

ANGUS COUNCIL – 30 JUNE 2022

2021/22 FINANCIAL OUTTURN AND DRAFT ACCOUNTS UPDATE

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This report provides details of the unaudited financial outturn position on both a revenue and capital basis for 2021/22 for Angus Council and an update regarding preparation of the 2021/22 Annual Accounts.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:-

- a) Note the update regarding preparation of the 2021/22 Annual Accounts and that, in accordance with statutory requirements, they will be submitted to Audit Scotland by the 30 June 2022 deadline;
- b) Note that the Council's Annual Accounts will be published on the Council's website on or around the 30 June 2022;
- c) Note the revenue budget performance and associated commentary as set out in Section 4 and Appendices A, B & D of this report;
- d) Note the capital budget performance and associated commentary as set out in Section 4 and Appendix C of this report;
- e) Approve the 2021/22 100% budget carry forwards totalling £0.907 million as set out in Section 4 and Appendix E of this report in accordance with the Council's 100% budget carry forward scheme, subject to none of these being affected by changes arising from the audit process;
- f) Note that further carry forward requests are being evaluated and will be the subject of a further report seeking approval;
- g) Approve that £0.857 million of prior year 100% carry forwards not utilised in 2021/22 due to delays in projects and plans be carried forward to 2022/23 as set out in Section 4 and Appendix E;
- h) Approve the amendment of the Loans Fund repayment policy from that initially agreed in the Review of Loans Fund Policy report ([104/22](#)), to alternatively achieve a one-off saving of £4 million in 2021/22 as set out in Section 4.15.

2. ALIGNMENT TO THE ANGUS COUNCIL PLAN

2.1 This report contributes as a whole to the Council Plan.

3. BACKGROUND

3.1 The Council is required by law to prepare Annual Accounts which set out its financial position at the end of each financial year. These Accounts are prepared by the Director of Finance and his team on a draft basis for submission to the Controller of Audit in order that they may scrutinise their accuracy and completeness. The Accounts represent the cumulation of the year's financial transactions and are an essential means of demonstrating the proper stewardship of public funds as well as budget performance and financial control. The Council is legally obliged to complete the draft Accounts and submit them by 30 June to Audit Scotland.

3.2 Annual Accounts Process
Preparation of the Council's 2021/22 Accounts is nearing completion and are on schedule to meet the statutory submission deadline (30 June). These draft accounts will be submitted to Audit Scotland and published on the Council's website at the end of June for public inspection and will be submitted to the Scrutiny & Audit Committee on the 23 August.

3.3 This report summarises, in a simpler format than the formal Accounts, how the Council has performed financially in 2021/22 by comparing budget and actual expenditure and income. The information is presented in a similar format to the budget monitoring reports to Policy & Resources Committee during the year.

4. BUDGET PERFORMANCE

4.1 Background

This report looks at budget performance on revenue (running costs) and capital (investment in assets) for both the Housing Service and the General Fund (which covers all other services provided by the Council).

Revenue Budget Performance - General Fund Services

4.2 Committee report [213/21](#) to Angus Council on 24th June 2021 recommended a number of changes (increases) to Services revenue budgets for 2021/22 to take account of the continued impact of the COVID-19 pandemic. Services have been monitoring these revised budgets and as part of the corporate monitoring have identified £0.188 million of uplifts that are no longer required. The £0.188 million was earmarked for use in the setting of the 2022/23 Revenue Budget, (report [67/22](#) refers).

4.3 The Policy & Resources Committee received regular updates on budget performance during financial year 2021/22 with the latest adjusted monitoring budget (including Angus Health & Social Care Partnership) of £296.303 million (report [84/22](#) refers).

4.4 When the Council set the 2022/23 revenue budget in March 2022, the projected outturn for 2021/22 was a saving of £12.638 million compared to budget. This total needs to be adjusted for earmarked monies that need to be accounted for in future years or the General Fund Reserve. This in the main includes grant funding previously approved and prior year 100% carry forwards not spent in 2021/22 due to delays in projects and plans. After taking these monies into account this left an uncommitted projected saving of £1.672 million at that time, report [20/22](#) refers.

4.5 The most recent projected outturn for 2021/22, submitted to Policy and Resources Committee on 8 March 2022, projected a saving against budget of £14.614 million. £12.796 million of this was to be earmarked leaving £1.818 million available as the projected uncommitted General Reserve balance, report [84/22](#) refers.

