

**ANGUS COUNCIL – 22 JUNE 2023**

**2022/23 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 2022/23 for Angus Council and an update regarding preparation of the 2022/23 Annual Accounts.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Council:-

- a) Note the update regarding preparation of the 2022/23 Annual Accounts and that, in accordance with statutory requirements, they will be submitted to Audit Scotland by 30 June 2023 deadline;
- b) Note that the Council's Annual Accounts will be published on the Council's website on or around 30 June 2023;
- 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 2022/23 100% budget carry forwards totalling £0.770 million as set out in Section 4 and Appendix E(ii) 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) Approve that £0.327 million of prior year 100% carry forwards not utilised in 2022/23 due to delays in projects and plans be carried forward to 2023/24 as set out in Section 4 and Appendix E(iii); and
- g) Note that the 2023/24 Final Revenue Budget Volume is still work in progress and will be published on the Council's website once finalised and any approvals of budget finalisation adjustments will be brought for approval to members after the summer recess.

**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 2022/23 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 22 August 2023.

- 3.3 This report summarises, in a simpler format than the formal Accounts, how the Council has performed financially in 2022/23 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 The Policy & Resources Committee received regular updates on budget performance during financial year 2022/23 with the latest adjusted monitoring budget (including Angus Health & Social Care Partnership) of £312.893 million (report [115/23](#) refers).
- 4.3 When the Council set the 2023/24 revenue budget in March 2023, the projected outturn for 2022/23 was a saving of £8.742 million compared to budget. This total has to be adjusted for earmarked monies that need be accounted for in future years in the General Fund Reserve. This, in the main, includes grant funding previously approved and prior year 100% carry forwards not spent in 2022/23 due to delays in projects and plans. After taking these monies into account this left an uncommitted projected saving of £1.892 million at that time, report [14/23](#) refers.
- 4.4 The most recent projected outturn for 2022/23, submitted to Policy and Resources Committee on 2 May 2023, projected a saving against budget of £12.346 million. Some £7.359 million of this was to be earmarked leaving £4.987 million available as the projected uncommitted General Reserve balance, report [115/23](#) refers.
- 4.5 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.
- 4.6 Overall a saving compared to budget for Angus Council's General Fund Services of £14.126 million arose in 2022/23 which, after adjustments for ring-fenced grants, etc. (see Table 2 below), results in an adjusted saving of £4.931 million for the year.
- 4.7 The actual saving for the year is higher than projected when the 2023/24 budget was set (based on December 2022 ledger information) and marginally lower than the last monitoring report to Policy & Resources Committee in May (based on February 2023 ledger information). Table 1a below summarises the movement.

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

	<b>Budget Setting £ million</b>	<b>May P&amp;R £ million</b>	<b>Final Position £ million</b>
Gross Underspend/Saving	<b>8.742</b>	<b>12.346</b>	<b>11.404</b>
Ukraine Grant Funding	<b>0.000</b>	<b>0.000</b>	<b>2.722</b>
Less Ring-fenced/Earmarked Sums	<b>(6.850)</b>	<b>(7.359)</b>	<b>(6.473)</b>
Less Ukraine Grant Funding	<b>0.000</b>	<b>(0.000)</b>	<b>(2.722)</b>
Adjusted Underspend/Saving	<b>1.892</b>	<b>4.987</b>	<b>4.931</b>

Relative to what had been projected, the adjusted final outturn position, after deducting ring fenced sums, is £0.056 million less than expected (£4.987 million less £4.931 million). In addition to this the ring fenced sums have reduced by £0.886 million increasing the overall reduction on projection to £0.942 million. This reduction is made up of a combination of favourable and unfavourable movements and Table 1b below summarises the main areas of movement.

**Table 1b – Main Movements on Final Outturn Position**

	£ million
Increased property expenditure in Education and Lifelong learning & contribution made towards corporate energy costs	0.173
Increased costs in winter maintenance costs and bus contracts	0.471
Additional Scottish Government skills administration grant income and increased savings across expenditure budgets	(0.361)
Corporate savings held within Other Services allocated to directorates at the year end	0.448
Savings on Loan Charges costs	(0.494)
Increased building Rechargeable income	(0.101)
Reduction in Grant Income	0.886
Miscellaneous	(0.080)
<b>Total Movement on Projected v Actual Underspend</b>	<b>0.942</b>

4.8 It must also be acknowledged that increased inflation has had an impact during 2022/23 on service delivery with increased costs and pressures. In addition to this was the impact of the severe weather conditions experienced during the winter of 2023. The effects of these have again made financial management and monitoring more challenging and affected planned spending in, for example, the Council's capital and maintenance programmes.

