

AGENDA ITEM NO 6

REPORT NO 83/25

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 11 MARCH 2025

REVENUE MONITORING 2024/25 AND RENEWAL & REPAIR FUND POSITION 2024/25

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

1. ABSTRACT

- 1.1 This report provides revenue budget performance information for the committee to consider. The report shows the latest projected year-end position for each main council service area, gives a brief explanation of significant variances and provides an update on expenditure funded through the Council's Renewal and Repair Funds. The position within this report is based upon actual spend and income information as at 31 January 2025.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

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

3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee -

- (i) notes the Renewal and Repair fund position as set out in section 5.18 of this report and Appendix D;
- (ii) agrees the budget virements as detailed in section 7; and
- (iii) reviews and scrutinises the content of this report, in particular the comment on the financial implications section regarding the projected year end position as set out in section 8 of this report.

4. BACKGROUND

- 4.1 At the Special Meeting of Angus Council on 29 February 2024 the council approved the revenue budget estimates for financial year 2024/25 (Report No. 63/24 refers). Full details of the 2024/25 budgeted net expenditure of £341.997 million are available within the final budget volume 2024/25 at the following link:-

[Final Budget Volume 2024 25](#)

The latest revenue budget performance position for the council is outlined in Section 5 of this report.

Appendix A sets out a reconciliation between the 2024/25 final budget volume net expenditure of £341.997 million and the net monitoring budget being reported in this report of £355.432 million.

4.2 Budgetary Control

The responsibilities of budget holders for revenue budget monitoring are set out in Section 3 of the council's financial regulations. Actual expenditure and income are reviewed on a monthly basis by budget holders supported by finance staff. Regular review of budget performance by officers and members throughout the year is essential for the early identification, reporting and addressing of variances from the set budget.

5. CURRENT POSITION

5.1 Budget Performance

A summary of the Councils revised budget and projected outturn is attached at Appendix B for the committee to review. This provides the detail of the 2024/25 revised net budget, projected outturn and projected variance for all council services.

Appendix C (i-xii) provides a breakdown of the monitoring information by service along with a brief narrative on the main reasons for variances. **If members require additional explanation these should be sought from the Director of Finance in the first instance prior to the committee meeting in order that liaison can be undertaken with Directorate budget holders.**

The following paragraphs provide a brief summary commentary on the projected outturn for each of the Directorates for the figures presented at Appendix C (i-xii). During 2019/20 there was a change in the monitoring presentation in respect of employee slippage and this will continue for 2024/25. Projected slippage savings / deficits on employee costs have been removed in Appendix C. The slippage savings / deficits are reported against the corporate slippage budget held within Other Services, paragraph 5.11. This presentational change continues to identify projected outturn deficits within some services.

5.2 Education & Lifelong Learning (ELL)

Education & Lifelong Learning is currently projecting a saving of £0.272 million (0.2%) on the adjusted revenue budget.

However, this saving includes unspent ring-fenced grant in relation to Strategic Equity Funding, Devolved School Management funds, Pupil Equity funding and Ukrainian Funding which, due to their ring-fenced nature are carried forward automatically into financial year 2025/26. Adjusting for these automatic carry forward elements results in a revised projected outturn position as follows:

Table 1 – Education & Lifelong Learning Projected Outturn Position

Education & Lifelong Learning	£m	Projected Variance Saving/(Deficit) £m
Projection deficit per App Ci		0.272
Less:		
Strategic Equity Funding	(0.050)	
Devolved School Management Scheme	(0.190)	
Pupil Equity Fund	(0.200)	
Ukrainian Funding	(0.140)	
Total Adjustments		(0.580)
Revised Projected Deficit		(0.308)

The main reason for this projected deficit is due to higher than expected energy costs (£0.340 million).