4.6 Appendix A to this report provides a detailed breakdown of budget performance against the adjusted budget for each Council service and for centrally held budgets such as capital charges and financing and covers the same headings as those used in the budget monitoring reports submitted to Policy & Resources Committee.

4.7 Overall a saving compared to budget for Angus Council's General Fund Services of £22.054 million arose in 2021/22 which, after adjustments for ring-fenced grants, etc. (see Table 2 below), results in an adjusted saving of £7.925 million for the year. This compares to the most recent projected position of £1.818 million, an increase of £6.107 million.

4.8 The actual saving for the year is higher than projected when the 2022/23 budget was set (based on November 2021 ledger information) and higher than the last monitoring report to Policy & Resources Committee in March (based on January 2022 ledger information). Table 1a below summarises the movement.

Table 1a – Movement in Projected and Actual Year End Position

	Budget Setting £ million	March P&R £ million	Final Position £ million
Gross Underspend/Saving	12.6	14.6	22.0
Less Ring-fenced / Earmarked Sums	10.9	12.8	14.1
Adjusted Underspend/Saving	1.7	1.8	7.9

Relative to what had been projected the adjusted final outturn position is £6.1m better than expected. Table 1b below summarises the main areas of movement.

Table 1b – Summary of Reasons for Larger than Expected Year End Underspend/Saving

	£ million
Additional saving on loan charges – policy change on loans fund review (subject to Council approval) – double saving taken in 2021/22 to boost Reserves	2.0
Additional income from MEB contract (energy prices/third party waste – gain share)	1.1
Larger underspend Vibrant Communities – mainly additional planning and parks income and savings on waste co-mingle costs due to price variations	0.3
Larger underspend Education & Lifelong Learning	0.4
Larger underspend on Infrastructure - mainly in winter maintenance	0.3
Larger underspend on Other Services – additional staff slippage £0.5m and underspend on energy efficiency works £0.5m	1.1
Larger underspend on Corporate Items – savings in pay award costs due to phasing of Teachers pay deal and higher than expected vacant posts	0.7
Savings on Loan Charges costs	0.6
Smaller underspends on Children Families & Justice, Digital Enablement, HR, IT & Business Support and Facilities Management	(0.4)
Total Movement on Projected v Actual Underspend	6.1

- 4.9 A significant part of the additional £6.1 million saving has arisen due to delays in costs being incurred which will now fall due in financial year 2022/23 and this requires those savings to be earmarked and carried forward from 2021/22 to 2022/23. It must also be acknowledged how abnormal the 2021/22 financial year was in terms of service delivery, costs incurred and income achieved because of the impacts and recovery work arising from the pandemic. In addition to this was the impact of the severe weather conditions experienced during the winter of 2022. The effects of these have again made financial management and monitoring more challenging and affected planned spending in, for example, the Council's maintenance programmes.
- 100% budget carry forwards
- 4.10 A key part of the Council's financial management arrangements is to provide budget flexibility across financial years and this allows services to carry forward resources for specific purposes and recognises that some projects and initiatives don't always neatly fall into a single financial year.
- 4.11 The details of the carry forward requests of £0.907 million seeking approval from elected members are attached at Appendix E.
- 4.12 In addition, approval is being sought to carry forward £0.857 million of prior year 100% approved carry forward requests for projects and plans that have been delayed during 2021/22. These requests have been reported in the Corporate Monitoring to Policy & Resources Committee during the financial year and detail of these requests is also attached at Appendix E.

Table 2 below shows the gross saving made and the net savings available for other purposes after adjusting for the total 100% carry forwards set out above.