100% budget carry forwards

4.9 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.

4.10 The details of the new carry forward requests of £0.770 million seeking approval from elected members are attached at Appendix E(ii).

4.11 In addition, approval is being sought to carry forward £0.327 million of prior year approved 100% carry forward requests for projects and plans that have been delayed during 2022/23. These requests have been reported in the Corporate Monitoring to Policy & Resources Committee during the financial year and detail of these requests are also attached at Appendix E (iii).

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	14.126
Less Ring-fenced Grant Income (mainly early learning & childcare)	(5.324)
Less Ring-Fenced Ukraine Support Grant Funding	(2.722)
Less Devolved School Management (DSM) funds held by schools	(1.149)
<b>Adjusted Saving Compared to Budget</b>	<b>4.931</b>
Less Prior Year 100% carry forwards requested to be carried forward to 2023/24 – known about when 2023/24 budget set	(0.327)
<b>Savings Available for Other Purposes</b> (before new requested 100% carry forwards)	<b>4.604</b>
Projected 2022/23 Outturn applied to 2023/24 Budget Setting (report 57/23)	(1.892)
<b>Net Savings Available for Other Purposes before 100% carry forward requests</b>	<b>2.712</b>
Less Proposed New 2022/23 100% Budget Carry forwards	(0.770)
<b>Net Savings Available for Other Purposes</b> (if carry forwards agreed in full)	<b>1.942</b>

#### Overall Impact on the General Fund Reserve

- 4.12 The Council set its 2022/23 Revenue Budget in March 2022 (report [67/22](#) refers) which reported that £4.755 million was planned to be funded from the General Fund Reserve, in other words it budgeted for a deficit of £4.755 million. For accounting purposes and to reflect the fact that Directorates can carry forward some unspent budget from previous years and draw this down from reserves this budgeted deficit has subsequently been revised to £23.811 million.
- 4.13 The actual year end position on the General Fund Reserve shows an increase of £16.009 million which compared to the revised budgeted deficit means the General Fund Reserve is £39.820 million higher than expected on a gross basis.
- 4.14 Report 55/23 to Angus Council on 2 March 2023 sought approval for an amendment to the Council's accounting policy in relation to service concession arrangements. Council agreed a policy change which provided an ongoing £2.9 million benefit and a one-off financial benefit to the Council's General Fund Reserve at 31 March 2023 of £22.865 million. This has been included in the General Fund Reserve at March 2023 and specific proposals on the use of this were covered in report 57/23 to Angus Council on 2 March. The proposals included a number of measures intended to reduce the Council's ongoing cost base.
- 4.15 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 Directorate budgets (including capital financing costs saving of £0.745 million) – per Appendix A	14.126
Debt Restructuring Premium – not budgeted for	(0.095)
Additional Council Tax Income (of which £0.348 million was in relation to Affordable Housing Monies which needs to be earmarked in the General Fund Reserve) which means overall collection was lower than budgeted for	0.155
Transfer to Affordable Housing Account in HRA	(0.300)
Transfers from Unapplied Grants Account	0.038
Recharge Income from Tayside Contracts for Vehicle Capital Financing Charges	0.519
Transfer from HRA Reserve (technical adjustment in relation to pay deal funding)	2.518
All other Items (Net effect)	(0.006)
Service Concessions (Report 55/23 refers)	22.865
<b>Total Favourable Movement on General Fund Balance</b>	<b>39.820</b>

#### Money Held by Angus Schools

- 4.16 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 £1.815 million. The timing of use of some of these funds is affected by the school year and financial year being different periods.

#### Revenue Budget Versus Actual – General Fund Directorate Budgets

- 4.17 Appendix A attached provides a Directorate breakdown of the £14.126 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.
- 4.18 It will be noted from Appendix A that not all Services operated within their controllable 2022/23 budget, prior to removing employee slippage which is now held and controlled centrally within Other Services and the reasons for this have been explained in Appendix B.

#### Revenue Budget Performance - Housing Revenue Account (HRA)

- 4.19 When the Council set the 2022/23 Revenue Budget for Housing it planned for a breakeven position which meant no contribution to or from Reserves was planned.

