9.1	0.0
Others		
Derivatives	0.1	0.0
Cash Funds		
Cash/Temporary Investments	1.8	0.0
Net Current Assets		
Debtors	1.1	0.0
Creditors	(0.8)	0.0
TOTAL	72.8%	27.2%

The estimated asset breakdown for Angus Council as at 31 March 2021 is as follows:

31 March 2020 £000	31 March 2020 %	Asset Breakdown	31 March 2021 £000	31 March 2021 %
424,306	66%	Equities	605,081	72%
8,937	1%	Gilts	33,414	4%
113,566	18%	Other Bonds	110,298	13%
81,149	13%	Property	77,235	9%
19,656	3%	Cash	17,800	2%
(3,213)	0%	Alternatives	1,205	0%
644,401	101%	TOTAL	845,033	100%

Re-measurements in Other Comprehensive Income

Year to 31 March 2020 £000	Re-measurement of the net assets/(defined liability)	Year to 31 March 2021 £000
(53,340)	Return on Fund assets in excess of interest	198,972
0	Other actuarial gains/(losses) on assets	(3,870)
68,353	Change in financial assumptions	(181,537)
0	Change in demographic assumptions	13,995
0	Experience gain/(loss) on defined benefit obligation	18,292
15,013	Re-measurements of the net assets/(defined liability)	45,852

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about life expectancy rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Tayside Pension Fund being based on the latest full valuation of the scheme as at 31 March 2020, rolled forward for various financial assumptions that comply with IAS 19. The significant assumptions used by the actuary for the purposes of IAS 19 calculations are as follows:

For the accounting disclosure as at 31 March 2021 the actuaries have updated these assumptions again using the CMI_2020 model, This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. The effect on the assumed life expectancies is demonstrated in the table below.

Local Government Pension Scheme		Local Government Pension Scheme	Local Government Pension Scheme
2019/20		2020/21	2020/21
		(after CMI 2020 Update)	
	<i>Mortality assumptions</i>		
	<i>Life Expectancy from ages 65 years Retiring today:</i>		
19.7	Men	18.9	19.2
21.7	Women	22.5	22.5
	<i>Life Expectancy from ages 65 years Retiring in 20 years:</i>		
21.4	Men	20.2	20.7
23.5	Women	23.8	24.0
2.70%	Rate of Inflation - Retail Price Index	3.20%	3.20%
1.90%	Rate of Inflation - Consumer Prices Index	2.80%	2.80%
2.90%	Rate of increase in salaries	3.80%	3.80%
2.35%	Rate for discounting scheme liabilities	2.00%	2.00%
1.90%	Pension Increases	2.80%	2.80%

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The following sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The following changes to these assumptions would result in movements in the defined benefit obligation as follows:-

	Increase in Assumption £000	Decrease in Assumption £000
Life expectancy (increase or decrease by 1 year)	47,170	(44,709)
Rate of increase in salaries (increase or decrease by 0.1%)	2,510	(2,490)
Rate of increase in pensions (increase or decrease by 0.1%)	14,342	(14,071)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(16,674)	17,002

Impact on Future Cashflows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Contributions are set every 3 years as a result of the actuarial valuation of the Fund required by the regulations. The last actuarial valuation of the Fund will be carried out as at 31 March 2023 and will set contributions for the period from 1 April 2024 and 31 March 2027. There are no minimum funding requirements in the Local Government Pension Scheme but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The weighted average duration of the defined benefit obligation for scheme members is 19 years (2019/20: 20 years)

The Projected Pension Expense for the year to 31 March 2022 are as follows:-

Projections for the year to 31 March 2022	Year to 31 March 2022 £000
Service Cost	34,364
Net Interest on the defined liability (asset)	1,181
Administration expenses	312
Total	35,857
Employer Contributions	12,358

Note 22 - 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.

Scottish Government

The Scottish Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 8.

Members

Members of the council have direct control over the council's financial and operating policies. The total of members' remuneration, allowances and expenses paid in 2020/21 is shown in Note 19.

Other Public Bodies (subject to common control by Scottish Government)

The Council undertakes material transactions with Dundee City Council, Perth & Kinross Council, Tayside Joint Valuation Board and NHS Tayside in a variety of areas. Transactions and balances outstanding are detailed in Tables 1 & 2 below.

Entities Controlled or Significantly Influenced by Angus Council

The Council has significant interests in companies and relevant transactions and balances in the following organisations:-

- Angus Integration Joint Board – is a formal partnership between NHS Tayside and Angus Council as described in the Angus IJB Integration Scheme. That Integration Scheme describes the health and social care functions that have been delegated by the Parties to Angus IJB from 1st April 2016;
- Tayside Contracts – is a joint local Council trading organisation which operates under a Joint Committee. Angus Council procures work from Tayside Contracts and each of the three constituent council receive a share of annual surpluses from Tayside Contracts which can then be reinvested in services. Angus Council has a share of the assets and liabilities of the organisation and has representation on the Joint Committee thus the organisation is deemed to be significantly influenced by the Council;
- Dundee City Council (DCC) – Payments for MEB Waste Processing – Old DERL plant bought by MEB (privately owned company) to build new plant whilst running old facility in tandem. Angus Council via an inter-authority agreement with DCC have a contract with MEB regarding waste treatments but DCC is the lead Council and pays all charges and recharges on behalf of Angus Council;
- ANGUSalve is a limited company and registered Scottish Charity to which the Council transferred its culture,

leisure and access office services. Libraries, museums, galleries, archives, sport & leisure facilities, country parks, community halls, access offices and the Webster Theatre are all now managed by ANGUSalive. The company is deemed to be significantly influenced by the Council through its contractual relationship;

- East of Scotland European Consortium (ESEC) – the Consortium was formed in 1991 and comprises 7 local authorities, each of whom pays an annual contribution. The hosting of the secretariat moved from Angus Council to Dundee City Council during 2018/19 together with Chairing of the ESEC Board. The Consortium is deemed to be significantly influenced by the Council through its representation on the Board;
- Tayside Procurement Consortium (TPC) – the Consortium was formed in 2006 and comprises Angus, Dundee and Perth & Kinross councils. Each council contributes towards the running costs. The Consortium is deemed to be significantly influenced by the Council through its representation on the Steering Group.
- Voluntary Action Angus (VAA) – a local organisation supporting and leading the third sector in Angus. It is recognised by Scottish Government, Angus Community Planning Partnership and Angus Council as fulfilling a key role in ensuring the continued development of a vibrant third sector in Angus. VAA works in partnership with Angus Council and Angus Health and Social Care Partnership.
- Citizens Advice Bureau (CAB) – Angus Council has a service level agreement arrangement with CAB to provide advice and a number of supports and services to Angus Council residents. This could include general advice on benefits, consumer rights, education and employment rights etc. They also offer a debt advice service to the citizens of Angus.

Transactions and balances are detailed in Tables 1 & 2 below.

Table 1 - Related Parties

During the year, transactions with related parties arose as follows:

2019/20 Expenditure £000	2019/20 Income £000		2020/21 Expenditure £000	2020/21 Income £000
		Other Public Bodies		
62,781	62,781	Angus Integration Joint Board	69,238	69,238
781	0	Valuation Board – Requisition	813	0
0	543	Tayside Contracts – Share of Surplus and associated interest	0	478
24,394	0	Tayside Contracts – Contracts undertaken	21,047	0
5,852	314	Dundee City Council – Angus Council payment for MEB waste processing	6,010	48
0	5,887	NHS Tayside - Resource transfer	0	5,887
15,058	0	STPS – Scottish Teachers Pension Scheme	16,692	0
		Entities Controlled or Significantly Influenced by Angus Council		
		ANGUSalive		
5,688	552	Contributions to/from company	5,377	474
		Angus Community Care Charitable Trust		
131	0	Contribution due to Trust	0	0
182	0	Amounts due to Trust (rental income)	0	0
0	105	Amounts due from Trust	0	0
		Angus Care & Repair		
5	0	HRA	0	0
88	0	Angus Health and Social Care Partnership	0	0
		East of Scotland European Consortium		
7	0	Contribution due to the Consortium	7	0
		Tayside Procurement Consortium		
171	114	Contribution due to the Consortium	218	145
		Voluntary Action Angus (VAA)		
351	0	Contributions	268	0
		Citizens Advice Bureau		
136	0	Contributions	136	0
115,625	70,296	Total	119,806	76,270

Table 2 - Related Parties (Debtors / Creditors)

Amounts at the end of the financial year, either due to or by the council, were all in accordance with normal business and there were no material issues as to the question of the amounts being properly due.

2019/20 Creditors £000	2019/20 Debtors £000		2020/21 Creditors £000	2020/21 Debtors £000
		Other Public Bodies		
3,333	0	Angus Integration Joint Board	4,532	0
0	504	Tayside Contracts – Share of Surplus and associated interest	0	478
3,293	0	Tayside Contracts – Contracts undertaken	1,231	0
507	314	Dundee City Council – Angus Council payment for MEB waste processing	480	48
1,345	0	STPS – Scottish Teachers Pension Scheme	1,403	0
		Entities Controlled or Significantly Influenced by Angus Council		
		ANGUSalive		
15	162	Contribution from/to company	0	83
		Tayside Procurement Consortium		
57	38	Contribution due to the Consortium	0	0
8,550	1,018	Total	7,646	609

Note 23- PFI / PPP and Similar Contracts

Angus Council has entered into five Public Private Partnerships or similar contracts as follows:-

A92 Dual Carriageway

The Council entered into a 30-year contract to facilitate dualling of the A92 which had a works value in the order of £50m with the road opening to traffic on 27 September 2005. 2020/21 was the 16th year of the contract which is due to conclude in financial year 2035/36. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the road thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2020/21.

Beech Hill House, Forfar

The Council entered into a 25-year joint arrangement with NHS Tayside for the refurbishment and provision of Beech Hill House which had a works value in the order of £1.9m and was made available to the Council on 21 March 2005. 2020/21 was effectively the 16th year of the arrangement which is due to conclude in financial year 2029/30. Under the arrangement, Beech Hill House was incorporated within a wider PFI project and contract being undertaken by NHS Tayside, whereby the contractor took on the obligation to carry out the refurbishment works and to maintain the property thereafter. The Council only has rights to terminate the arrangement if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2020/21.