Table 2 - Summary of Appendix A

	£ million
Gross Saving – General Fund Services	22.054
Less Ring-fenced Grant Income (mainly early learning and childcare grant)	(6.696)
Less Devolved School Management (DSM) funds held by schools	(1.502)
Adjusted Saving Compared to Budget	13.856
Less Prior Year 100% carry forwards requested to be carried forward to 2022/23 – known about when 2022/23 budget set	(0.857)
Less Previously approved earmarked monies (COVID consequentials, reported through 2021/22 at Policy & Resources Committee)	(3.482)
Less underspend in capital financing costs for CFCR funding to be earmarked for future drawdown as approved per report 68/22 for corporate funding in the 2021/2026 Capital Plan.	(1.283)
Less Funding Policy c/fwds (Discretionary Housing & Scottish Welfare Fund – ring-fenced)	(0.309)
Savings Available for Other Purposes (before 2021/22 requested 100% carry forwards)	7.925
COVID-19 budget recast uplifts agreed per report 215/21 to be returned from Services (report 20/22)	(0.188)
Projected 2021/22 Outturn applied to 2022/23 Budget Setting (report 67/22)	(1.672)
Net Savings Available for Other Purposes before 100% carry forward requests	6.065
Less Proposed 2021/22 100% Budget Carry forwards	0.907
Net Savings Available for Other Purposes (if carry forwards agreed in full)	5.158

COVID-19 Related Expenditure

- 4.13 The main expenditure area of COVID-19 has continued to be within the Education & Lifelong Learning service and these costs have in the main been funded by additional government grant. Report 213/21 “Proposed Revisions to the Council’s 2021/22 General Fund Revenue Budget” and reports 285/21 and 314/21 “Budget Strategy Update and Use of COVID-19 Funding” provide the full detail of all funding approved for the COVID-19 response, recovery and renewal purposes.
- 4.14 The Council has also been responsible for paying out over £16 million of grants to business across Angus during the last financial year. These are not included within the figures above or within the Income & Expenditure Account as these are categorised as agency payments, undertaken on behalf of the Scottish Government. The payments will be included in summary within the management commentary to the Annual Accounts and also in more detail within the Annual Accounts disclosure notes.

Loans Fund Review

- 4.15 Report [104/22](#) to Angus Council on the 10 March sought approval for a revised policy on Loans Fund debt charge repayment profiling following a review of the current repayment methodology. Council approved the relevant changes set out in that report which delivered on the targeted saving of £2 million p.a. with effect from financial year 2021/22. The saving from that review was applied one year later than had originally been budgeted for because of the potential for COVID-19 financial flexibilities proposals to have an impact on how the loans fund review was applied. That postponement by a year meant that the Council’s reserves had to be used to cover a £2 million funding gap in financial year 2020/21 that would otherwise not have been required.

4.16 Since Report [104/22](#) was approved finance officers have reflected on the scale of the financial challenges facing the Council which, as explained in the separate report (178/22 - also on the agenda for this meeting of the Council), are now even more acute than had been expected in early March. In view of those challenges the Director of Finance has reconsidered how the financial benefits of the loans fund review should be profiled and concluded that, since the Council's reserves have been depleted to a value of £2 million from the one year postponement in implementing the review, it would be reasonable and appropriate to recoup that funding from reserves by applying a 2 year saving (£4 million) in the first year of the loans fund review rather than the £2 million previously approved by Council. This amendment does not change the basis for the loans fund review nor the requirement for the approach to remain prudent.

4.17 The Council's draft Accounts and the information in this report is based on the assumption that members will approve the recommendation to apply a £4 million saving from the loans fund review in financial year 2021/22 and a saving of £2 million p.a. for as long as possible thereafter. This change in what was previously agreed does, however, require Council approval and has therefore been included in the recommendations in this report. This recommendation, if approved, would mean a change to a previous Council decision being made within a period of 6 months from the date of the Council's budget setting on 3 March 2022. As such the provisions of Standing Order 26 would apply which only allow a decision to be changed where there has been a material change in circumstances. In this instance a material change of circumstances has arisen due to the now even more severe financial challenges facing the Council (Report 178/22 refers).

Overall Impact on the General Fund Reserve

4.18 The Council set its 2021/22 Revenue Budget in March 2021 (report [75/21](#) refers) which reported that £5.066 million was planned to be funded from the General Fund Reserve, in other words it budgeted for a deficit of £5.066 million. For accounting purposes and to reflect the fact that Services can carry forward some unspent budget from previous years and drawn this down from Reserves this budgeted deficit has subsequently been revised to £18.125 million.

4.19 The actual year end position on the General Fund Reserve shows an increase of £6.792 million which compared to the revised budgeted deficit means the General Fund Reserve is £24.917 million higher than expected on a gross basis. This gross position does however need to be interpreted carefully because much of this relates to delayed spending rather than real savings which can be used for other purposes.