5.3 Infrastructure & Environment (I&E)

Infrastructure & Environment (I&E) is currently projecting a deficit of £0.209 million (0.5%) on the adjusted revenue budget. The main reason for this projected deficit is due to an anticipated income shortfall from ground operations external work (£0.157 million), MEB gain share (£0.236 million) and an historical budget realignment issue within Fleet (£0.164 million). These income shortfalls are however being offset by additional income generated from special collections and garden waste collections (£0.237 million). There is also an issue within the fee generation income targets due to recruitment issues within Roads and Property Assets, this is however offset against employee slippage.

I&E are also projecting deficits within transport costs (£0.198 million) due to additional ad hoc vehicle hires and repair costs and within property costs, energy costs on street lighting (£0.253 million)., However, these deficits are being offset by projected savings on bus contracts (£0.247 million) and vehicle replacement loan charges (£0.221 million) and net savings within Facilities Management property costs (£0.128 million), primarily due to savings in cleaning costs.

5.4 Children, Families & Justice

Children, Families & Justice is currently projecting a saving of £0.176 million (0.6%) on the adjusted revenue budget.

However, this position includes unspent ring-fenced grant in relation to Unaccompanied Asylum Seekers, Whole Family Wellbeing Fund and CORRA Funding which due to their ring-fenced nature are carried forward into financial year 2025/26. Adjusting for these automatic carry forward elements results in a revised projected outturn position as follows:

Table 2 – Children, Families & Justice Projected Outturn Position

Children, Families & Justice	£m	Projected Variance Saving(Deficit) £m
Projected Saving per App Ciii		0.176
Less:		
Unaccompanied Asylum Seekers	(0.500)	
Whole Family Wellbeing Fund	(0.900)	
CORRA Funding	(0.070)	
Total Adjustments		(1.470)
Revised Projected Deficit		(1.294)

The main reasons for this revised deficit projection are due to external fostering costs (£1.524 million) partly offset by slippage in internal fostering costs (£0.270 million) and residential placements (£0.241million). These deficits are however being partially offset by the financial contribution by NHS Tayside to meet placement costs for 1 young person (£0.120 million) and savings projected within Continuing Care (£0.088 million).

5.5 Human Resources, OD, Digital Enablement, IT & Business Support

Human Resources, OD, Digital Enablement, IT & Business Support is currently projecting to breakeven for 2024/25. This position is after allowing for a one-off budget virement from Corporate Items to mitigate an income recharge shortfall mainly within Business Support.

5.6 Legal, Governance & Change (including ANGUSalve costs but excluding Licencing)

The Legal, Governance & Change Directorate budget includes the management fee paid by the Council to ANGUSalve as well as the property costs from the Council buildings which ANGUSalve operate from. The Directorate is currently projecting a deficit of £0.030 million (0.3%) on the adjusted revenue budget. The main reason for this projected deficit is due to higher-than expected utility costs on buildings utilised by ANGUSalve (£0.151 million). There are also some projected budget issues within areas of income mainly due to changes in use of the Access offices (£0.140 million) which is now being offset by a budget virement from Corporate Items (£0.110 million) and also a projected shortfall in income from the Registrars (£0.034 million). However, these deficits are being offset by additional income from ANGUSalve for previous years utility costs for their use of the D&A College area of the Saltire Leisure Centre (£0.166 million).

5.7 Licencing

Angus Council is the licensing authority for the local government area of Angus and the council has resolved that a number of activities be licensed. The licensing authority is required to seek to ensure that the total amount of fees meet the expenses incurred by them in respect of administering licences. It has been deemed necessary in order to aid transparency in this regard, that the Licensing budgets are shown separately from the Legal, Governance & Change budget for monitoring purposes.

Licensing is currently projecting a deficit of £0.003 million (1.6%) on the adjusted revenue budget. This is due to a shortfall projected from income based on the profile of previous years income at this time.

5.8 Vibrant Communities & Sustainable Growth

Vibrant Communities & Sustainable Growth is currently projecting a saving of £1.394 million (20.2%) on the adjusted revenue budget.