Forfar / Carnoustie Schools

The Council entered into a 30-year contract to facilitate refurbishment and replacement of 7 schools in Forfar and Carnoustie and these became operational as follows: Woodlands PS (4 October 2007); Strathmore PS (16 January 2008); Burnside PS (20 February 2008); Whitehills PS (29 February 2008); Carlogie PS (7 November 2008); Carnoustie HS (5 December 2008); and Langlands PS (23 April 2009). The operational contract period began with the provision of the first school and 2020/21 was therefore the 14th year of the contract which is due to conclude in financial year 2037/38. Under the contract, the contractor took on the obligation to carry out the construction and refurbishment works and to maintain the properties thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2020/21.

Forfar Community Campus

The Council entered into a 25-year contract to facilitate replacement of Forfar Academy along with the town's leisure facilities on a single community campus basis. The works value was some £33.5m and the facility became operational on 6 February 2017. 2020/21 was the 3rd full year of the arrangement which is due to conclude in financial year 2041/42. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the property thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2020/21.

Arbroath Schools

The Council entered into a 25-year contract to facilitate replacement of Ladyloan PS and Muirfield PS in Arbroath. The total works value was some £15.1m and both facilities became operational on 17 December 2018. 2020/21 was

effectively the 2nd full year of the arrangement which is due to conclude in financial year 2043/44. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the property thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2020/21.

Property, Plant and Equipment

The assets used to provide services in respect of the above facilities are recognised on the Council's balance sheet. Movements in their value over the year are contained within the analysis of the movements on the Property, Plant and Equipment balance in Note 11.

Liabilities and Payments

The following liabilities result from the Council's Public Private Partnerships and similar contract arrangements and are contained within the long-term liabilities on the Council's balance sheet. Fair values have been determined in line with the principles set out in Note 28 Financial Instruments.

	A A92 Dual Carriageway	B Beech Hill House	C Forfar/ Carnoustie Schools	D Forfar Community Campus	E Arbroath Schools	Totals
	£000	£000	£000	£000	£000	£000
Liability at 31 March 2020	38,378	1,262	35,762	31,162	14,857	121,421
Additions	0	0	0	0	0	0
Repayment of liability for year	(756)	(102)	(823)	(843)	(406)	(2,930)
Liability at 31 March 2021	37,622	1,160	34,939	30,319	14,451	118,491
Fair value of liability at 31 March 2021	45,197	1,338	51,057	43,357	19,899	160,848

The Council makes an agreed payment each year which is adjusted annually by inflation and can be reduced if the contractor fails to meet availability and performance standards as set out in the contract. The payment made each year is otherwise fixed.

Payments remaining to be made under the 5 PPP and similar contracts at 31 March 2021 (excluding any allowance for availability or performance reductions but including application of an assumed 2.5% inflation per annum) are as follows:

	A A92 Dual Carriageway	B Beech Hill House	C Forfar/ Carnoustie Schools	D Forfar Community Campus	E Arbroath Schools	Totals
	£000	£000	£000	£000	£000	£000
Payments due within 1 year (2021/22)						
Repayment of liability	1,845	116	908	923	418	4,210
Finance costs	4,911	218	2,858	2,037	796	10,820
Service charges (inc. life cycle replacement costs)	1,213	94	2,775	377	200	4,659
Total payments due within 1 year	7,969	428	6,541	3,337	1,414	19,689
Payments due within 2 to 5 years (2022/23 to 2025/26)						
Repayment of liability	6,494	367	4,965	3,913	1,827	17,566
Finance costs	18,881	759	10,910	7,479	2,967	40,996
Service charges (inc. life cycle replacement costs)	8,515	697	11,296	2,139	945	23,592
Total payments due within 2 to 5 years	33,890	1,823	27,171	13,531	5,739	82,154

	A A92 Dual Carriageway £000	B Beech Hill House £000	C Forfar/ Carnoustie Schools £000	D Forfar Community Campus £000	E Arbroath Schools £000	Totals £000
Payments due within 6 to 10 years (2026/27 to 2030/31)						
Repayment of liability	13,964	677	9,086	5,592	2,469	31,788
Finance costs	26,179	815	10,982	7,683	3,112	48,771
Service charges (inc. life cycle replacement costs)	7,212	521	16,276	4,083	1,803	29,895
Total payments due within 6 to 10 years	47,355	2,013	36,344	17,358	7,384	110,454
Payments due within 11 to 15 years (2031/32 to 2035/36)						
Repayment of liability	15,319	0	13,778	7,582	3,392	40,071
Finance costs	21,092	0	6,905	5,530	2,400	35,927
Service charges (inc. life cycle replacement costs)	11,540	0	18,495	4,800	1,853	36,688
Total payments due within 11 to 15 years	47,951	0	39,178	17,912	7,645	112,686
Payments due within 16 to 20 years (2036/37 to 2040/41)						
Repayment of liability	0	0	6,202	10,306	3,807	20,315
Finance costs	0	0	1,170	2,631	1,351	5,152
Service charges (inc. life cycle replacement costs)	0	0	6,660	5,602	2,781	15,043
Total payments due within 16 to 20 years	0	0	14,032	18,539	7,939	40,510
Payments due within 21 to 25 years (2041/42 to 2045/46)						
Repayment of liability	0	0	0	2,003	2,538	4,541
Finance costs	0	0	0	93	256	349
Service charges (inc. life cycle replacement costs)	0	0	0	1,143	1,621	2,764
Total Payments due within 21 to 25 years	0	0	0	3,239	4,415	7,654
Total Payments Due						
Repayment of liability	37,622	1,160	34,939	30,319	14,451	118,491
Finance Costs	71,063	1,792	32,825	25,453	10,882	142,015
Service charges (incl. life cycle replacement costs)	28,480	1,312	55,502	18,144	9,203	112,641
Total Payments Due	137,165	4,264	123,266	73,916	34,536	373,147

Note 24 - Leases

Council as Lessee - Finance Leases

The Council has acquired 2 buildings under finance leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net book value:

31 March 2020 £000		31 March 2021 £000
3,959	Other Land and Buildings	2,315

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31 March 2020 £000		31 March 2021 £000
	Finance lease liabilities:	
1,805	Current	1,164
1,444	Non-current	215
290	Finance costs payable in future years	233
3,539	Minimum lease payments	1,612

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments	Finance Lease Liabilities		Minimum Lease Payments	Finance Lease Liabilities
31 March 2020 £000	31 March 2020 £000		31 March 2021 £000	31 March 2021 £000
1,966	1,805	No later than one year	1,345	1,164
1,311	1,252	Later than one year and not later than five years	134	97
262	192	Later than five years	133	118
3,539	3,249	Totals	1,612	1,379

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. As at the balance sheet date, no contingent rents are, or are expected to be, payable by the Council.

With regard to the contractual arrangements of the residual waste treatment plant in partnership with Dundee City Council, a further £36.8m of lease asset will fall to Angus Council once the full plant comes on stream in 2021/22 with a commitment to a further £55m in finance lease payments over the remaining life of the lease agreement (2022/23 to 2045/46).

Operating Leases

The Council is currently not entered into any operating leases.

Council as Lessor - Finance Leases

The building associated with the Council's one remaining finance lease has been the subject of a community asset transfer and is therefore no longer considered to be an investment property. Angus Council continues to own the building, with the community asset transfer involving a 25 year (below market value) lease, the terms of which remove repair and maintenance liabilities for the Council.

Operating Leases

The Council does not lease out any assets under operating leases.

Note 25 - Capital Commitments

As at 31 March 2021, the Council has entered into a number of contracts for the construction / enhancement / purchase of property, plant and equipment in 2020/21 and future years, budgeted to cost £48.352 million (gross). Similar commitments at 31 March 2020 were £42.056 million (gross). The major commitments (on a gross basis) include:

- Montrose South Regeneration (£0.404 million);
- Restenneth Landfill Site Phase 3b Capping (£0.499 million);
- Arbroath Flood Strategy – Brothock Burn / Seawall (£8.957 million);
- Capitalised Property Maintenance (£0.876 million);
- Roads Infrastructure (£0.900 million);
- Provision of New Affordable Housing (£7.522 million);
- Energy Savings / Reaching Zero Carbon (£8.900 million);
- Kitchen Replacements (£0.500 million);
- Bathroom Replacements (£4.247 million).

Note 26 - Construction Contracts

At 31 March 2021 the Council had no construction contracts in progress on behalf of any other party. Accordingly, no entries were due to be accrued or disclosed in the Council's accounts. The same position existed at 31 March 2020.

Note 27 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/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 first part of this note.

2019/20 £000	Movement in Year	2020/21 £000
286,569	Opening Capital Financing Requirement	274,478
	Capital Investment:	
44,137	Property, Plant and Equipment	40,500
	Sources of Finance:	
(194)	Capital Receipts	(393)
(28,798)	Government Grants and other Contributions	(23,129)
	Sums set aside from revenue:	
(13,985)	Direct revenue contributions	(15,759)
(8,959)	Loans Fund Principal	(8,620)
(4,292)	Repayment of Liability – Finance Lease / PFI & PPP	(4,800)
274,478	Closing Capital Financing Requirement	262,277
	Explanation of Movements in year	
(8,340)	Increase / (decrease) in underlying need to borrow (supported by government financial assistance)	(7,022)
541	Increase / (decrease) in underlying need to borrow (unsupported by government financial assistance)	(379)
(1,778)	Movement in liability of assets acquired under finance leases	(1,870)
(2,514)	Movement in liability of assets acquired under PFI/PPP contracts	(2,930)
(12,091)	Increase/(Decrease) in Capital Financing Requirement	(12,201)

Capital Expenditure on Services

2019/20 Actual £000		2020/21 Actual £000	2020/21 Budget £000
	CAPITAL EXPENDITURE ON SERVICES		
139	Strategic Policy & Economy	485	957
14,162	Housing Revenue Account	15,565	17,909
46	Planning & Communities	278	1,154
2,086	Environmental Services	2,870	3,927
2,834	Property Asset	925	1,153
6,826	Roads & Transportation	7,694	13,123
0	Children, Families & Justice	57	0
15,627	Education & Lifelong Learning	9,664	10,695
339	Digital Enablement & Information Technology	599	1,253
28	Angus Health & Social Care Partnership	73	1,009
217	ANGUSalive	91	576
42,304	Total Capital Expenditure	38,301	51,756
	Financing of Capital Expenditure		
1,669	Sale of Assets	808	1,384
27,323	Government Grants & Other Contributions	22,714	22,764
12,135	Contribution from Revenue	13,490	15,873
17	Local Capital Fund	70	585
1,160	Advances from Loans Fund	1,219	11,150
42,304	Total Capital Financing	38,301	51,756

The Council did not capitalise any borrowing costs during 2020/21.