4.20 The main components of the favourable movement on the General Fund Reserve are set out in Table 3 below:-

Table 3 – General Fund Reserve Movement

	£ million
Underspends on Services budgets (including capital financing costs saving of £3.839 million) – per Appendix A	22.054
Debt Restructuring Premium – not budgeted for	(0.136)
Additional Council Tax Income (of which £0.607 million was in relation to Affordable Housing Monies which needs to be earmarked in the General Fund Reserve)	1.346
Transfer to Affordable Housing Account	(0.300)
Transfers from Un-applied Grants Account	1.713
All other Items (Net effect)	0.240
Total Favourable Movement on General Fund Balance	24.917

Money Held by Angus Schools

4.21 Appendix D provides a breakdown of the monies which are held and ring-fenced by Angus Schools and which are not available for other purposes. The Appendix shows the balances held under the Devolved School Management (DSM) scheme and the Pupil Equity Fund (PEF). Together these amount to £2.293 million.

Revenue Budget Versus Actual – General Fund Service Budgets

- 4.22 Appendix A attached provides a Service breakdown of the £22.054 million reported in Table 2 and the adjustments made. Appendix B provides a short commentary on all of the main variances in Appendix A. Appendix B is in 2 parts. Part 1 explains variances between budget and actual for the year and part 2 explains the main variances between the actual position and the last projected position through the Council's internal budget monitoring process.
- 4.23 It will be noted from Appendix A that all Services, operated within their controllable 2021/22 budget, prior to removing employee slippage which is now held and controlled centrally within Other Services. It needs to be recognised that financial year 2021/22 has not been a normal year due to the pandemic so it will be difficult to identify reliable trends for future budget forecasting. Budget holders supported by Finance employees will undertake a review of the variances compared to budget and to try and determine whether adjustments are required to 2022/23 or 2023/24 budgets based on the 2021/22 experience.

Revenue Budget Performance - Housing Revenue Account (HRA)

- 4.24 When the Council set the 2021/22 Revenue Budget for Housing it planned for a breakeven position which meant no contribution to or from Reserves was planned.
- 4.25 The actual year end position shows a deficit of £0.368 million and the reasons for this position are given in Appendix B. This deficit will be funded by a transfer from the HRA reserve. Other transfers to and from the HRA reserve have been made as part of the year end accounts process resulting in a balance at 31 March 2022 of £4.370 million as set out in Table 4 below.

Table 4 – HRA Reserve Movement

	Transferred From Reserve £ million	Transferred To Reserve £ million	Reserve Balance £ million
Opening Balance at 1 April 2021			5.374
In-year deficit	0.368		
Funding of property and land appropriated from General Fund	0.936		
Affordable Housing Revenue Account capital funding		0.300	
Total movements	1.304	0.300	(1.004)
Closing balance at 31 March 2022			4.370

Capital Budget Performance – General Fund

- 4.26 The Council's provisional capital budget for 2021/22 was set in March 2021, forming part of the 2020/2025 Capital (report [71/21](#) refers). Following a comprehensive update of the 2020/2025 Capital Plan based on actual expenditure at the end of the 2020/21 financial year, the final capital monitoring budget for 2021/22 was approved in August 2021 (report [264/21](#) refers).
- 4.27 Table 5, below, sets out the year end position on the General Fund capital programme for 2021/22 on a net basis (i.e. after the deduction of direct funding contributions).

Table 5 – NET Capital Expenditure 2021/22

Programme	Monitoring Budget Net £ million	Actual Expenditure £ million	Under / (Over) Spend £ million	Spend Against Budget %
Vibrant Communities & Sustainable Growth				
Economic Development	0.097	0.045	0.052	46.4
Environmental Services	3.001	1.860	1.141	62.0
Planning & Sustainable Growth*	0.000	0.000	0.000	0.0
Infrastructure Services				
Property Asset	1.299	1.304	(0.005)	100.3
Roads & Transportation	15.836	11.917	3.919	75.3
Education & Lifelong Learning	0.586	0.016	0.570	2.7
Digital Enablement & Information Technology	0.850	0.498	0.352	58.6
Angus Health & Social Care Partnership	0.476	0.200	0.276	42.0
ANGUSalive	0.062	0.081	(0.019)	130.6
Tay Cities Deal	0.413	0.298	0.115	72.2
Total Net Capital Expenditure	22.620	16.219	6.401	71.7

