

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 5 DECEMBER 2023

**GENERAL FUND REVENUE & CAPITAL BUDGETS 2024/25 -
UPDATE ON PLANS, BUDGET PREPARATION AND PROGRESS**

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This report provides members with a high level update on plans, budget preparation and progress in relation to the 2024/25 General Fund Revenue & Capital Budget preparation process.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- i) Notes the progress being made on the 2024/25 Revenue and Capital Budget preparation as set out in Section 4 of this report; and
- ii) Notes the updated budget timeline as set out in Appendix A to this report.

2. ALIGNMENT TO THE COUNCIL PLAN

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

3. BACKGROUND

3.1 In accordance with the Council's Financial Regulations, the detailed preparation of the 2024/25 revenue and capital budget commenced in August this year. Report 226/23 to Policy & Resources Committee on 29 August 2023 sought approval of the broad strategy and approach to be taken for the preparation of the 2024/25 budgets and the budget timeline that officers would work to.

4. CURRENT POSITION

4.1 The 5 year Council Plan was agreed as part of the 2023/24 budget setting process and the Council's budget is aligned with the priorities and outcomes set out in the plan. The plan is being reviewed as part of the 2024/25 budget preparation process.

4.2 Report 226/23 included an indicative timeline for the 2024/25 budget process and this has now been updated to reflect the progress to date and is attached as Appendix A. All actions completed to date have been shaded grey. The main areas from the budget timeline to highlight to inform this update are as follows:

- Budget guidance was issued to all of the Council's Service Directors in August requiring that base revenue budgets and capital budgets were prepared and submitted to the Finance Corporate Support Team.
- Provisional Revenue Budget packs were submitted to Finance by all services.
- Provisional Capital Budget packs were submitted to Finance by all services.

- Budget Submission Review meetings have been undertaken with Service Directors and budget holders to discuss and validate the revenue & capital budget packs submitted.
 - The Council Leadership Team have reviewed and commented on the Service revenue & capital budget packs.
 - The Policy and Budget Strategy Group met on 24 August and met again on 23 November to review Service revenue & capital budget packs.
 - Due to staff resource issues in the budget team the Medium Term Budget Strategy will now be presented to Angus Council on 14 December and not 2 November as planned.
 - Scottish Government has confirmed that the Scottish Budget will be announced on 19 December which is slightly later than usual. This will have implications for the timing of the Finance Circular being issued and may impact on the Special Council Tax meeting planned for late February which may need to be pushed back to early March.
 - The general process for the preparation of the 2024/25 revenue and capital budgets will ultimately lead to the setting of the Budget and Council Tax in February/March 2024.
 - The implications of Storm Babet on the Council's budget for 2024/25 are being assessed.
- 4.3 Overall the budget preparation process and timetable is on track as the Council works towards setting its budget in late February/early March 2024. **However the task of identifying savings on the scale required to achieve a balanced budget remains a significant concern at this time.** The scale of revenue budget issues coming forward is much higher than previously assumed and some of the savings values in the Change Programme now look undeliverable to the level previously targeted. This alongside cost pressures caused by general inflation and pay inflation and the uncertainty around Scottish Government grant funding (including funding to support a Council Tax freeze) are a cause for concern. It will again be very challenging to deliver a balanced budget for the next financial year while limiting the impact of service cuts to Angus communities. A more detailed update on this position will be provided in the Council's Medium Term Budget Strategy due to be reported to Angus Council on 14 December 2023.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising directly from this report. The budget strategy and timeline will be used to guide the ultimate delivery of a balanced budget in late February /Early March 2024.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 An equality Impact Assessment has not been completed as this report does not impact on people.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: GILLIAN WOODCOCK, Manager (Finance)

EMAIL DETAILS: FINANCE@angus.gov.uk

List of Appendices:

Appendix A - Budget Timeline