Note 28 - Financial Instruments

International Financial Reporting Standards (IFRS) require the Council to make disclosures in respect of its financial instruments, which in the main comprise the borrowing, lending, investments, creditors, and debtors of the Council. The purpose of these disclosures is to provide information regarding:

- the significance of financial instruments for the Council's financial position and performance; and
- the nature and extent of risks arising from financial instruments to which the Council is exposed and how the Council manages those risks.

Analysis of Financial Instruments

Under IFRS9 (implemented with effect from 1 April 2018) financial assets are now classified based on an approach that reflects the business model for holding the financial assets and their cashflow characteristics. Financial assets are classified at amortised cost on the basis that the Council's business model is to collect contractual cashflows and are solely principal and interest (SPPI). Financial assets measured at amortised cost are initially measured at fair value and then carried at amortised cost. Financial liabilities are initially measured at fair value and then carried at their amortised cost.

The following categories of Financial Assets and Liabilities are carried in the Balance Sheet:

Financial Assets

	Non-current				Current				Total
	Investments		Debtors		Investments		Debtors		
	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	
Amortised Cost	491	482	3,870	3,177	62,226	74,593	18,433	31,028	109,280
Total Financial Assets	491	482	3,870	3,177	62,226	74,593	18,433	31,028	109,280

Financial Liabilities

	Non-current				Current				Total
	Borrowings		Creditors		Borrowings		Creditors		
	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	
Amortised Cost	141,587	139,133	0	0	8,476	7,396	51,890	62,454	208,983
Total Financial Liabilities	141,587	139,133	0	0	8,476	7,396	51,890	62,454	208,983

LOBOs (Lender Option, Borrower Option loans) with a call date in the next 12 months amounting to £16 million (£12 million in the previous year) are included in non-current borrowing. The non-current figures above assume that in arriving at the amortised cost for a LOBO, the maturity period of a LOBO is taken as the contractual period to maturity.

Expected Credit Loss Model

The introduction of the Expected Credit Loss Model under IFRS9 Financial Instruments requires financial assets to be reviewed for impairment losses to reflect the expectation that the future cashflows might not take place because the borrower could default on their obligations. Credit risk plays a major part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk remains low or has not significantly increased, losses are assessed on the basis of a 12-month expected loss.

The council has reviewed its financial assets in this regard and determined that there is no significant increase in credit risk, no significant impairments or no impairment due. The council considers that due diligence is exercised through its Investment Strategy in the Treasury Management Strategy Statement in which minimisation of risk is a key priority along with the security and liquidity of the investment (note 29 also refers).

Analysis of Gains / Losses in respect of Financial Instruments

The gains and losses recognised in the CIES and movements in reserves in relation to financial instruments are disclosed below.

2019/20		2020/21		
Total £000		Financial Liabilities Measured at amortised cost £000	Financial Assets Measured at amortised cost £000	Total £000
(7,176)	Interest expense	(7,046)	0	(7,046)
(141)	Losses on derecognition	(141)	0	(141)
(7,317)	Interest payable and similar charges	(7,187)	0	(7,187)

1,054	Interest income	0	720	720
3	Gains on derecognition	3	0	3
1,057	Interest and investment income	3	720	723
(6,260)	Net gain /(loss) for the year	(7,184)	720	(6,464)

Fair Value of Financial Assets and Liabilities Carried at Amortised Cost

Financial assets and liabilities are carried on the Balance Sheet at amortised cost. The fair value of financial assets and liabilities is required to be disclosed to enable a comparison to the carrying amounts in the Balance Sheet. Fair value is defined as 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, emphasising that fair value is a market-based measurement, not an authority specific measurement.

In measuring fair value, Angus Council 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 and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within a fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council 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;
- Level 3 – unobservable inputs for the asset of liability.

All of Angus Council's fair value calculations have been carried out using level 2 inputs as the valuation basis.

Fair values have been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The discount rate utilised should equal the current rate in relation to the same or similar instrument from a comparable lender. This has been assumed to be the rate applicable in the market on the date of valuation, for an instrument of the same duration as the outstanding period from valuation date to maturity. Discount rates have therefore been determined by applying the following principles:

- For PWLB debt, the discount rate used is the rate for new borrowing (maturity basis and after allowing for the certainty rate deduction) as per the rate sheet number 127/21 as this excludes the margin included in the premature repayment rate, which represents the lender's profit as a result of debt rescheduling, as any motivation other than securing a fair price should be ignored;
- In respect of LOBO debt and market lending, discount rates equal the rates available for an equivalent instrument, with equivalent terms from a comparable lender;
- In respect of the long term debtors, the discount rates used are those applicable to PWLB new borrowing (maturity basis and prior to the certainty rate deduction) for a period equal to the remaining period of the long term debtor, as taken from PWLB rate sheet number 127/21;
- Accrued interest has been included in the fair value;
- No early repayment or impairment has been allowed within the fair value calculations;
- No adjustments have been made where any relevant dates fall on a non-working day; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Applying these principles, the fair value of financial liabilities carried at amortised cost are disclosed below.

31 March 2020						31 March 2021	
Comparison Amount	Fair Value		Carrying Amount	Less LOBO Accounting Adjustments	Add Accrued Interest	Comparison Amount	Fair Value
£000	£000		£000	£000	£000	£000	£000
111,982	149,508	PWLB	108,647	0	852	109,499	156,482
14,093	23,168	Market Debt	14,000	0	92	14,092	23,824
16,026	23,691	LOBOs	16,486	(486)	27	16,027	25,528
51,890	51,890	Creditors	62,454	0	0	62,454	62,454
7,470	7,717	Short term borrowing	6,403	0	22	6,425	6,531
201,461	255,974	Total financial liabilities	207,990	(486)	993	208,497	274,819

All of the Council's PWLB and LOBO loan portfolio are fixed rate, fixed term loans. The fair value of PWLB loans is significantly more than the carrying amount as the Council's PWLB loan portfolio contains a significant number of older loans with fixed rates which are significantly higher than the rates now available for similar PWLB loans at the Balance Sheet date. The fair value of LOBOs are higher than the carrying value as the LOBO loans predominantly comprise fixed rates that are higher than those available in the market for similar loans at the balance sheet date.

Again, applying the above principles, the fair value of financial assets carried at amortised cost are disclosed below.

31 March 2020			31 March 2021	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
26,155	26,155	Deposits with banks and building societies	43,546	43,546
29,065	29,065	Deposits with other local authorities	31,041	31,041
7,003	7,003	Money Market Fund deposits	0	0
494	494	Other Structured deposits	488	488
3,870	3,091	Long term debtors	3,177	2,581
18,433	18,433	Debtors	31,028	31,028
85,020	84,241	Total financial assets	109,280	108,684

All of the Council's bank, building society and local authority deposits are fixed rate, fixed term deposits of 1 year or less. The overall fair value of these deposits is lower than the carrying amount as the Council's deposit portfolio contains deposits with fixed rates which are lower than the rates available for similar deposits at the Balance Sheet date. In respect of long-term debtors, the fair value is less than the carrying value as the present value of the future cash flows from these debtors are worth less to the Council as a result of the effects of inflation.

Soft Loans

The council had no soft loans at the 31st March 2021.

Note 29 - Nature and Extent of Risks Arising from Financial Instruments

Angus Council's activities expose it to a variety of financial risks in respect of financial instruments and in particular the following:

- credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments; and

- market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The management of the Council's treasury position is focused on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Management of the treasury position is carried out centrally within the Finance service and the Council has fully adopted the CIPFA Code of Treasury Management Practice in this regard. In line with this Code, the Council strategy for the management of financial risks is supported by written policies and procedures covering areas such as credit, liquidity and market risks. These areas are expanded upon below.

Credit Risk

Credit risk arises primarily from deposits with banks and other financial institutions, but also arises from credit exposures to the Council's customers. Deposits during 2020/21 were only made with banks or other financial institutions which were assessed independently by the Council's Treasury Management advisers as being sufficiently secure and which had a minimum Fitch long term rating of A minus and a minimum Fitch short term rating of F1 or were classed as a part or fully nationalised bank at the time the deposit was made. Deposits could also be made with other local authorities and whilst such bodies are not specifically rated, they are deemed to hold at least the rating level of the UK government. The exception to these criteria was overnight deposits placed with the Council's own bank (Clydesdale) as noted below.

The Council, in accordance with CIPFA's Treasury Management in the Public Services Code of Practice (2017 edition), has an Annual Treasury Management Strategy in place and as part of this strategy the determination of the levels of investments placed with permitted counterparties is set.

In respect of the financial year 2020/21 the following limits were in place and were applied at the time each deposit was made:

- a maximum of £2.5 million could be placed with each A minus institution subject to a total of no more than 35% of the Council's investments being placed with suitable A minus rated counterparties;
- a maximum of £12.5 million could be placed with each A or A plus rated institution, subject to a total of no more than 60% of the Council's investments being placed with these counterparties;
- a maximum of £15.0 million could be placed with each UK domiciled AA minus (or higher) rated institution, with 100% of the Council's investments in this category being able to be placed with these counterparties;
- a maximum of £10.0 million could be placed with each non-UK domiciled AA minus (or higher) rated institution subject to a maximum of £20.0m being placed overall and a total of no more than 50% of the Council's investments being placed with these counterparties;
- a maximum of £15.0 million could be placed with each of the Nationalised or part Nationalised Banks, however 100% of the Council's investments could be placed with these counterparties;
- a maximum of £20.0 million could be placed overall in Money Market Funds, with the maximum limit of £10.0 million able to be placed with any single fund. 100% of the Council's investments could be placed in Money Market Funds;
- a maximum of £10.0 million could be placed overall in Ultra Short Dated Bond Funds, with a maximum limit of £5.0m able to be placed with any single fund and no more than 25% of the Council's investments being placed with these counterparties; and
- No limits were in place in respect of deposits with other Local Authorities and 100% of the Council's investments could be placed with this category.

The one exception to the above-mentioned limits is the Council's own bank - currently the Clydesdale Bank - for which an overall investment limit of £20.0 million is maintained for operational reasons. The bank did not meet the Council's minimum investment criteria during 2020/21, therefore in line with the approved Treasury Management Strategy, the placement of funds with the Clydesdale was limited throughout the financial year to overnight only.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience of default / ability to collect and experience and advice in respect of current market conditions.