* dedicated funding has fully offset actual expenditure incurred

- 4.28 The actual net expenditure on the General Fund capital programme of £16.219 million reflects the amount to be funded from resources such as borrowing, general capital grant from the Scottish Government, corporate capital receipts from the sale of assets, etc. Of these sources of funding, general capital grant will always be utilised first, as unused grant cannot be carried forward into the following financial year and would require to be returned to the Scottish Government.
- 4.29 Table 6, below, details how the adjusted net expenditure of £16.219 million has been funded and compares this with the funding anticipated when the 2021/22 monitoring budget was set:

Table 6 – Capital Funding 2021/22

Funding Source	Monitoring Budget £ million	Actual £ million	Variance £ million
Borrowing	6.447	1.332	5.115
General Capital Grant*	9.790	10.545	(0.755)
CFCR (Balance of Special Repayments)	1.043	-	1.043
Corporate Capital Fund Contribution	2.850	1.514	1.336
Corporate Capital Receipts	2.490	2.828	(0.338)
Total Funding	22.620	16.219	6.401

* Angus Council's initial allocation of general capital grant in 2021/22 was £10.448 million. Additional funding totalling £0.419 million was received during the year resulting in a final capital grant allocation in 2021/22 of £10.867 million. When setting the monitoring budget, it was estimated that £0.658 million of general capital grant would be required to fund non-enhancing projects (Private Sector Housing Grants, etc.), leaving a balance of £9.790 million for the remainder of the capital programme. The actual level of grant applied to non-enhancing projects in 2021/22 was £0.322 million, some £0.336 million lower than originally anticipated. This reduction was mainly due to the contribution towards the Monifieth Community Centre project not being required during the year.

- 4.30 The level of expenditure slippage on the General Fund capital programme has meant that a reduced level of borrowing was required to fund the 2021/22 capital expenditure. This funding requirement has not however gone away but is merely subject to a delay in application in line with the slipped expenditure.
- 4.31 Appendix C to this report provides a brief commentary on the capital budget performance of council Services during the year. The Capital Projects Monitoring Group will review the year end position in more detail at its meeting in August 2022.
- 4.32 In summary, Angus Council spent £6.401 million less on General Fund capital projects than budgeted for and this has meant a substantially lower requirement for funding in 2021/22. In the main, the underspend against the monitoring budget is due to project delays, a significant proportion of which was due to the impact of the COVID-19 pandemic and severe weather disruption, and therefore represents a delay in incurring the expenditure rather than a reduction in the expenditure required.

Capital Budget Performance – Housing Revenue Account (HRA)

- 4.33 The HRA provisional capital budget for 2021/22 was set in February 2021. Following a comprehensive update of the 2020/2025 Capital Plan based on actual expenditure at the end of the 2020/21 financial year, the capital monitoring budget for 2021/22 was updated and reported to the Communities Committee in September 2021 (report [308/21](#) refers).
- 4.34 Table 7, below, sets out the year end position on the overall HRA capital programme for 2021/22 on a net basis (i.e. after the deduction of direct funding contributions).

Table 7 – NET HRA Capital Expenditure 2021/22

Programme	Monitoring Budget Net £ million	Actual Expenditure £ million	Under / (Over) Spend £ million	Spend Against Budget %
New Build	7.047	7.312	(0.265)	103.7
Shared Equity	0.533	1.271	(0.738)	238.5
Conversions	0.260	0.130	0.130	50.0
Aids & Adaptations	0.340	0.368	(0.028)	108.2
Improvements	0.603	0.281	0.322	46.6
Heating Installations & Replacements	1.233	0.138	1.095	11.2
Window Replacements	0.520	0.458	0.062	88.1
Energy Savings/Towards Zero Carbon	4.000	8.083	(4.083)	202.1
Sheltered Housing	0.289	0.248	0.041	85.8
Kitchen Replacements	0.800	0.811	(0.011)	101.4
Bathroom Replacements	1.200	0.991	0.209	82.6
Miscellaneous / Balances on Completed Works	0.750	1.596	(0.846)	212.8
Total Net Capital Expenditure	17.575	21.687	(4.112)	123.4

- 4.35 Table 8, below, details how the actual net expenditure of £21.687 million has been funded and compares this with the funding anticipated when the 2021/22 monitoring budget was set:

