

SPECIAL ANGUS COUNCIL – 2 MARCH 2023

2023/24 REVENUE & CAPITAL BUDGET SETTING

**PROPOSED BUDGETS FOR THE VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH
DIRECTORATE**

**JOINT REPORT BY ALISON SMITH, DIRECTOR OF VIBRANT COMMUNITIES AND
SUSTAINABLE GROWTH AND IAN LORIMER, DIRECTOR OF FINANCE**

ABSTRACT

This report sets out the proposed revenue and capital budgets for the Vibrant Communities and Sustainable Growth Directorate covering the 2023/24 provisional revenue and capital budgets, budget savings from the Council's Finance & Change Plan and review of charges proposals proposed to be included in the budget. Equalities impact assessments for these proposals are also provided. Proposed budget savings for financial years 2024/25 and 2025/26 are included in this report on an indicative basis only – final decisions on those savings will be made as part of the budget setting process for those financial years.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

- a) note and approve the budget savings contained in Appendix A for inclusion in the Directorate's 2023/24 provisional revenue budget;
- b) note and approve the review of fees and charges contained in Appendix B for inclusion in the Directorate's 2023/24 provisional revenue budget;
- c) note and approve the 2023/24 Provisional Revenue Budget for the Directorate as set out in Appendix C;
- d) note and approve the 2023/24 Provisional Capital Budget for the Directorate as set out in Appendix D;
- e) note that the 2023/24 revenue and capital budgets set out in this report form part of the Council's total budget for determining the 2023/24 Council Tax.

2. ALIGNMENT TO THE COUNCIL PLAN

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

3. BACKGROUND

3.1 Reference is made to Report 225/22 and Report 406/22 submitted to the Policy & Resources Committee in August and December 2022 respectively which set out the approach and timetable for the preparation of the 2023/24 revenue and capital budgets.

3.2 This report and its appendices sets out the proposed 2023/24 provisional revenue and capital budgets for the Vibrant Communities and Sustainable Growth Directorate which along with the proposed budgets for all other Directorates and corporate budget items will make up the Council's total budget so that the 2023/24 Council Tax can be determined by elected members.

4. 2023/24 PROVISIONAL REVENUE BUDGET

4.1 The proposed 2023/24 revenue budget for the Directorate comprises the following:-

4.2 Budget Savings (see Appendix A for details)

The Council's financial challenges mean that savings in existing budgets must be made to achieve a balanced budget overall. Budget savings help to offset the additional costs arising from budget issues and other cost increases such as pay and general inflation.

The Council's Change Programme as set out in the Finance & Change Plan (Report 40/23 refers) covers all of the savings being proposed in the Council's budget over the financial years 2023/24, 2024/25 and 2025/26. The budget savings proposed to be applied to the Directorate's 2023/24 budget and which elected members are being asked to approve are set out in Appendix A. The proposed budget savings for financial years 2024/25 and 2025/26 included in Appendix A are indicative only at this point – final decisions on those savings will be made as part of the budget setting process for those financial years.

The savings proposed for the Directorate are described in more detail below:

Reduction in non-statutory services including:

4.2.1 Reduction of £200k (32% of the 2022/23 net expenditure) in the provision of economic development services and staffing through a Service Review. The review will focus on building on existing external relationships with business and industry groups, maximising income from our property portfolio and skills and employability services all of which have opportunities to secure additional external funding. Capitalising on the alignment with Planning, Climate Change and Environment functions, and the opportunities presented through the new planning legislation, it is proposed to more closely align the work of the teams, shifting the focus to project coordination and delivery. Delivery of the Tay Cities Deal will be a fundamental element of this but also capitalising on future funding opportunities to support economic activity and the wider contribution other initiatives can make. New and emerging Scottish Government policy in terms of the National Strategy for Economic Transformation and Community Wealth building will underpin any approach. Support to business in Angus will be delivered through the Business Gateway contract and signposting to other business support agencies. Whilst we will continue to have relationships with businesses across Angus, and support and coordinate this within the context of strategic objectives and plans, we will no longer be providing direct support from council staff. We will also reduce our digital communications and marketing offering and direct this in a much more integrated way across the team to promote the wider opportunities within Angus.

4.2.2. There is a saving of £58k identified in 2024/25 for Arbroath Business Centre on the basis of no longer being responsible for ongoing running and maintenance costs. An options appraisal is underway to determine the future of the building and adjacent land area.

4.2.3 A reduction in provision of Anti-Social Behaviour (ASB) services in 2023/24 of £134k following a service review. The Antisocial Behaviour (Scotland) Act 2004 provides that local authorities may apply for an Antisocial Behaviour Order (ASBO), it should be noted that this is not a duty but a right to apply. The act gives us a power but not a duty to apply for ASBOs and indeed guidance published by the Scottish Government specifically states that authorities are not required to apply for ASBOs either at all, or in particular circumstances.

We will continue to comply with our duties to have in place a strategy for dealing with ASB (Scottish Government framework for tackling ASB, Community Empowerment (Scotland) Act 2015 (duty to demonstrate we are making a difference to residents through delivery of local outcomes)). However, in light of budget pressures it is proposed to reduce the level of support and a review of ASB provision will be undertaken in 2023/24.