However, this position includes unspent ring-fenced grant in relation to Cairngorms National Park, Long Term Plans for Towns, Afghan Citizen Resettlement Scheme, Affordable Housing Developers Contributions and Skills employability funding, which due to their ring-fenced nature will be carried forward into financial year 2025/26. Adjusting for these automatic carry forward elements results in a revised projected outturn position as follows.

Table 3 – Vibrant Communities & Sustainable Growth Projected Outturn Position

Vibrant Communities & Sustainable Growth	£m	Projected Variance Saving(Deficit) £m
Projected Saving per App Cvii		1.394
Less:		
Cairngorms National Park Grant	(0.040)	
Long Term Plans for Towns Grant	(0.200)	
Afghan Citizen Resettlement Scheme	(0.374)	
Affordable Housing Developers Contributions	(0.200)	
Skills employability grant	(0.130)	
Total Adjustments		(0.944)
Revised Projected saving		0.450

This revised saving is mainly due to unspent consultancy costs for the Local Heat & Energy Efficiency Strategy plan, Nature Rich Climate Resilience, Local Development Plan, Play Sufficiency Assessment and Carnoustie Place Framework (£0.235 million), other housing - rapid rehousing transition plan (£0.181 million) and Other Housing Private Landlord Registration (£0.038 million). All of these will be subject to a carry forward request at year end. Further savings are also being projected from additional income within planning applications and building warrants (£0.088 million) and within environment health relating to sampling fees, resulting from change of provider (£0.059 million). These savings are being offset by a shortfall on Housing Benefit income (£0.133 million) due to a reduction in overpayments being recovered.

5.9 Finance

The Finance Directorate is currently projecting a saving of £0.020 million (0.5%) on the adjusted revenue budget.

5.10 Chief Executives

Chief Executives is currently projecting a deficit of £0.005 million (0.27%) on the adjusted revenue budget.

5.11 Other Services

Other Services covers budget headings which are corporate and do not fit naturally with a particular area of service delivery. Each budget has a designated accountable manager providing oversight. The major budget items are Council Tax Reduction Scheme; Scottish Welfare Fund; Elections; Corporate Employee Slippage; Provision for Additional Burdens; Centralised Energy and Property Maintenance.

Other Services is currently projecting a saving of £0.460 million on the adjusted revenue budget.

The main reason for this projected saving is due an additional corporate slippage target against budgeted target (£0.573 million) due to ongoing recruitment issues across the Council. There are also additional service concession savings (£0.079 million), a projected saving on employee training costs (£0.100 million) and a saving on the Provision for Additional Burdens budget (£0.191 million). These savings, however, are being offset by reduction in interest on revenue balance income (£0.300 million), due to reducing cash balances and lower interest rates. A prior year posting error within the financial system for the Apprenticeship Levy has been identified and

brings about an additional charge in 2024/25 (£0.124 million). There is also a projected deficit on planned and unplanned property maintenance (£0.083 million)

Further to agreement at Special Angus Council on 29 February 2024, delegating authority to the Director of Finance for the use of the Provision for Additional Burdens budget within Other Services the following spend against this budget to date is provided for members information within table 4 below:

Table 4 – Provision for Additional Burdens Expenditure to 31 January 2025

Narrative	£
Financial Services CGLMC Project	23,548
Legal Services CGLMC Project	63,361
Renewal of Copyright Licence	12,959
Budget Consultation Simulator Subscription	4,995
By Election Costs – May 2024	48,739
Fund Balance of Paralegal Post	5,509
Total Expenditure to Date	159,111
Less – Contribution towards the financial & legal costs on CGLMC Project	(50,000)
Net Expenditure to Date	109,111
BUDGET	300,000

As per the detail in Table 4, the provision for additional burdens is currently projecting a saving of £0.191 million.

5.12 Capital Financing Costs

The Capital Financing Costs budget is currently projecting a saving on the adjusted revenue budget however it is currently assumed that this saving will be used to make a special repayment of debt as part of the financial year end.