- 4.20 The actual year end position shows a surplus of 2.034 million and the reasons for this position are given in Appendix B. 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 2023 of £4.186 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 2022			4.370
In-year surplus		2.034	
Transfer to General Fund (pay deal funding)	2.518		
Affordable Housing Revenue Account capital funding		0.300	
Total movements	2.518	2.334	(0.184)
Closing balance at 31 March 2023			4.186

Capital Budget Performance – General Fund

- 4.21 The Council's provisional capital budget for 2022/23 was set in March 2022, forming part of the 2021/2026 Capital Plan (report [65/22](#) refers). Following a comprehensive update of the 2021/2026 Capital Plan based on actual expenditure at the end of the 2021/22 financial year, the final capital monitoring budget for 2022/23 was approved in August 2022 (report [227/22](#) refers). This budget was subsequently adjusted further for 2 specific projects in Report 13/23.
- 4.22 Table 5, below, sets out the year end position on the General Fund capital programme for 2022/23 on a net basis (i.e. after the deduction of direct funding contributions).

**Table 5 – NET Capital Expenditure 2022/23**

Programme	Monitoring Budget Net £ million	Actual Expenditure £ million	Under / (Over) Spend £ million	Spend Against Budget %
<b>Vibrant Communities &amp; Sustainable Growth</b>				
Economic Development	0.590	0.271	0.319	45.9%
Planning & Sustainable Growth*	0.000	0.00	0.00	0.0%
<b>Infrastructure Services</b>				
Assets	1.481	1.451	0.030	98.0%
Environmental Services	4.428	2.195	2.233	49.6%
Roads & Transportation	12.075	10.325	1.750	85.5%
<b>Education &amp; Lifelong Learning</b>	2.908	2.497	0.411	85.9%
<b>Digital Enablement &amp; Information Technology</b>	0.885	0.643	0.242	72.6%
<b>Angus Health &amp; Social Care Partnership</b>	1.009	(0.164)	1.173	(16.3%)
<b>ANGUSalive</b>	0.150	0.036	0.114	23.9%
<b>Tay Cities Deal</b>	(0.148)	(0.122)	(0.026)	82.2%
<b>Total Net Capital Expenditure</b>	23.378	17.132	6.246	73.3%

\* dedicated funding has fully offset actual expenditure incurred

- 4.23 The actual net expenditure on the General Fund capital programme of £17.132 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.
- 4.24 Table 6, below, details how the adjusted net expenditure of £17.132 million has been funded and compares this with the funding anticipated when the 2022/23 monitoring budget was set:

**Table 6 – Capital Funding 2022/23**

Funding Source	Monitoring Budget £ million	Actual £ million	Variance £ million
Borrowing	9.332	3.426	5.906
General Capital Grant*	11.110	10.827	0.283
CFCR (Balance of Special Repayments)	1.783	1.783	0.000
Corporate Capital Fund Contribution	0.903	0.903	0.000
Corporate Capital Receipts	0.250	0.193	0.057
<b>Total Funding</b>	<b>23.378</b>	<b>17.132</b>	<b>6.246</b>

\* Angus Council's initial allocation of general capital grant in 2022/23 was £11.093 million. Additional funding totalling £3.852 million was received during the year resulting in a final capital grant allocation in 2022/23 of £14.945 million. When setting the monitoring budget, it was estimated that £0.483 million of general capital grant would be required to fund non-enhancing projects (Private Sector Housing Grants, etc.), leaving a balance of £10.610 million for the remainder of the capital programme. The actual level of grant applied to non-enhancing projects in 2022/23 was £0.266 million, some £0.217 million lower than originally anticipated. This reduction was mainly due to the contribution towards the Private Sector Housing Grant Programme being lower than anticipated.

- 4.25 The level of expenditure slippage on the General Fund capital programme has meant that a reduced level of borrowing was required to fund the 2022/23 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.
- 4.26 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 reviewed the year end position in more detail at its meeting in 8 June 2023.
- 4.27 In summary, Angus Council spent £6.246 million less on General Fund capital projects than budgeted for and this has meant a substantially lower requirement for funding in 2022/23. In the main, the underspend against the monitoring budget is due to project delays, a significant proportion of which was due to on-going difficulties and delays procuring vehicles / equipment and staff resourcing issues, and therefore represents a delay in incurring the expenditure rather than a reduction in the expenditure required.

Capital Budget Performance – Housing Revenue Account (HRA)

- 4.28 The HRA provisional capital budget for 2022/23 was set in February 2022. Following a comprehensive update of the 2021/2026 Capital Plan based on actual expenditure at the end of the 2021/22 financial year, the capital monitoring budget for 2022/23 was updated and reported to the Communities Committee in September 2022 (report [327/22](#) refers).
- 4.29 Table 7, below, sets out the year end position on the overall HRA capital programme for 2022/23 on a net basis (i.e. after the deduction of direct funding contributions).