	Amounts at 31 March 2021	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2021	Estimated maximum exposure – default etc
	£000	%	%	£000
Deposits with other banks	43,546	0	0	0
Deposits with other local authorities	31,041	0	0	0
Money Market Fund deposits	0	0	0	0
Collateralised deposits	0	0	0	0
Customers	3,807	6.57	8.69	331
Totals	78,394	6.57	8.69	331

Two instances of exceeding investment limits arose during 2020/21, for which further detail can be found in report [326/20](#). The Council does not expect any losses from non-performance of any of its investment counterparties in relation to deposits and bonds.

The Council does not generally give credit for customers and in this regard it can be reported that £3.056 million of the £3.807 million customer debt balance is past its due date for payment. The past due date amount can be analysed by age as follows:

	31 March 2021 £000
Less than 3 months	690
3 to 6 months	278
6 months to 1 year	568
More than 1 year	1,520
Total	3,056

Liquidity Risk

The Council has ready access to borrowings from the financial markets to cover any day to day cash flow needs and has ready access to borrow funds from the Public Works Loans Board (PWLB) for longer term commitments. There is therefore no significant risk that the Council will be unable to raise funds to meet its commitments under financial instruments. The risk instead is that the Council may have to replenish a significant proportion of its borrowing at a time when interest rates may not be favourable. In accordance with the CIPFA Treasury Management Code of Practice, the Council has a policy in respect of upper and lower limits with regard to the maturity structure of fixed rate borrowing. The limits are set with the amount of fixed rate borrowing maturing in each period expressed as a percentage of total fixed rate borrowing as set out in the following table below.

	Upper Limit %	Lower Limit %
Under 1 year	25	0
1 year and within 2 years	25	0
2 years and within 5 years	50	0
5 years and within 10 years	50	0
10 years and above	100	50

In conjunction with the Council's Treasury Management advisers, the Director of Finance adopts a pro-active management of the Council's borrowings to ensure that the above limits are observed. This is achieved through the careful planning of the timing of new loans taken out and the early repayment of existing borrowings where conditions are favourable.

The maturity structure of the Council's external loan financial liabilities is as follows, stated using carrying values.

Loan Value 31 March 20 £000		Carrying Amount £000	Less Lobo Accounting £000	Loan Value 31 March 21 £000
	Loans Outstanding			
114,571	PWLB	111,095	0	111,095
16,000	LOBOs - European Banks	16,486	(486)	16,000
14,000	Market Debt - UK Banks	14,000	0	14,000
144,571	Total	141,581	(486)	141,095
	Maturity Structure			
3,476	Less than 1 year	2,448	0	2,448
2,448	Between 1 and 2 years	4,889	0	4,889
9,368	Between 2 and 5 years	6,775	0	6,775
5,409	Between 5 and 10 years	4,002	0	4,002
123,870	Over 10 years	123,467	(486)	122,981
144,571	Total	141,581	(486)	141,095
The 2019/20 figures are shown for comparison. In the over 10 years category there are LOBOs with a Loan Value totalling £16 million which have a call date in the next 12 months.				

All trade and other payables are due to be paid in less than 1 year and are not included in the above table.

Market Risk

Interest Rate Risk

The Council could be exposed to interest rate movement risk in respect of its borrowings and investments.

For example, a rise in interest rates could have the following effects:

- borrowings at variable rates - interest expenses charged to the CIES would increase;
- borrowings at fixed rates - no change in interest expenses but fair values would decrease;
- investments at variable rates - interest income credited to the CIES would increase; and
- investments at fixed rates - no change in interest income but fair values would decrease.

For illustrative purposes, a 1% increase in the interest rate would decrease the fair value of fixed rate borrowings by some £35.719 million (17.1%).

The Council currently has no variable rate borrowings or investments and consequently is not currently exposed to interest rate risk. Additionally, all borrowings and investments are carried at amortised cost and not fair value. There are consequently no impacts on either the Comprehensive Income & Expenditure Statement, the notes to the accounts or Movements in Reserves Statement in respect of interest rate risk.

Price Risk

The Council has no financial assets in the form of equity shares and is not therefore currently exposed to loss arising from movements in market rates.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in foreign exchange rates.

Financial Guarantees

In addition to credit, liquidity and market risks, the Council can be exposed to risks from any financial guarantees that it agrees to put in place.

Angus Council is a signatory to the Local Government Pension Scheme (LGPS) admission agreement for ANGUSalive. Under that agreement Angus Council has undertaken to accept liability for any unfunded costs or unpaid sums due that may arise in relation to ANGUSalive's membership of the LGPS should ANGUSalive cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded costs or liabilities.

Note 30 - Loans Fund Revenue Account

This table sets out the revenue transactions of the Loans Fund. The Loans Fund provides a central pool of finance for all council expenditure. All external loans, borrowed to finance capital spending, are paid into the fund. Interest due on these borrowings and debt management expenses are charged to the account and recovered annually from the service revenue accounts based on their outstanding loan debts.

2019/20 £000		2020/21 £000
	Expenditure	
	Interest Paid on Loans:-	
5,695	Public Works Loan Board	5,544
1,336	Other mortgages and bonds	1,329
49	Internal loans	24
547	Interest paid on revenue balances	367
152	Expenses of borrowing	103
7,779	TOTAL EXPENDITURE	7,367
	Income	
783	Interest received	498
6,844	Interest charged to borrowing accounts	6,766
152	Expenses recovered from borrowing accounts	103
7,779	TOTAL INCOME	7,367

Loans Fund Interest

The average rate of interest charged on borrowing from the Loans Fund was 4.50% in 2020/21. The 2019/20 rate was 4.33%.

Debt Management Expenses

The equivalent rate for debt management expenses was 0.07%. The 2019/20 rate was 0.10%.

Debt per Head of Population

The amount of debt outstanding at 31 March 2021 was £142.407 million or £1,225.53 per head of population. The figures at 31 March 2020 were £149.808 million or £1,289.23 respectively.

Note 31 – Other Long Term Liabilities

Other long term liabilities (£114.876 million) are considered throughout the notes to the accounts. They essentially consist of two main factors; deferred income & deferred liabilities.

2019/20 £000		2020/21 £000
	Other Long Term Liabilities	
	Deferred Income:	
365	Prepaid Income	332
365	TOTAL DEFERRED INCOME	332
	Deferred Liabilities:	
1,444	Finance Leases	215
48	Government Funding	48
118,491	Outstanding Debt associated with PPP projects	114,281
119,983	TOTAL DEFERRED LIABILITIES	114,544
120,348	TOTAL OTHER LONG TERM LIABILITIES	114,876

Note 32 – Contingent Liability

Guaranteed Minimum Pension (GMP) Equalisation: On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. For the purposes of pension fund valuation it is assumed that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase. In light of this it is not considered necessary to make any adjustments to the value placed on the liabilities within the Council's accounts.

Scottish Child Abuse Enquiry: The Scottish Parliament is introducing a redress Bill (April 2021) for survivors of abuse in care in Scotland. The stage 1 debate took place on 17 December 2020 where members considered the general principles of the Bill. The Redress for Survivors (Historical Child Abuse in Care (Scotland) Bill received Royal Assent on the 23 April 2021 and is now an Act, i.e. the law is now in place to establish the redress scheme. Survivors as an alternative to civil litigation may choose to apply for redress. Financial contributions may be requested from Local Authorities to support the redress scheme. Ongoing discussions will take place to assess any proposed level of contribution from the Council and the mechanism by which this is met.

The Council will continue to receive civil claims relating to periods of time in care. These have the potential for significant costs to be incurred and alongside the contribution to the scheme will give rise to future financial liability, although unquantifiable at this time.

Litigation Cases: The Council is involved in a legal case which has the potential for a settlement to be required of up to £0.116m. Due to the ongoing nature of the case it is not appropriate to include further details of the matter. The determination of whether settlement will be required is uncertain, and the contingent liability is recognised against the possibility of the Council being required to settle the matter.

Impact of COVID-19 on Working Practices, Social Distancing and the Capital Programmes: The emergence of COVID-19 has resulted in new working practice guidelines being issued by the Scottish Government, to set new standards to allow consultants, contractors, sub- contractors and their suppliers to work safely during the pandemic. These unforeseen changes resulted in the construction industry incurring additional costs for compliance with the risk of delays to projects. These measures may also restrict numbers of staff on site which may slow down progress on works. These impacts have manifested in projects which were on site at the time of the initial lockdown, and discussions between the Council and the relevant contractors are on-going to determine liability for additional costs.

Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial statements of the Council and its subsidiary and associated companies.

Associate and Joint Venture companies are consolidated in accordance with paragraph 9.1.2.43 of the Code of Practice using the equity method. The Council's investment in these companies is incorporated at cost and adjusted each year by the Council's share of the companies' results as recognised in the Group Comprehensive Income and Expenditure Statement and its share of other gains and losses.

Subsidiary companies are consolidated in accordance with paragraph 9.1.2.27 of the Code of Practice with the income, expenditure, assets and liabilities consolidated on a line-by-line basis.

Intra-group balances and transactions are eliminated on consolidation.