5.13 Corporate Items

Corporate items is currently projecting a saving of £1.610 million against the adjusted revenue budget. This projected saving is after allowing for £0.715 million of recommended budget virements, details in section 7 below. The current projected saving is mainly due to the Angus IJB returning a share of their previously held reserves back to Angus Council (£1.525 million). The IJB has requested that £0.800 million of this money is held for the funding of future capital works. In addition it is proposed that monies are earmarked for support for Homelessness services and the continued development of the Eclipse IT system. It is proposed at this time to earmark monies at the year-end on the following basis:

- £0.100 million for Homelessness support
- £0.075 million for the continued development of the Eclipse IT system.

After allowing for these earmarked sums the revised projected saving is £0.635 million, which in the main relates to the balance of the return of the IJB monies of £0.550 million (£1.525m-£0.800m-£0.100m-£0.075m).

5.14 Tayside Joint Valuation Board

The Tayside Joint Valuation Board is currently projecting a breakeven on the adjusted revenue budget.

5.15 Tayside Contracts

For monitoring purposes at this time a breakeven position is projected against the budget surplus of £0.250 million..

5.16 Angus Health & Social Care Integration Joint Board (IJB)

Although the Integration Joint Board has responsibility for the management of its own budget resources, the Council as a funding partner of the IJB has a significant interest in its budget performance.

The current projected year end position on the Adult Services part of the IJB budget is a saving of £4.066 million.

Angus Council, under the risk sharing agreement with the National Health Service Tayside (NHS Tayside), would bear a share of any overspend by the Angus IJB's irrespective of whether that arose in adult services which used to be the responsibility of the Council or health services (Report No. 187/18 refers). Consequently, the Council now has an interest in the overall financial position of the IJB, not just Adult Services.

The last reported position of the health element of Angus IJB budget is projecting a year end deficit of circa £0.160 million which results in a projected overall saving for Angus IJB of £3.906 million.

5.17 Housing Revenue Account (HRA)

The Housing Revenue Account is currently projecting a saving of £1.020 million. This saving is mainly due to employee slippage (£1.048 million), reduction on lost rents due to voids (£0.236 million), favourable Interest on Revenue Balances (£0.247 million) and additional income from rents & service charges (£0.154 million). However, these projected savings are being partly offset by a provision being made for the HRA share of restoring the Insurance Fund after costs in relation to Storm Babet (£0.700 million).

5.18 Renewal & Repair Fund

The Renewal & Repair Fund is made up of five separate categories; Property; Information Technology; Roads & Transportation; Parks & Cemeteries and Culture & Leisure Trust Client/ANGUSalive.

Due to affordability constraints a decision was taken as part of the 2018/19 budget strategy not to contribute any new resources to the Renewal & Repair funds. The carried forward balance was £0.464 million from 2023/24.

This estimated uncommitted aggregated balance available on the funds as at 31 March 2025 is £0.366 million. Once the de-minimus retention levels are taken into account the balance on all of the funds reduces to £0.017 million and details of this balance are attached at Appendix D.

6. **UKRAINIAN & AFGHAN GRANT FUNDING**

- 6.1 The Council received a significant amount of grant funding from the UK / Scottish Governments for Ukrainian and Afghan revenue costs and the balance of this grant is currently being held within the general fund reserve. This funding will be drawn down through the year when required. It should be noted that all costs incurred by Council Directorates will be covered in full by this grant funding and will therefore have no impact on the projected savings / (deficits) being projected and reported.

7. **PROPOSALS**

- 7.1 Under Financial Regulation 4.3 each Director has a delegated virement limit within each financial year that allows the transfer of budget resource from one area of the Service to another or from Service to Service. Where a virement is in excess of these virement limits formal approval by members is required. The following virements are being recommended for approval in this report and have been reflected in the information provided in section 5 of this report.

