

AGENDA ITEM NO 5

REPORT NO 227/23

ANGUS COUNCIL

POLICY & RESOURCES COMMITTEE – 29 AUGUST 2023

2023/24 FINAL REVENUE BUDGET DOCUMENTS

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This report asks the Committee to approve the publication of the 2023/24 Final Revenue Budget Volume on the Council's website.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (a) note the amendments to the 2023/24 Revenue Support Grant and updates on Corporate revenue budgets as detailed in section 5 of this report and approve the publication of the Final Revenue Budget Volume on the Council's website taking into account the amendments set out in Section 5; and
- (b) approve the removal of a saving from Vibrant Communities & Sustainable Growth and the proposed funding option, detailed in paragraph 5.6.

2. ALIGNMENT TO THE ANGUS COUNCIL PLAN

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

3. BACKGROUND

3.1 The Special Meeting of Angus Council on 2 March 2023 approved the revenue and capital budgets for the 2023/24 financial year.

3.2 The Final Revenue Budget Volume is a document which sets out the revenue budgets for all Council Directorates and forms the basis for financial performance monitoring for the financial year. When the budgets were approved in March a number of items had been allowed for corporately and were not yet allocated to directorate budgets. The allocation of some of these items has now been carried out and is reflected in each directorate's revenue budget for 2023/24 included in the Final Revenue Budget Volume. In addition to the allocation of these corporate items each Council directorate was given the opportunity to undertake any virement adjustments considered necessary to reflect changes in circumstances that have arisen since the base budgets were first prepared in September 2022. All these adjustments have been undertaken on a cost neutral basis within the approved budget totals agreed by the Council in setting the Council Tax.

3.3 In relation to the Council's General Fund Capital budget an update to the Provisional Capital Budgets agreed by Council in March 2023 is subject to a separate report to this committee (report xx/23 refers).

4. CURRENT POSITION

4.1 The Final Revenue Budget Volume for 2023/24 includes detailed budget information for each area of council service, including budgeted personnel associated with each service and a number of overall budget summaries and this can be found at the following link:

[Final Budget Volume 2023_24](#)

5. PROPOSALS

5.1 The 2023/24 provisional revenue budget volume approved at the Special Meeting of Angus Council on 2 March 2023 has been amended for the following matters for the purposes of preparing the Final Revenue Budget Volume:-

5.2 2023/24 Total Revenue Support Grant

Report 54/23 noted that the Council's Total Revenue Support Grant for 2023/24 had been provisionally set at £256.597million (including an estimated £1.202 million not yet distributed). It was also reported that this figure has been adjusted for amounts not included in the Finance Circular which the Council now expects to be allocated the most significant of which is additional funding associated with the 2023/24 staff pay deal to give a total estimated grant allocation of £261.003 million.

Finance Circular 3/2023, issued by the Scottish Government on 1 March 2023 provides further detailed information on the Council's overall 2023/24 grant total. This circular confirms additional funding to support teachers and non-teaching pay deals. These adjustments are now reflected in the Final Budget for 2023/24 and set out in Table 1 below:-

Table 1 – Additional Grant Support

<u>Initiative</u>	<u>Grant Allocation</u> <u>£m</u>
Provisional Revenue Support Grant	255.939
Add - Estimated Grant not yet distributed per Circular 3/2023	0.332
Add – Funding to support the maintenance of teachers numbers in 2023/24 now held back per Circular 3/2023	0.953
Total Revenue Funding	257.224
Add – Additional Funding announced at Stage 3 of the Budget Bill to support teachers & non-teaching pay deal not yet distributed confirmed per Circular 3/2023	4.750
Revised Total General Revenue Funding	261.974

The Revised Total General Revenue Funding of £261.974 million compares favourably to the £261.003 million assumed when setting the Council Tax in March 2023, an increase of £0.971 million. The increase of £0.971 million is explained in Table 2 below:

Table 2 – Movement in General Revenue Funding

	<u>£m</u>
Increase in Revenue Funding per circular and estimated grant not yet distributed. This is in the main due to the Funding for Teachers pay award for 22/23 (£0.698m) now baselined and will need to be earmarked in ELL. The balance of £0.072m relates to grants not distributed at the Council Tax meeting now being distributed and the actual allocations are less than estimated. The relevant base budgets need to be amended to reflect the change from estimates to actual allocations	0.627
Increase in additional funding to support teachers and non-teaching pay deal as actual figures now available. This will be earmarked in the corporate pay award provision meantime.	0.344
TOTAL	0.971

From Table 1 above it can be seen that we now have more grant than when we set the budget of £0.971 million and Table 2 sets out the reason for this increase and how it impacts on the overall position. Although an increase, the £0.971 million needs to be adjusted for in the base budgets leaving no additional grant income to use.

The estimated sums of monies not yet distributed have been added to the relevant base budget in 2023/24 to support costs being incurred by services in these areas.

5.3 2023/24 Pay Award

A corporate provision of £9.739 million (based on a 5.5% increase) was made in the Provisional Budget Volume (Report 54/23 refers) to allow for the estimated costs of the 2023/24 Pay Awards for Teachers, Chief Officers and Local Government Employees (LGE), and Living wage increases. The Teachers 2023/24 pay award has been settled but the LGE and Chief Officers 2023/24 pay award are still the subject of ongoing negotiations at a national level at the time of finalising the Final Revenue Budget Volume, this provision is being held corporately until the pay award is confirmed.

Members will be updated on the outcome of pay negotiations and what this means for the Council's 2023/24 and future years budgets in due course.

5.4 Property Maintenance & Energy Budgets

Property Maintenance budgets for Angus Council Directorates have now been centralised into Other Services and will be monitored through the year by Property Assets.

The Directorate Energy budgets have been realigned based on the significantly increased provision made as part of the 2023/24 budget setting in March. The £2.8 million provision has been allocated and included in the individual final budget volume pages and will be monitored as part of the Directorate budgets throughout the year.

Any further risk to the Council's energy budgets will be reported in the 2023/24 Corporate Monitoring reports to Policy & Resources Committee.

5.5 Other Budget Items

In setting the budget in March the Council agreed to set aside £2.6m for non-pay inflation and other risks and this will continue to be retained as a corporate budget until such time as the funding requires to be used in response to specific risks and inflationary issues. The Council also agreed a number of one-off investments totalling £3.1m (Appendix A to Report 57/23 refers). Directorate budgets will be adjusted as the spending associated with these investments takes place, some of which may be into future financial years depending on the timing of when the funding needs to be used. The position on the non-pay inflation provision and additional investment funding will be reported to members during the year through the standard budget monitoring reports to this Committee.

5.6 Members are being asked to approve the removal of £0.100m saving from Vibrant Communities & Sustainable Growth, Affordable Housing Contribution, as this was incorrectly included as a saving. The proposal is to fund this from the £2.6m mentioned above in paragraph 5.5.

6. **FINANCIAL IMPLICATIONS**

6.1 There are no financial implications for the Council arising from the recommendations in this report beyond what is covered in the report.

7. **EQUALITY IMPACT ASSESSMENT**

7.1 An Equality Impact Assessment is not required as this report does not impact on people.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Local Government Finance Circular No 3/2023 issued on 1 March 2023 by the Scottish Government

REPORT AUTHOR: Gillian Woodcock, Manager (Finance)

EMAIL DETAILS: Finance@angus.gov.uk