The results of the following organisations have been consolidated within the Group Accounts:

Name of Combining Entity	Consolidation Method
ANGUSalive	Subsidiary
Charitable Trusts: <ul style="list-style-type: none"> • Robert & William Strang Mortification (SC018687) • Angus Council Charitable Trusts (SC044695) • Endowment Funds 	Subsidiary
Common Good	Subsidiary
Tayside Joint Valuation Board	Associate
Tayside Contracts Joint Committee	Associate
Angus Integration Joint Board	Joint Venture

Group Movement in Reserves Statement as at 31 March 2021

	Council Usable Reserves £000	Council Unusable Reserves £000	Total Council Reserves £000	Share of Reserves of Associates, Joint Venture & Subsidiaries £000	Total Group Reserves £000
Balance at 31 March 2019	45,591	453,966	499,557	1,233	500,790
Movement in reserves during 19/20					
Surplus or (deficit) on provision of services	(5,138)	0	(5,138)	(1,933)	(7,071)
Other Comprehensive Expenditure and Income	0	47,942	47,942	2,925	50,867
Total Comprehensive Expenditure and Income	(5,138)	47,942	42,804	992	43,796
Opening balance / Group share adjustments	0	0	0	315	315
Adjustments between accounting basis and funding basis under regulations	7,326	(7,326)	0	0	0
Net Increase / Decrease before Transfers to Earmarked Reserves	2,188	40,616	42,804	1,307	44,111
Transfers to / from Earmarked Reserves	0	(3)	(3)	0	(3)
Increase / Decrease in Year	2,188	40,613	42,801	1,307	44,108
Balance at 31 March 2020 carried forward	47,779	494,579	542,358	2,540	544,898
Movement in reserves during 20/21					
Surplus or (deficit) on provision of services	(3,979)	0	(3,979)	1,918	(2,061)
Other Comprehensive Expenditure and Income	0	80,487	80,487	18,155	98,642
Total Comprehensive Expenditure and Income	(3,979)	80,487	76,508	20,073	96,581
Opening balance / Group share adjustments	0	0	0	717	717
Adjustments between accounting basis and funding basis under regulations	22,621	(22,621)	0	0	0
Net Increase / Decrease before Transfers to Earmarked Reserves	18,642	57,866	76,508	20,790	97,298
Transfers to / from Earmarked Reserves	31	(8,345)	(8,314)	0	(8,314)
Increase / Decrease in Year	18,673	49,521	68,194	20,790	88,984
Balance at 31 March 2021 carried forward	66,452	544,100	610,552	23,330	633,882

Group Comprehensive Income and Expenditure Statement for the year 31 March 2021

2019/20				2020/21		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
129,762	(11,303)	118,459	Education & Lifelong Learning	142,009	(17,515)	124,494
55,608	(31,638)	23,970	Communities	58,486	(31,473)	27,013
22,114	(2,175)	19,939	Children, Families & Justice	23,473	(2,613)	20,860
27,572	(5,504)	22,068	Infrastructure	28,103	(4,598)	23,505
5,866	(1,484)	4,382	Finance	6,163	(1,764)	4,399
8,721	(953)	7,768	Human Resources, Digital Enablement, Information Technology & Business Support	9,529	(974)	8,555
7,928	(2,382)	5,546	Strategic Policy, Transformation & Public Sector Reform	7,481	(3,368)	4,113
3,546	(754)	2,792	Legal & Democratic Services	3,585	(887)	2,698
9,571	(3,730)	5,841	Other Services	12,782	(3,952)	8,830
3,195	(543)	2,652	Facilities Management	6,756	(369)	6,387
306	0	306	Corporate Items	8	0	8
789	(8)	781	Joint Boards	821	(8)	813
124,051	(73,886)	50,165	Adult Services	135,213	(80,897)	54,316
399,029	(134,360)	264,669	General Fund Net Expenditure	434,409	(148,418)	285,991
32,721	(30,705)	2,016	Housing Revenue Account	30,710	(31,363)	(653)
431,750	(165,065)	266,685	Cost of Services - Council	465,119	(179,781)	285,338
11,682	(5,559)	6,123	Interest in Subsidiary – Angus Alive	8,301	(3,693)	4,608
30	(71)	(41)	Interest in Subsidiary – Charitable Trusts	44	(58)	(14)
346	(333)	13	Interest in Subsidiary – Common Good	1,022	(311)	711
443,808	(171,028)	272,780	Group Cost Of Services	474,486	(183,843)	290,643
		989	Other Operating (Income)/ Expenditure - Council			(449)
		917	Other Operating (income)/ Expenditure –Associates & JV			(2,386)
		17,850	Financing & Investment (Income)/ Expenditure – Council			19,393
		(285,465)	Taxation and Non-Specific Grant Income - Council			(305,140)
		7,071	Group Deficit on Provision of Services			2,061
		(32,682)	(Surplus) or deficit on revaluation of non-current assets – Council			(34,658)
		(4)	(Surplus) or deficit on revaluation of non-current assets - Subsidiaries			(13,911)
		(15,260)	Re-measurement of net pension liability - Council			(45,829)

2019/20				2020/21		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
		(1,519)	Re-measurement of net pension liability – Subsidiaries			336
		(1,402)	Re-measurement of net pension liability – Associates & JV			(4,580)
		(50,867)	Other Group Comprehensive (Income) /Expenditure			(98,642)
		(43,796)	Total Group Comprehensive (Income)/Expenditure			(96,581)

Group Balance Sheet as at 31 March 2021

31/03/2020 £000		Group Notes	31/03/2021 £000
856,336	Property, Plant & Equipment		883,060
5,870	Heritage Assets		5,870
1,400	Investment Property		3,150
2,485	Assets Held for Sale		2,534
1,641	Long Term Investments		1,827
3,684	Long Term Debtors		2,967
871,416	Long Term Assets		899,408
62,279	Short Term Investments	10	74,640
402	Inventories		460
21,444	Short Term Debtors	9	34,538
6,844	Cash and Cash Equivalents	8	13,908
90,969	Current Assets		123,546
0	Provisions		0
(4,497)	Short Term Borrowing		(3,441)
(52,875)	Short Term Creditors	11	(63,153)
(57,372)	Current Liabilities		(66,594)
(141,587)	Long Term Borrowing		(139,133)
(94,120)	Pension Liability	12	(72,094)
(120,348)	Other Long Term Liabilities		(114,876)
(4,060)	Liability in Associates & Joint Ventures		3,625
(360,115)	Long Term Liabilities		(322,478)
544,898	Net Assets		633,882
52,363	Usable Reserves		71,311
499,694	Unusable Reserves		562,196
(7,159)	Group Reserves		375
544,898	Total Reserves		633,882

The accounts were issued for audit on 30 June 2021 and the audited accounts were authorised for issue by the Director of Finance on 30 November 2021.

Ian Lorimer CPFA
Director of Finance
30 November 2021

Group Cash Flow Statement as at 31 March 2021

2019/20 £000		2020/21 £000
(7,071)	Net surplus or (deficit) on the provision of services	(2,061)
60,322	Adjustment to surplus or deficit on the provision of services for non-cash movements	71,115
(27,003)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(24,694)
2,156	(Surplus) or deficit attributable to Associates / Joint Ventures	2,061
(1,239)	(Surplus) or deficit attributable to Jointly Controlled Entities	(4,447)
27,165	Net Cash Inflows from Operating Activities *	41,974
(42,783)	Purchase of property, plant and equipment, investment property and intangible assets	(38,217)
(1,521)	Purchase of short-term and long-term investments	(12,500)
536	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(363)
27,162	Other receipts / payments from investing activities	23,910
(16,606)	Net Cash Outflows from Investing Activities	(27,170)
(4,291)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(4,800)
(3,355)	Repayments of short and long-term borrowing	(3,533)
446	Other receipts / payments for financing activities	593
(7,200)	Net Cash Outflows from Financing Activities	(7,740)
3,359	Net increase or (decrease) in cash and cash equivalents	7,064
(3,485)	Cash and cash equivalents at the beginning of the reporting period	(6,844)
(6,844)	Cash and Cash equivalents at the end of the reporting period (Note 8)	(13,908)

* The cash flows from operating activities in 2020/21 includes interest received of £0.882 million (2019/20 £1.118 million) and interest paid of £17.169 million (2019/20 £19.095 million).

Note 1 - Statement of Accounting Policies

The majority of the accounting policies adopted to produce the Group Accounts complement those used to prepare the Council's own accounts and are therefore not replicated here.

Note 2 - Changes in Accounting Policy

There are no changes in accounting policy requiring to be disclosed as part of the Group Accounts in addition to those detailed in the single entity accounts.

Note 3 - Consolidation

Transactions between the Council and its subsidiaries are eliminated on consolidation.

Note 4 - Combining Entities

Subsidiaries

ANGUSalive

From 1 December 2015, Angus Council transferred all of its culture, leisure and access office services (including the associated staff) to a charitable trust called ANGUSalive. Libraries, museums, galleries, archives, sport and leisure facilities, country parks, community halls, access offices and the Webster Theatre are all now managed by ANGUSalive.

Whilst the Council does not have operational control of ANGUSalive, it is wholly owned by the Council. The Council is also exposed to certain risks and rewards at a strategic level. Under the definitions within the Accounting Code of Practice, the Council therefore effectively has control over ANGUSalive and the income, expenditure, assets and liabilities of ANGUSalive have therefore been consolidated on a subsidiary line by line basis.

After accounting for IAS 19 Employee Benefits, the net liabilities of ANGUSalive were £3.744 million at 31 March 2021, compared to net liabilities of £3.703 million at 31 March 2020. The total Statement of Financial Activities including Income and Expenditure for the year to 31 March 2021 was net income of £0.295 million, compared to net expenditure of £0.987 million for the period to 31 March 2020.

ANGUSalive's 2020/21 accounts may be obtained from: Angus Alive Head Office, William Wallace House, Orchardbank Business Park, Forfar, DD8 1WH.

Charitable Trusts and Endowments

Angus Council administers 2 Charitable Trusts (Robert & William Strang Mortification and Angus Council Charitable Trust) and a number of Endowments and whilst the Council does not have control over these funds, they have been considered for inclusion in the Group Accounts on the basis of applying the principle that the substance of the relationship indicates control by the Council. The income, expenditure, assets and liabilities of the Charitable Trusts have therefore been consolidated on a subsidiary line by line basis. Separate detail of the aggregate Income & Expenditure and Balance Sheet position of the Charitable Trusts is included as a separate statement in Angus Council's accounts.

The financial performance of the Charitable Trusts and Endowments is reported within this accounts document at page 125.

Common Good Funds

Angus Council administers the Common Good Funds of the area and whilst the Council does not have legal title over the assets of these Funds, they are legally vested in the Council and have therefore been considered for inclusion in the Group Accounts on the basis of applying the principle that the substance of the relationship indicates control by the Council. The income, expenditure, assets and liabilities of the Common Good Funds have therefore been consolidated on a subsidiary line by line basis. Separate detail of the aggregate Income & Expenditure and Balance Sheet position of the Common Good Funds is included as a separate statement in Angus Council's accounts.

During the year the Council reviewed its approach to Capital Accounting on Common Good assets and introduced an alternative accounting treatment for the use of depreciation statutory adjustments on the Common Good Funds, details of this can be found in report 138/21.

The financial performance of the Common Good Funds is reported within this accounts document at page 127.

Associates

Two entities have been consolidated as associates into Angus Council's Group Accounts in 2020/21 – Tayside Valuation Joint Board and Tayside Contracts Joint Committee. The accounting period for both entities is the year to 31 March and is therefore aligned with Angus Council's accounting period. The accounts of each associate entity are published separately.