Table 5 – Proposed Budget Virements from Corporate Items

	Directorate Uplift	Amount £m
Rates budget shortfall within Schools	Education & Lifelong Learning	0.189
Water charges budget shortfall within schools	Education & Lifelong Learning	0.118
Income recharge structural budget issue	HR, OD, DE, IT & Business Support	0.298
Income recharge structural budget issue	Legal, Governance & Change	0.110
TOTAL Virements for Recommended Approval		0.715

8. FINANCIAL IMPLICATIONS

- 8.1 There are no additional financial implications arising from the recommendations contained within this report that have not been explained in the body of the report. The variances against full year budgets noted in Section 5 are the subject of ongoing review.
- 8.2 Members will have noted from Appendix B that an overall saving compared to budget of £3.685 million (1.3%) is projected at this point in the financial year in respect of General Fund Services (excluding the Angus Health & Social Care Partnership budget and Housing Revenue Account) of £281.647 million. However, as reported in Section 5 there are one off savings in a number of budgets which include ring-fenced grants & contributions (£2.994 million) and proposed earmarking of funds (£0.975 million) which cannot be used for other purposes. These adjustments reflect grant funding within Education and Lifelong Learning, (paragraph 5.2), Children, Families & Justice (paragraph 5.4), Vibrant Communities & Sustainable Growth (paragraph 5.8), which due to accounting treatment will be carried forward into 2025/26 and returned Angus IJB reserves, which will transfer into the General Fund Reserve at the year end and will be earmarked until required. This means the projected saving of £3.685 million is in practice a projected deficit £0.284 million as set out in Table 6 below:

Table 6 – General Fund Projected Outturn

	Saving / (Deficit) £m
Projected Outturn (General Fund Services)	3.685
Less:	
Ring-fenced grant carry forward Education & Lifelong Learning, see paragraph 5.2	(0.580)
Ring-fenced grant carry forward Children, Families & Justice, see paragraph 5.4	(1.470)
Ring-fenced grant carry forward Vibrant Communities & Sustainable Growth paragraph 5.8	(0.944)
Earmarking of Angus IJB returned reserves paragraph 5.13	(0.975)
Adjusted 2024/25 Projected Outturn (General Fund Services)	(0.284)

- 8.3 In the last revenue monitoring report to the Committee in January a projected overall deficit of £2.597 million was reported. The projected position has now decreased by £2.313 million due primarily to improvement across several service areas set out in the table below:-

Narrative	£m
Infrastructure & Environment	
- Improvement within various income budgets – while still not achieving the full levels budgeted for better than previously expected income levels are now expected to be achieved in Waste and Parks	(0.475)
Human Resources, OD, Digital Enablement, IT & Business Support	
- Corporate funding to assist with structural income budget issues	(0.298)
Vibrant Communities & Sustainable Growth	
- Mainly underspends now expected on a number of budgets from monies previously held in reserves	(0.300)
Other Services	
- Additional Employee Slippage	(0.204)
- Provision for Additional Burdens – revised projection, no further requests from this budget expected	(0.191)
- Mainly service concessions and corporate network additional savings and reduced overspend on centralised maintenance	(0.250)
Corporate Items	
- reduced calls on non-staff inflation contingency budget - now not likely to be required	(0.300)
TOTAL	(2.018)

- 8.4 The remaining movement from the last monitoring report is made up of a number of smaller value changes as services become more confident of their likely year end position.

9. RISK MANAGEMENT

9.1 The following risks from the Corporate Risk Register are relevant to this report:

- Financial Sustainability
- Transforming for the Future

10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no direct environmental implications arising from the recommendations of this report.

11. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

11.1 A screening assessment has been undertaken and a full Equality Impact Assessment is not required for the following reason:-

This is a noting report and does not have any impact on individuals.

12. CHILDRENS RIGHTS AND WELLBEING IMPACT ASSESSMENT

12.1 A Children's Rights and Wellbeing Impact Assessment has been undertaken and a full assessment is not required as the "General Principles" do not apply to this proposal.

13. CONSULTATION

13.1 The Chief Executive and the Acting Director of Legal, Governance & Change have been consulted on this report.

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.

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List of Appendices:

Appendix A – Net Revenue Budget Summary

Appendix B – All Council Projected Outturn

Appendix C – Projected Outturn by Service

Appendix D – Renewal and Repair Funds