**Table 7 – NET HRA Capital Expenditure 2022/23**

Programme	Monitoring Budget Net £ million	Actual Expenditure £ million	Under / (Over) Spend £ million	Spend Against Budget %
New Build	4.111	2.395	1.716	58.3%
Shared Equity	(0.732)	(0.740)	0.008	101.1%
Conversions	0.344	0.018	0.326	5.2%
Aids & Adaptations	0.400	1.131	(0.731)	282.8%
Improvements	0.680	0.240	0.440	35.3%
Energy Savings/Towards Zero Carbon	5.828	4.853	0.975	83.3%
Sheltered Housing	0.194	0.545	(0.351)	280.9%
Internal Upgrades	1.460	0.722	0.738	49.5%
Miscellaneous / Balances on Completed Works	0.418	0.412	0.006	98.6%
<b>Total Net Capital Expenditure</b>	<b>12.703</b>	<b>9.576</b>	<b>3.127</b>	<b>75.4%</b>

- 4.30 Table 8, below, details how the actual net expenditure of £9.576 million has been funded and compares this with the funding anticipated when the 2022/23 monitoring budget was set:

**Table 8 – Housing Capital Funding 2022/23**

Funding Source	Monitoring Budget £ million	Actual £ million	Variance £ million
Borrowing	5.091	1.853	3.238
Capital Receipts	0.622	0.732	(0.110)
Capital from Current Revenue	5.990	5.991	(0.001)
Affordable Housing Reserve	0.300	0.300	0.000
HRA Reserves	0.700	0.700	0.000
<b>Total Funding</b>	<b>12.703</b>	<b>9.576</b>	<b>3.127</b>

- 4.31 Members will note from Table 8 that the level of deferral on the New Build programme has meant that the level of borrowing has been only 36.4% of the originally planned amount to fund the 2022/23 capital expenditure. This is not a reduction in the borrowing requirement but is a deferral of the timing of the borrowing.
- 4.32 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 2023.

## 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 2022/23 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 2022/23 financial year the main usable reserves and their balance at 31 March 2023 are shown below together with the equivalent balances at 31 March 2022:-

**Table 9 – Usable Reserves**

	Balance as at 31/3/23 £ million	Balance as at 31/3/22 £ million	Movement £ million
General Fund	69.375	54.484	14.891
Exceptional Cost Pressure Reserve	2.841	1.723	1.118
<b>Total General Fund Reserve</b>	<b>72.216</b>	<b>56.207</b>	<b>16.009</b>
Housing Revenue Account	4.186	4.370	(0.184)
Capital Fund	0.775	1.645	(0.870)
Renewal and Repairs Fund	0.787	1.498	(0.711)
Insurance Fund	1.421	1.592	(0.171)
Usable Capital Receipts	0.853	1.343	(0.490)
Unapplied Grants	1.939	1.128	0.811
<b>Total</b>	<b>82.177</b>	<b>67.783</b>	<b>14.394</b>

- 5.3 Overall the Council's Reserves have increased by £14.394 million in the year ending 31 March 2023. 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 the use of reserves which has taken place during 2022/23 plus the change in the accounting policy of Service Concessions. The Council's Reserves are higher than historic averages but this is in large part due to the Service Concession one off benefit of £22.865 million and the balance of COVID-19 and Ukraine related 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 2022 was £56.207 million and at 31 March 2023 this Balance stands at £72.216 million.
- 5.5 A total of £68.692 million of the General Fund Reserve is committed or earmarked as follows:-