Table 8 – Housing Capital Funding 2021/22

Funding Source	Monitoring Budget £ million	Actual £ million	Variance £ million
Borrowing	7.764	10.375	(2.611)
Capital Receipts	0.188	0.188	0.000
Capital from Current Revenue	7.714	9.215	(1.501)
Affordable Housing Reserve	0.300	0.300	0.000
HRA Reserves	1.609	1.609	0.000
Total Funding	17.575	21.687	(4.112)

4.36 Members will note from Table 8 that the level of acceleration on the HRA capital programme has meant that it has been necessary to borrow some 134% of the originally planned amount to fund the 2021/22 capital expenditure. This is not additional borrowing but is an advancement in the timing of the borrowing.

4.37 Appendix C to this report provides a brief commentary on the capital budget performance of the HRA during the year. The Capital Projects Monitoring Group will review the year end position in more detail at its next meeting in August 2022.

COVID-19 funding update

4.38 During the financial year 2021/22 Angus Council received notification of a number of funding streams which were to be made by the Scottish Government to assist Local Authorities with their COVID-19 response, recovery & renewal, over and above the funding announced through Finance Circular 5/2021. Table 9 below shows the detail of the funding received and the balance of the funding which has been earmarked in the General Fund Reserve to assist with the recovery costs which will impact the Council for some years to come.

Table 9 – Balance of COVID-19 Redetermination Funding for Earmarking

	£ million	£ million
Funding		
Scottish Government Redetermination	(5.065)	
Less – Agency Grant not included in Service Expenditure	1.288	
		(3.777)
Total Uplifted to Service Budgets 2021/22		1.122
Balance of Funding to be earmarked		(2.655)

5. COUNCIL RESERVES

5.1 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. All of the transactions on the General Fund and Housing revenue and capital budgets in 2021/22 affect the Council’s reserves as does expenditure met directly from Reserves such as the Renewal and Repairs Fund.

5.2 Based on all of the transactions for the 2021/22 financial year the main usable reserves and their balance at 31 March 2022 are shown below together with the equivalent balances at 31 March 2021:-

Table 10 – Usable Reserves

	Balance as at 31/3/22 £ million	Balance as at 31/3/21 £ million	Movement £ million
General Fund	54.326	47.275	7.051
COVID-19 Contingency	1.723	2.057	(0.334)
Total General Fund Reserve	56.049	49.332	6.717
Housing Revenue Account	4.370	5.374	(1.004)
Capital Fund	1.645	3.755	(2.110)
Renewal and Repairs Fund	1.498	1.621	(0.123)
Insurance Fund	1.592	1.501	0.091
Usable Capital Receipts	1.343	2.257	(0.914)
Unapplied Grants	1.128	2.612	(1.484)
Total	67.625	66.452	1.173

5.3 Overall the Council’s Reserves have increased by £1.173 million in the year ending 31 March 2022. Part 2 of Appendix B of this report explains how the majority of this has arisen and it’s effectively due to the net effect of all the savings and use of reserves which has taken place during 2021/22. The Council’s Reserves are higher than historic averages but this is in large part due to delays in some spending due to the COVID-19 pandemic and the fact that the Council is carrying COVID-19 funding which is to be spent over a number of future years.

General Fund Reserve

- 5.4 The main Reserve held by the Council is the General Fund Reserve. The opening balance of this on 1 April 2021 was £49.332 million and at 31 March 2022 this Balance stands at £56.049 million.
- 5.5 A significant part of the £56.049 million General Fund Reserve is committed or earmarked as follows:-