Whilst Angus Council does not have control of these entities, Angus Council's share of the results of each have been included in the Group Accounts as Angus Council has voting rights and the ability to exercise significant influence over each entity. Each entity has therefore been incorporated in the Group Accounts under the equity method of accounting for associates. Angus Council's interest in each entity is deemed to have been obtained on an acquisition basis, however no consideration was given and therefore no goodwill requires to be accounted for.

Tayside Valuation Joint Board

Tayside Valuation Joint Board, which is jointly administered along with Dundee City and Perth & Kinross Councils, was created in 1996 to take over from the local authorities in the area for specified duties in relation to valuation for rating and Council Tax.

Recognition has been made within the Group Accounts of the Council's interest which is based on its share of the contribution made to Tayside Valuation Joint Board of 26.58% (the share in 2019/20 was 26.67%).

After accounting for IAS 19 Employee Benefits, the net liabilities of the Board were £1.920 million at 31 March 2021, compared to net liabilities of £2.700 million at 31 March 2020. The total Comprehensive Income and Expenditure for the year to 31 March 2021 was net income of £0.780 million, compared to net income of £0.011 million for the period to 31 March 2020.

A copy of Tayside Valuation Joint Board's 2020/21 accounts may be obtained from: Director of Corporate Services, Dundee City Council, Floor 4, Dundee House, 50 North Lindsay Street, Dundee, DD1 1NZ.

Tayside Contracts Joint Committee

Tayside Contracts Joint Committee was set up in its present form in 1996 by Angus, Dundee and Perth & Kinross Councils to provide specialist services in areas such as construction, catering and facilities management.

Recognition has been made within the Group Accounts of the Council's interest which is based on its agreed share of the investment in Tayside Contracts for 2020/21, which is 27.8% (the share in 2019/20 was 30.7%).

After accounting for IAS 19 Employee Benefits, the net liabilities of the Joint Committee were £16.400 million at 31 March 2021, compared to net liabilities of £24.713 million at 31 March 2020. The total Comprehensive Income and Expenditure for the year to 31 March 2021 was net income of £8.313 million, compared to net expenditure of £2.466 million for the period to 31 March 2020.

A copy of Tayside Contracts' 2020/21 accounts may be obtained from: 1 Soutar Street, Dundee, DD3 8SS.

Joint Venture*Angus Integration Joint Board*

Angus Integration Joint Board (AIJB) was established as a body corporate by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014 on 3rd October 2015. It is a formal partnership between NHS Tayside and Angus Council to deliver health and social care from 1st April 2016.

In accordance with LASAAC/TAG guidance, the AIJB has been consolidated into the Group Accounts as a Joint Venture using the equity method. This is on the basis of the existence of a separate vehicle to deliver services (the AIJB) and the council having rights to share net assets rather than rights / obligations in relation to particular assets / liabilities.

Recognition has been made within the Group Accounts of the Council's interest which is based on LASAAC/TAG Guidance in as much as partners do not have an automatic right of return of unused funds (available reserves), rather the partners have 50%/50% control over the utilisation, with the IJB remit, of any carried forward reserves.

The net assets of the Board were £17.386 million at 31 March 2021, compared to net assets of £8.493 million at 31 March 2020. The cost of services (before allowance for grant income) for the year to 31 March 2021 was £183.273 million, compared to a cost of services of £171.157 million for the period to 31 March 2020. After allowing for grant income (funding from Angus Council and NHS Tayside), the total Comprehensive Income and Expenditure for the year to 31 March 2021 was net income of £8.893 million, compared to net income of £2.477 million for the period to 31 March 2020.

A copy of AIJB's 2020/21 accounts may be obtained from: Chief Finance Officer, Angus Health & Social Care Partnership, Angus House, Orchardbank Business Park, Forfar, DD8 1AN.

Note 5 - Financial Impact of Consolidation and Going Concern

The net effect of inclusion of Angus Integration Joint Board (joint venture), Tayside Valuation Joint Board (associate), Tayside Contracts (associate), ANGUSalive (subsidiary), Charitable Trusts (subsidiary) and Common Good Funds (subsidiary) is to increase both reserves and net assets by £23.331 million (2019/20 showed an increase of £2.540 million).

All entities have prepared their accounts on a "going concern" basis and in common with these bodies, Angus Council's Group Accounts have also been prepared on a "going concern" basis.

The main factor in this significant increase was the transfer of a number of assets from Angus Council's General Fund to the Common Good. This was a result of a Court of Session decision that, from a Common Good Policy perspective, assets which have been built by Angus Council's General Fund on Common Good Fund land are part of the applicable Common Good Fund and have been since being built. As noted in report 138/21, this decision has necessitated the transfer of net book valuations from the General Fund to the various Common Good Funds to reflect the change in ownership.

Note 6 - Non-Adjusting Events After the Reporting Period

There were no non-adjusting events.

Note 7 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts of the various group entities contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates have been made taking into account historical experience, current trends and other relevant factors. As balances cannot be determined with certainty however, actual results could be materially different from the assumptions and estimates.

The item for which there is the most significant risk of material adjustment in the forthcoming year continues to be the estimation of the net liability to pay pensions as this depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Turbulence in world markets arising from the COVID-19 pandemic has created medium-term uncertainty about scheme assets. The effect on the net pension liability of the Group of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption would result in a decrease in the Group pension liability of £19.047 million.

With regard to the COVID-19 pandemic in general, how the Group entities operate in the future will continue to present challenges, with income, cashflow and methods of service provision still at risk of being impacted. The Management Commentary of each Group entity provides some further information on the risks and uncertainties brought about by the COVID-19 pandemic.

Note 8 – Group Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2019/20 £000		2020/21 £000
2,172	Cash held by the Group	3,021
(1,770)	Bank Overdraft	(2,084)
6,442	Cash Investments	12,971
6,844	Total Cash and Cash Equivalents	13,908

Note 9 – Short Term Debtors (Net of Provisions)

2019/20 £000		2020/21 £000
21,026	Angus Council Debtors	34,273
10	Charitable Trusts Debtors	10
2	Common Good Fund Debtors	3
583	Angus Alive Debtors	335
		(83)

(177)	Exclude Intra Company Debtors	
21,444	Total Group Debtors	34,538

Note 10 - Short Term Investments

2019/20 £000		2020/21 £000
62,226	Angus Council Short Term Investments	74,593
53	Charitable Trusts Short Term Investments	47
62,279	Total Group Short Term Investments	74,640

Note 11 – Short Term Creditors

2019/20 £000		2020/21 £000
51,890	Angus Council Creditors	62,454
6	Charitable Trust Creditors	6
33	Common Good Fund Creditors	35
1,123	Angus Alive Creditors	741
(177)	Exclude Intra Company Creditors	(83)
52,875	Total Group Creditors	63,153

Note 12 – Liability Related to Defined Benefit Pension Scheme

2019/20 £000		2020/21 £000
88,758	Angus Council – Pensions Liability	65,702
5,362	Angus Alive – Pensions Liability	6,392
94,120	Total Group Pension Liability	72,094

Note 13 – Additional Disclosure

The percentage of gross liability to the Group gross liability for each combining entity is:

2019/20 %		2020/21 %
0.21	Tayside Valuation Joint Board	0.19
3.77	Tayside Contracts	3.31
1.55	Angus Alive	1.83

As noted in the table below, the main liability relates to the obligations of the above in respect of defined benefit pension schemes. The pension accounting requirements of Financial Reporting Standards (FRS 102) and International Accounting Standards (IAS 19) have been applied to the accounting statements. There is no pension scheme associated with Angus Integration Joint Board as AIJB do not directly employ staff.

2019/20 Pension Scheme Obligations £000	2019/20 Total Gross Liabilities £000		2020/21 Pension Scheme Obligations £000	2020/21 Total Gross Liabilities £000
762	892	Tayside Valuation Joint Board	535	720
8,467	15,752	Tayside Contracts	5,344	12,869
5,362	6,485	Angus Alive	6,392	7,133

Note 14 – Group Reserves

The Group Reserves on the Group Balance Sheet contain reserves in respect of Charitable Trusts amounting to £2.399 million. This reserve is not freely available for general use as it is subject to restrictions for specified charitable purposes and, is therefore, ring-fenced within the Group Reserves.

Further details in respect of the Charitable Trusts, including the reserve, can be found in the separate statement and notes on pages 125.

Note 15 – Entities Not Consolidated

Following a review of the Group boundary, a number of satellite organisations have been excluded from Angus Council's group accounts, either on the basis of materiality or no group relationship being deemed to exist.

Tayside and Central Scotland Transport Partnership has been excluded from the consolidated accounts on the basis that Angus Council's share of the organisation equates to both the following criteria:

- a) the share of net assets is less than 1% of Angus Council's net assets; and
- b) the share of net revenue expenditure is less than 1% of Angus Council's net revenue budget.

In addition the following organisations were not consolidated on the basis that they are deemed to have no group relationship with Angus Council:

- i) MVV Baldovie Environment Ltd (formerly Dundee Energy Recycling Ltd (DERL)) – Angus Council has no rights to assets or responsibility for liabilities of MVV (formerly DERL).
- ii) Business Gateway Tayside (BGT) – BGT act as a supplier of services, with Angus Council having no rights to assets or responsibility for liabilities.
- iii) Tay Road Bridge (TRB) – whilst 1 Councillor sits on the TRB Board, Angus Council does not have a statutory funding requirement and does not receive a share of any surpluses.
- iv) Angus Care & Repair (ACR) – whilst Angus Council has a minority representation on the Board of ACR, it does not have significant influence over the entity and the substance of the relationship does not indicate control by the Council. Angus Council's funding arrangement with ACR ended on 30 June 2019 after it was deemed necessary to tender for the services provided under procurement guidelines.
- v) Scotland Excel (SE) – whilst Angus Council provides a minimal percentage of the SE's requisition requirements and has 1 member representation on its Executive Board, it cannot be said to have significant influence.
- vi) SEEMIS – funded by the 32 participating local authorities, the principal activity is the provision of information technology solutions to education services. Angus Council provides a minimal percentage of SEEMIS' funding.
- vii) TAYplan – the Strategic Development Planning Authority for Angus, Dundee, North Fife and Perth, Angus Council is a member of this Joint Committee.

Note 16 – Audit of Group Entities

The outcome for the entities consolidated into Angus Council's Group Accounts is as follows:

Subsidiaries

Charitable Trusts – separate statement within Angus Council's accounts – true and fair view.

Common Good – separate statement within Angus Council's accounts – true and fair view.