**Table 10– General Fund Commitments**

	£ million
Working Balance/Contingency (per existing policy)	4.700
Balance of 2022/23 Budget Setting - Toilets Accessible to All	0.100
Balance of 2022/23 Budget Setting - Provision for Inflationary Pressures	0.500
Applied in 2023/24 Budget Setting	8.479
Budget Strategy 23/24 – Report 57/23	3.050
Budget Strategy 24/25 – Report 57/23	10.750
Budget Strategy 25/26 – Report 57/23	6.500
Budget Strategy 26/27 – Report 57/23	2.000
Budget Strategy 26/27 – Report 57/23	1.000
2021/22 COVID-19 Response (285/21 & 341/21)	1.252
Severance Costs Provision	0.937
Provision for Participatory Budgeting	0.282
Saving on prior year debt charges to be applied as a special repayment in future years.	1.042
Change Fund (committee report 83/14 refers)	0.551
Tay Cities Deal Fund	0.246
Investment Projects (approved as part of 2019/20 budget setting)	0.125
Service Developments (approved as part of 2020/21 budget setting)	0.311
Prior Year 100 % Carry forward Requests	0.449
Additional Carry forward requests (report 420/22)	0.245
Ringfenced Grants received in 2022/23 that need to be earmarked for future drawdown as per accounting regulations	5.324
Ukraine Grant Funding	2.722
2022/23 Redetermination Monies	3.756
2020/21 Non COVID-19 Redetermination Monies	0.197
2020/21 COVID-19 Redetermination Monies	0.821
2021/22 Non COVID-19 Redeterminations Monies	1.524
2021/22 COVID-19 Redetermination Monies which are committed for specific projects	0.981



Consolidation of the Living Wage – Pay & Grading	0.350
Return of IJB Reserves	0.546
ANGUSalive – Income Generation uncertainty/inability to deliver savings targets in Change Programme	0.723
Scottish Welfare Fund	0.513
Discretionary Housing Payments Funding	0.089
Affordable Housing Revenue Account	2.913
Exceptional Cost Pressures (previously Covid Contingency)	2.841
Car Park Reserve	0.179
Arbroath Harbour Reserve	0.211
Specific Reserves	0.237
Devolved School Management (DSM)	1.149
Proposed 2022/23 100% Revenue Budget Carry Forwards seeking approval in this report	1.097
<b>Total Committed Within General Fund Reserve</b>	<b>68.692</b>
<b>Uncommitted General Fund Reserve at 31 March 2023</b>	<b>3.524</b>

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 £3.524 million at 31 March 2023. The future use of this sum will be considered as part of the ongoing delivery of the 2023/24 budget and the development of the budget strategy for 2024/25 and beyond. When the Council set its 2023/24 revenue budget in March 2023 it projected to have no uncommitted General Fund Balance so the position now is an improvement of £3.524 million assuming all 2022/23 carry forward requests are approved.

5.7 The various commitments in Reserves shown in Table 10 will be subject to an annual review which will be the subject of a further report to members once that review is completed.

#### COVID-19 Contingency Reserve/Exceptional Cost Pressures Reserve

5.8 As part of the recast budget (report [211/20](#)), the Council created a COVID-19 Contingency Reserve and this was renamed to the Exceptional Cost Pressures Reserve as part of the 2023/24 Budget Setting. At the budget setting meeting an amendment was approved which recommended using £0.180 million of this reserve to defer a £0.050 million saving for Revenues & Benefit Cash2 and defer the increase in Primary & Secondary School meal charges at a cost of £0.130 million. The uncommitted balance on this reserve at 31 March is now £2.841 million. This reserve can be drawdown with member approval should specific issues or risks emerge.

#### The Housing Revenue Account Reserve

5.9 The balance on this Reserve of £4.186 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; continue to progress towards zero carbon deadlines; and as part of the budget strategy for 2024/25 and beyond.

#### Other Reserves

5.10 The Capital Fund balance (£0.775 million) relates to funding decisions within the Capital Budget and is largely committed, while the Renewal and Repairs Fund balance (£0.787 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 (£1.421 million) will be reviewed in the context of potential liabilities and known increases in premiums for 2023/24. The Other Reserves included in the General Fund Reserve total £0.626 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 2023/24 budget in March 2023 and they will be reviewed again in setting the 2024/25 budgets.

## **6. 2023/24 FINAL REVENUE BUDGET VOLUME**

6.1 The Final Revenue Budget Volume (FBV) is a document which sets out the revenue budgets for all Council services and forms the basis for financial performance monitoring for the financial year. The FBV includes detailed budget information for each area of council service, including budgeted personnel associated with each service and overall budget summaries. The 2023/24 provisional revenue budget volume approved at the Special Meeting of Angus Council on 2

March 2023 is the starting point for the FBV and will be amended for allocations of corporate budgets and the updated grant position per the finance circular. This is currently work in progress and any budget finalisation adjustments will be brought back to members after the summer recess.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 The Annual Accounts for 2022/23 have been concluded to a stage sufficient to allow actual outturn information to be prepared and commented upon as detailed in this report.
- 7.2 Overall the Council's reserves are showing an increase of £14.394 million but much of this is committed.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 An equality Impact Assessment is not required as this is a noting report and does not have any impact on individuals.

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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(i) to E(iii) – 100% Carry forward Requests