4.2.4 A reduction in Vibrant Communities budget is proposed over two years (£350k in 2023/24 and £650k in 2024/25). This equates to 22.5% of the 2022/23 budget for

2023/24 and 64% over two years of the budget). However, the non-statutory services of Vibrant Communities are preventative in nature and with the current cost of living crisis impacting people and communities alongside entrenched poverty faced by some people and communities, it has been proposed to change the way in which we deliver preventative services to a more integrated and targeted approach. In changing the approach, it is considered there is a need to work even more closely with partners and communities while at the same time delivering savings. To maintain a core approach to prevention and change the way the service is delivered, it is now necessary to integrate other services to ensure that the delivery of preventative activity can be both sustained and developed as well as seeking to increase external funding income.

Cross cutting service input will be required to identify the teams in scope for that review and engage them in a service design exercise and a formal consultation process thereafter to ensure the newly designed service meets the needs of Angus Council in addressing poverty, working in partnership and ensuring people and communities are supported in a way that prevents the need for further more costly statutory interventions and the resulting impact of potential trauma to families requiring these services.

The 2023/24 saving will be made from a service review which is nearing completion. For 2024/25 the service design work will be completed, recommendations developed, consultation undertaken and the new approach agreed to allow savings to be made from 1 April 2024.

- 4.2.5 A further £14k savings from a total of £57k savings over three years is to be identified from third sector partnerships and will be part of a further review of current support to the third sector.
- 4.2.6 Increased contribution of £150k from £50k to a total of £200k toward the costs of Welfare Rights to support our council tenants and contribute to sustained tenancies. This will reduce the net cost to the Council of the Welfare Rights service.
- 4.2.7 A new contribution of £100k from the Affordable Housing Revenue account to support the work of the Climate Change and Environment Team in Planning and Sustainable Growth and our work to achieve net zero targets and on Clean Growth is to be provided.
- 4.2.8 A target for grant/ external income generation of £50k in 2023/24, £200k in 2024/25 and £100k in 2025/26 and 2024/25 across the council to ensure we are maximising the opportunities available.

4.3 Review of Charges (see Appendix B for details)

The Council levies fees and charges for some services it provides. Some of these are set nationally but most are determined by the Council. Increases in fees and charges are usually necessary to reflect the impact of inflation on the cost of providing services.

The proposed fees and charges for the Directorate's services for financial year 2023/24 are set out in Appendix B. The percentage increase on current fees and charges is also shown as is the additional income the increase is expected to generate.

- 4.3.1 These are annual recurring fees & charges and reflect the proposed 6% increase and have been rounded up to the nearest 10p.

4.4 Directorate Net Expenditure Summary (see Appendix C for details)
An overall summary of the proposed 2023/24 revenue budget for the Directorate is included as Appendix C to this report. This includes the budget implications from the budget savings and review of charges proposals contained in Appendices A and B and represents the proposed 2023/24 Provisional Revenue Budget for the Directorate.

4.5 All of the 2023/24 revenue budget proposals set out in this report have been incorporated into the Council's overall budget for the year, a summary of which is included in Report 54/23 – Provisional Revenue & Capital Budgets 2023/24 - Background Report and Setting of the Council Tax.

5. 2023/24 PROVISIONAL CAPITAL BUDGET

5.1 The Council's capital budget is where proposed investment in Council assets and infrastructure is captured. The 2023/24 Provisional Capital Budget for the Directorate is included as Appendix D (in 3 sections) to this report. Appendix D shows the proposed and projected capital budget covering financial years 2022/23 to 2026/27. Members are being asked to approve the capital budget for all of the financial years shown in Appendix D on the basis that budgets for 2024/25 to 2026/27 will be subject to further review as part of the budget setting process for those years.

6. FINANCIAL IMPLICATIONS

6.1 There are no additional financial implications for the Council beyond those set out in the body and appendices of this report. Members should however note that any changes to the budget proposals set out in this report which have financial implications will impact onto the Council's overall budget and the basis for achieving a balanced budget.

7. EQUALITY IMPACT ASSESSMENT

7.1 An equality impact assessment has been prepared covering the proposals set out in the report as follows:-

EIA covering Budget Savings – Appendix A1 – A4

EIA covering Review of Charges – Appendix B1

NOTE: The following background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 were relied on in preparing the above report.

- Finance Circular 11/2022 issued by the Scottish Government

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List of Appendices

Appendix A – Directorate Budget Savings

Appendix B – Directorate Review of Charges

Appendix C – Directorate Net Expenditure Summary - 2023/24 Provisional Revenue Budget

Appendix D – Directorate 2023/24 Provisional Capital Budget

Appendices A1 – Equalities Impact Assessment – Budget Savings – Anti Social Behaviour Review

Appendices A2 – Equalities Impact Assessment – Budget Savings – Economic Development Review

Appendices A3 – Equalities Impact Assessment – Budget Savings – Third Sector Partnerships

Appendices A4 – Equalities Impact Assessment – Budget Savings – Community Learning Development

Appendix B1 – Equalities Impact Assessment – Review of Charges