ANGUSalive – true and fair view (Azets Audit Services).

Associates

Tayside Valuation Joint Board – true and fair view (Audit Scotland).

Tayside Contracts – true and fair view (Audit Scotland).

Joint Venture

Angus Integration Joint Board – true and fair view (Audit Scotland).

In all of the above cases the audit opinion determines whether the financial statements give a true and fair view in accordance with applicable laws, regulations and Codes of Practice, the financial position of the bodies concerned as at 31 March 2021 and their income and expenditure for the year ended: and that the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973, the Companies Act 2006 or the Charities and Trustee Investment (Scotland) Act 2005.

HRA Income and Expenditure Statement for the Year Ended 31 March 2021

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. Authorities charge 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 Actual £000		2020/21 Actual £000	2020/21 Budget £000
	Expenditure		
8,890	Repairs and Maintenance	6,851	9,331
7,933	Supervision and Management	8,040	8,538
878	Void Rents	1,300	895
13,240	Depreciation and impairment of non-current assets	12,234	12,234
(29)	Movement in the allowance for bad debts	462	500
622	Other expenditure	565	707
31,534	Total Expenditure	29,452	32,205
	Income		
(27,714)	Dwelling Rents	(28,509)	(28,918)
(622)	Non-Dwelling Rents	(646)	(677)
(1,459)	Other Income	(1,239)	(1,238)
(29,795)	Total Income	(30,394)	(30,833)
1,739	Net cost of HRA services as included in the Comprehensive and Expenditure Statement	(942)	1,372
277	HRA share of Corporate and Democratic Core	288	282
0	HRA share of other amounts included in the whole Council Net Cost of Services but not allocated to specific services	0	0
2,016	Net cost of HRA Services	(654)	1,654
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
666	(Gain) or loss on sale of HRA non-current asset	(161)	(161)
1,312	Interest payable and similar charges	1,343	1,661
(1)	Interest and investment income	0	(1)
89	Pension interest cost and expected return on pension assets	160	160
(1,827)	Non-specific Grant Income	(4,670)	(4,670)
2,255	(Surplus) or Deficit for the year on HRA services	(3,982)	(1,357)

Movement on the HRA Statement for the Year Ended 31 March 2021

This statement shows how the HRA Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the Housing Revenue Account balance for the year.

2019/20 £000		2020/21 £000
(4,211)	Balance on the HRA at the end of the previous year	(3,096)
2,255	(Surplus) or deficit for the year on the HRA Income and Expenditure Account	(3,982)
(640)	Adjustments between accounting basis and funding basis under statute	769
1,615	Net (Increase) or decrease before transfers to or from reserves	(3,213)
	Transfers to / (from) earmarked reserves:	
(500)	Affordable Housing Account	(500)
0	Appropriation of General Fund Property	1,435
(500)	Net transfer to / from earmarked reserves	935
(3,096)	Housing Revenue Account surplus carried forward	(5,374)
	Summary of HRA Balance Commitments:	
1,000	Minimum Policy Level	1,000
687	Survive and Thrive Commitment	0
0	Affordable Housing Initiatives	687
580	Early Repayment of Debt/Debt Management	0
829	Scottish Housing Quality Standard / New Build / Zero Carbon	3,687
3,096	Total HRA Balance Commitments	5,374

Notes to the HRA Income and Expenditure Statement

Note of reconciling items for the Movement on HRA Statement

2019/20 £000		2020/21 £000
	Items included in the HRA Net Costs of Services but excluded from the Movement on the HRA Statement	
(13,240)	Depreciation	(12,234)
3	Employee Benefits	(4)
(506)	IAS 19 Pension Adjustment	(754)
(13,743)		(12,992)
1,170	Loans fund principal repayments	1,443
10,360	Capital expenditure funded by the HRA	8,582
500	Capital expenditure funded by Affordable Housing Reserve	500
0	Appropriation of General Fund Property	(1,435)
1,827	Non Specific Grant Income	4,670
(89)	HRA Share of contributions to or from the Pensions Reserve	(160)
13,768		13,600
	Gain/Loss on Sale of HRA non-current assets	
(192)	Non-current assets sales proceeds (net of cost of sales)	189
(474)	Net Book Value of non-current assets sold	(28)
(666)		161
13,102		13,761
(641)	Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	769

Housing Stock

The stock relating to the Housing Revenue Account was as follows:

2019/20		2020/21
40% / 60%	Houses / Maisonettes	41% / 59%
	Stock changes can be summarised as follows:-	
7,658	Stock at 1 April	7,675
	Add:	
8	New Build	0
91	Acquisitions / Conversions	21
	Less:	
(4)	Open Market Sales	(1)
(78)	Closures / Demolitions	0
7,675	Stock at 31 March	7,695

Rent Arrears

Rent arrears as at 31 March 2021 were £2.281 million, and the comparable figure for 31 March 2020 was £2.186 million.

The provision for bad or doubtful debt has increased from £1.141 million at 31 March 2020 to £1.285 million at 31 March 2021.

Prior Year Items

There are no exceptional or prior year items disclosed in the 2020/21 HRA Income and Expenditure Statement.

Council Tax Income Account and Notes

Income Account

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

2019/20 £000		2020/21 £000
63,997	Gross Council Tax Levied & contributions in Lieu	66,371
(5,324)	Council Tax Reduction Scheme (CTRS)	(5,807)
0	Discounts for Prompt Payment	0
(7,486)	Other Discounts & Reductions	(7,766)
(1,072)	Write-off of Uncollected Debts & Allowances for Impairments	(1,094)
50,115	Net Council Tax Income	51,704
(332)	Adjustment to previous years' Council Tax	367
49,783	Transfers to the General Fund	52,071

Council Tax Income

The Council Tax charge is based on the value of a domestic property together with a personal element which takes into account the number and circumstances of the occupants of the property.

Each property is placed in one of eight valuation bands (A-H) in accordance with their value as at 1 April 1991. The Council Tax charge levied for each property is calculated in proportion to the Council Tax charge for a Band D property by applying fractions. A discount of 25% on the Council Tax charge is made where there are fewer than two adult residents of a property. Discounts are made for unoccupied property. Persons who are in detention, qualifying students and people with learning disabilities are disregarded for Council Tax purposes. Reductions in Council Tax payable are also available for people with other qualifying disabilities. The range of values and the fractions used in calculating the Council Tax payable for each valuation band are set out below. The fractions of Band D were amended on 1 April 2017 to increase the Council Tax due for Bands E to H properties.

Valuation Band	Property Valuation Range	Fraction of Band D
A	£0 - £27,000	240/360
B	£27,001 - £35,000	280/360
C	£35,001 - £45,000	320/360
D	£45,001 - £58,000	360/360
E	£58,001 - £80,000	473/360
F	£80,001 - £106,000	585/360
G	£106,001 - £212,000	705/360
H	Over £212,000	882/360

Calculation of the Council Tax Charge Base 2020/21

2019/20		Valuation Band								2020/21
TOTAL		A	B	C	D	E	F	G	H	TOTAL
56,534	Total Number of Properties	15,298	12,893	7,222	8,699	7,808	3,173	1,709	170	56,972
1,882	Less Exemptions/ Deductions	916	447	177	126	177	57	26	21	1,947
5,170	Less Adjustment for Single Discounts	2,216	1,233	655	606	398	109	54	2	5,273
890	Less Adjustment for Double Discounts	387	183	117	91	64	33	21	10	906
48,592	Effective Number of Properties	11,779	11,030	6,273	7,876	7,169	2,974	1,608	137	48,846
	Band D Equivalent Factor (Ratio)	240/360	280/360	320/360	360/360	473/360	585/360	705/360	882/360	
47,286	Band D Equivalent Number of Properties	7,851	8,579	5,576	7,876	9,419	4,833	3,149	336	47,619
828	Less Provision for Non-Collection 1.75%	137	150	98	138	165	85	55	6	834
46,458	Base as per Budget Setting	7,714	8,429	5,478	7,738	9,254	4,748	3,094	330	46,785
4,735	Less CTRS Band D Equivalent	2,367	1,119	512	345	189	67	31	0	4,630
41,723		5,347	7,310	4,966	7,393	9,065	4,681	3,063	330	42,155

The product of the Council Tax base and the equivalent Council Tax charge gave a budget for 2020/21 Council Tax income of £56.151m. Inclusion of £0.200m for income from long term empty properties, Surplus Local Tax income of £0.050m, income from MOD properties of £0.100 the Council Tax Reduction Scheme payments of £6.240m, results in a net budget for Council Tax income of £50.261m.

Council Tax Properties and Council Tax Charges

2019/20 Effective Number of Properties	2019/20 Total Council Tax Charge £		2020/21 Effective Number of Properties	2020/21 Total Council Tax Charge £
11,826	780.93	A	11,779	804.36
11,017	911.09	B	11,030	938.42
6,224	1,041.24	C	6,273	1,072.48
7,810	1,171.40	D	7,876	1,206.54
7,050	1,539.09	E	7,169	1,585.26
2,943	1,903.53	F	2,974	1,960.64
1,589	2,293.99	G	1,608	2,362.81
133	2,869.93	H	137	2,956.03
48,592			48,846	

Non-Domestic Rates Income Account and Notes

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 Rate 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.

2019/20 £000		2020/21 £000
40,381	Gross Rates Levied & Contributions in Lieu	40,755
(12,805)	Reliefs & Other Deductions	(21,510)
(298)	Write-offs of uncollectable debts & allowances for impairment	17
27,278	Net Non-Domestic Rate Income	19,262
(117)	Adjustment to previous years' National Non-Domestic Rates	(1,621)
0	Non-Domestic Rate Income Retained by Council (BRIS)	0
27,161	Contribution to Non-Domestic Rate Pool	17,641

Non-Domestic Rate Income as reported under Taxation and Non-Specific Grant Income comprises income assigned by the Scottish Government from the national non-domestic rates pool, as well as non-domestic rate income which is not submitted to the pool but is retained by the Council.

2019/20 £000		2020/21 £000
27,468	Distribution from Non-Domestic Rate Pool	17,768
0	Non-Domestic Rate Income Retained by Council (BRIS)	0
27,468	Non-Domestic Rate Income credited to the Comprehensive Income and Expenditure Statement	17,768

The 2020/21 rate poundage which is set nationally was 49.8p with a large business supplement under the Non-Domestic Rates (Levying) (Scotland) Regulations 2020 of 1.3p for properties with a rateable value between £51,000 and £95,000, and f 2.6p for properties with a rateable value over £95,000.