Table 11– General Fund Commitments

	£ million
Working Balance/Contingency (per existing policy)	4.700
Applied in 2022/23 Budget Setting	6.185
Future years reserve strategy	3.000
2021/22 COVID-19 Response (285/21)	2.500
Severance Costs	1.047
Provision for Participatory Budgeting	0.262
Saving on debt charges to be applied to future CFCR in the 2021/26 capital plan, agreed per report 68/22.	2.325
Change Fund (committee report 83/14 refers)	0.673
Tay Cities Deal Fund	0.348
Investment Projects (approved as part of 2019/20 budget setting)	0.234
Service Developments (approved as part of 2020/21 budget setting)	0.608
Prior Year 100 % Carry forward Requests	3.040
Ringfenced Grants received in 2021/22 that need to be earmarked for future drawdown as per accounting regulations	6.697
Prior Year Non COVID-19 Redetermination Monies	0.632
Prior Year COVID-19 Redetermination Monies	1.008
2021/22 Non COVID-19 Redeterminations Monies	2.870
2021/22 COVID-19 Redetermination Monies which are committed for specific projects	2.655
Consolidation of the Living Wage – Pay & Grading 2021/22	0.350
Return of IJB Reserves	0.548
ANGUSalve – Income Generation uncertainty/inability to deliver 2021/22 savings targets in Change Programme	0.723
Museums Collection Fund	0.007
Scottish Welfare Fund	0.763
Discretionary Housing Payments Funding C/fwd	0.244
Affordable Housing Revenue Account	2.942
Proposed 2021/22 100% Revenue Budget Carry Forwards	0.907
Demolition of Lochside Leisure Centre	0.377
COVID-19 Contingency	1.723
Car Park Reserve	0.267
Arbroath Harbour Reserve	0.194
Specific Reserves	0.232
Devolved School Management	1.502
Total Committed Within General Fund Reserve	49.563
Uncommitted General Fund Reserve at 31 March 2022	6.486

- 5.6 If all 100% budget carry forwards were to be approved when the Council considers these as part of this report this would leave an uncommitted balance of £6.486 million at 31 March 2022. The future use of this sums will be considered as part of the ongoing delivery of the 2022/23 budget and the development of the budget strategy for 2023/24 and beyond. When the Council set its 2022/23 revenue budget in March 2022 it projected to have an uncommitted General Fund Balance of £0.010 million so the position now is an improvement of £6.476 million assuming all 2021/22 carry forward requests are approved.
- 5.7 The various commitments in Reserves shown in Table 11 are the subject of a comprehensive review which will be the subject of a further report to members once that review is completed.
COVID-19 Contingency Reserve

- 5.8 As part of the recast budget (report [211/20](#)), the Council created a COVID-19 Contingency Reserve and table 12 below sets out the movement on this reserve.

Table 12 – COVID-19 Contingency Reserve

	£ million
Uncommitted Balance at 1 April 2021	2.057
New Commitments/Funding 2021/22	
Additional Contribution (Report 285/21)	0.131
Assessment of Level of Reserve required for COVID-19 costs and reduction applied to General Fund Reserve (Report 67/22)	(0.173)
Town Centre Funding (Report 246/20)	(0.027)
ANGUSalive – share of loss of income funding	(0.265)
Uncommitted Balance at 31 March 2022	1.723

- 5.9 The Housing Revenue Account Reserve
The balance on this Reserve of £4.370 million is, as anticipated, above the policy level of £1.0 million and this will be taken into account in the ongoing commitment to: deliver new build and affordable housing; maintain the Scottish Housing Quality Standard; and as part of the budget strategy for 2023/24 and beyond.

- 5.10 Other Reserves
The Capital Fund balance (£1.645 million) relates to funding decisions within the Capital Budget and is largely committed, while the Renewal and Repairs Fund balance (£1.498 million) provides resources to assist the Council to respond to requirements to keep its property, roads, play parks, cemeteries and IT assets properly maintained. Most of this sum is also committed. The balance on the Insurance Fund (£1.592 million) will be reviewed in the context of potential liabilities and possible increases in premiums for 2022/23. The Other Reserves included in the General Fund Reserve total £0.693 million, including the Arbroath Harbour and Car Parking Reserves which also have some commitments against them. The balances on all of these Reserves were reviewed when the Council set its 2022/23 budget in March 2022 and they will be reviewed again in setting the 2023/24 budgets.

6. FINANCIAL IMPLICATIONS

- 6.1 The Annual Accounts for 2021/22 have been concluded to a stage sufficient to allow actual outturn information to be prepared and commented upon as detailed in this report.
- 6.2 Overall the Council's reserves are showing an increase of £1.173 million.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 An equality impact assessment is not required.

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Appendices:

- Appendix A – Summary Outturn (Main Variances)
- Appendix B – Revenue Budget Performance Commentary
- Appendix C – Capital Budget Performance
- Appendix D – Money Held by Angus Schools
- Appendix E – 100% Carry forward Requests