Rateable Subjects and Values (1 April 2020)

No of properties	Rateable Value as at 1 April 2019 £000	Non-Domestic Rateable Subjects	No of properties	Rateable Value as at 1 April 2020 £000
1,161	16,707	Shops	1,160	16,587
88	1,326	Public Houses	86	1,309
468	4,722	Offices including banks	469	4,789
60	1,784	Hotels etc	60	1,737
1,216	17,005	Industrial Subjects etc	1,236	17,404
458	6,174	Leisure, Entertainment, Caravans etc	496	6,256
108	1,253	Garages and Petrol Stations	105	1,226
58	632	Cultural	56	616
794	1,187	Sporting Subjects	791	1,174
85	9,127	Education and Training	85	8,888
327	7,834	Public Service Subjects	326	7,801
9	99	Communications (Non Formula)	7	99
20	579	Quarries Mines etc	20	573
173	807	Religious	175	861
134	5,831	Health & Medical Care	133	7,813
380	5,810	Other	379	3,586
5,539	80,877	Total	5,584	80,719

Charitable Trusts

The Council acts as sole trustee for a total of 59 Charitable Trusts and Endowments including 54 Educational Endowments. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2021.

Income and Expenditure Account for the year ended 31 March 2021

2019/20		2020/21		
£000		OSCR Registered £000	Other £000	Total £000
	Expenditure			
30	Beneficiaries	42	2	44
35	Administration	35	0	35
65	Total Expenditure	77	2	79
	Income			
(47)	Rents, feu duties, dividends and interest	(44)	0	(44)
(22)	Loans Fund interest	(9)	(1)	(10)
(2)	Transfer from Capital Account/Endowment Funds	(4)	0	(4)
(71)	Total Income	(57)	(1)	(58)
(6)	(Surplus)/Deficit	20	1	21

Balance Sheet as at 31 March 2021

31/3/20		31 st March 2021		
£000		OSCR Registered £000	Other £000	Total £000
	Non-Current Assets			
2	Heritable Property	0	2	2
1,150	Long Term Investments	1,345	0	1,345
1,152	Total Non-Current Assets	1,345	2	1,347
	Current Assets			
10	Debtors	10	0	10
53	Short Term Investments	47	0	47
1,021	Revenue Advances to Loans Fund	790	211	1,001
1,084	Total Current Assets	847	211	1,058
	Current Liabilities			
(6)	Creditors and accruals	(6)	0	(6)
(6)	Total Current Liabilities	(6)	0	(6)
1,078	Working Capital	841	211	1,052
2,230	Total Net Assets	2,186	213	2,399
	Reserves			
1,910	Capital Account/Endowment Funds	2,093	8	2,101
320	Reserve Account/Unrestricted Funds	93	205	298
2,230	Total Reserves	2,186	213	2,399

The accounts were issued for audit on 30 June 2021 and the audited accounts were authorised for issue by the Director of Finance on the 30 November 2021.

Ian Lorimer CPFA
Director of Finance
30 November 2021

Notes - Principal Trust Funds

Charity	Area Covered	Balance at 31/03/21 Capital £000	Balance at 31/03/21 Revenue £000
ACCT – Ward 1	Kirriemuir & Dean	64	2
ACCT – Ward 2	Brechin & Edzell	146	5
ACCT – Ward 3	Forfar & District	65	1
ACCT – Ward 4	Monifeith & Sidlaw	13	1
ACCT – Ward 5	Carnoustie & District	64	2
ACCT – Ward 6 & 7	Arbroath East & Lunan and West Letham	60	2
ACCT – Ward 8	Montrose & District	112	1
ACCT – Angus Wide	Angus Wide	73	2
Robert & William Strang Mortification	Forfar	1,496	77
TOTAL		2,093	93

Capital Reserves/Endowment Funds

The movement on the Charitable Trusts Capital Reserve/Endowment Funds is summarised below:-

	Balance at 01/04/20 £000	Movement in Valuation £000	Capital Income £000	Capital Expenditure £000	Balance at 31/03/21 £000
Movement during year	1,910	195	76	(80)	2,101

Registered Charities

Of the 59 Charitable Trusts and Endowments the Council is Trustee for, 2 are registered charities and require to be administered in line with the requirements of the Office of the Scottish Charities Regulator (OSCR). These are Angus Council Charitable Trust (SC044695) and Robert & William Strang Mortification (SC018687).

OSCR registered Trusts are governed by the Charities Accounts (Scotland) Regulations 2006, whilst those Trusts not registered with OSCR are governed by the same International Financial Reporting Standards as Angus Council's accounts. In this regard the Income and Expenditure and the Balance Sheet shown above detail separately the positions for the OSCR registered Trusts and those not OSCR registered as well as the overall total.

Financial Instruments

In respect of financial instruments held by the Charitable Trusts, these all relate to investments and minor creditors and debtors due within 1 year. As the creditors and debtors are for relatively insignificant sums and the investments are all carried at fair value in the Balance Sheet, no further disclosures are necessary in respect of Charitable Trusts financial instruments.

Charities Reorganisation Proposals

The Council previously administered a total of 196 Charitable Trusts and Endowments. In conjunction with OSCR, the Council reorganised these Trusts and Endowments by consolidating 97 registered Charities and 42 non-registered Trusts into a new single charity. OSCR approved this consolidation and the transfer was effected as at 1 August 2014. The only registered charity not encompassed by the consolidation was Robert & William Strang Mortification which remains as a separate charity. The remaining 56 non-registered Trusts are primarily Educational Endowments and remain unchanged.

Audit Arrangements

The 2 OSCR registered Charities are subject to independent external audit and this is being carried out by the Council's external auditors (Audit Scotland). The audit fee of £6k in respect of Robert & William Strang Mortification (£3k) and Angus Council Charitable Trust (£3k) was borne by the charities.

Common Good

The Common Good is administered by local authorities in Scotland. It is vested in the local Council. In Angus the Council administers the Common Good Account for five towns within the district. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2021.

Income and Expenditure Account for the year ended 31 March 2021

Actual 2019/20 £000		Budget 2020/21 £000	Actual 2020/21 £000
	Expenditure		
18	Property Costs	30	31
0	Supplies and Services	2	1
22	Central Support Services Charges	29	31
136	Projects	682	244
45	Loan Interest & Principal Repayable	46	46
147	Depreciation & Impairment	700	700
368	Total Expenditure	1,489	1,053
	Income		
(303)	Fees, Charges etc	(303)	(295)
(27)	Interest on Revenue Balances	(29)	(13)
(3)	Other Income	(2)	(3)
(333)	Total Income	(334)	(311)
35	Net (Surplus)/Deficit	1,155	742

Balance Sheet as at 31 March 2021

as at 31 st March 2020(Restated)* £000		As at 31 st March 2021 £000
	Non-Current Assets	
5,398	Heritable Property (less Depreciation), Other Assets	18,339
16	Long Term Debtors	23
5,414	Total Non-Current Assets	18,362
	Current Assets	
2	Debtors	3
2,958	Revenue Advances to Loans Fund	2,954
2,960	Total Current Assets	2,957
	Current Liabilities	
(33)	Creditors and Accruals	(35)
(33)	Total Current Liabilities	(35)
2,927	Working Capital	2,922
	Long Term Creditor	(233)
(268)		
8,073	Total Net Assets	21,051
	Usable Reserves	
2,155	Revenue Cash	2,113
803	Capital Cash	841
2,631	Funds tied up in fixed assets	10,466
	Unusable Reserves	
2,484	Revaluation Reserve Account	7,631
8,073	Total Reserves	21,051

* Prior Year Figures have been restated to correct accounting practise, the capital adjustment account reported under Unusable Reserves has been replaced with Funds tied up in fixed assets which is reported in Usable Reserves.

The accounts were issued for audit on the 30 June 2021 and the audited accounts were authorised for issue by the Director of Finance on the 30 November 2021.

Ian Lorimer CPFA
Director of Finance
30 November 2021

USABLE RESERVES**1. Movement in Individual Common Good Reserve Funds:****Revenue**

	Revenue Cash at 31/03/20 £000	Income £000	Expenditure £000	Revenue Cash at 31/03/21 £000
Arbroath	494	92	(85)	501
Brechin	490	61	(46)	505
Forfar	752	94	(114)	732
Kirriemuir	7	1	0	8
Montrose	412	64	(109)	367
TOTAL	2,155	312	(354)	2,113

Capital

	Capital Cash at 31/03/20 £000	Income £000	Expenditure £000	Capital Cash at 31/03/21 £000
Arbroath	281	0	0	281
Brechin	206	0	0	206
Forfar	202	0	0	202
Kirriemuir	0	0	0	0
Montrose	114	38	0	152
TOTAL	803	38	0	841

Funds tied up in fixed assets

	Reserve Account Balance at 31/03/20 £000	Movement 2020/21 £000	Reserve Account Balance at 31/03/21 £000
TOTAL	2,631	7,835	10,466

8 Assets with a Net Book Value of £13.103 million were transferred from Angus Council's General Fund to the Common Good Funds during the year following a Court of Session decision, details of this can be found in report 138/21.

UNUSABLE RESERVES**Revaluation Reserve Account**

	Reserve Account Balance at 31/03/20 £000	Movement 2020/21 £000	Reserve Account Balance at 31/03/21 £000
TOTAL	2,484	5,147	7,631

2. Movement between Income & Expenditure Account and Advance to Loans Fund in 2020/21

	(Surplus) Deficit on Inc. & Exp. Account £000	Adjust for Non Cash Transactions (See Note 3) £000	Adjust for Cash Transactions £000	Balance Advanced (To)/From Loans Fund £000
Arbroath	114	(121)	0	(7)
Brechin	55	(70)	0	(15)
Forfar	28	(9)	0	19
Kirriemuir	0	0	0	0
Montrose	545	(500)	(38)	7
TOTAL MOVEMENT IN YEAR	742	(700)	(38)	4
2019/20 Balance b/fwd cash due Loans Fund				(2,958)
Increase per surplus above				4
Cash due Loans Fund as at 31/03/21				(2,954)

3. Non Cash Transactions Adjusted in Note 2 Above

	£000
Depreciation & Impairment	700
Total	700

The above Common Good accounts for 2020/21 and Balance Sheet as at 31/03/2021, have applied, where relevant, the same accounting policies as those for Angus Council's 2020/21 Annual Accounts as stated in "Note 1 – Summary of Significant Accounting Policies".