

AUDITED ACCOUNTS
2023/24



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1. Purpose

The Management Commentary explains Angus Council's financial performance for the year ended 31st March 2024. It also sets out what the Council is trying to achieve and the broader financial and policy environment in which the Council operates. It outlines the plans for the Council and the challenges and risks it faces to meet its vision to make Angus a great place to live, work and visit.

Angus Council's financial results are presented in four primary statements (pages 45-48): the Movement in Reserves Statement; the Comprehensive Income and Expenditure Statement; the Balance Sheet and the Cash Flow Statement.

There are a large number of notes which give additional details on the figures in the four primary statements and these include the accounting policies adopted by Angus Council to ensure that the financial statements give a true and fair view of the Council's financial position and transactions. The format and content of the Council's Annual Accounts are governed by The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

2. Introduction and Background

Angus Council is one of 32 Councils in Scotland established in 1996 as part of Local Government reorganisation. The Council covers an area of around 840 square miles and has 28 elected Members serving a population of approximately 116,000. The Council's political Administration during financial year 2023/24 was formed of the Scottish National Party group and 2 independent councillors. Full details of the elected members of Angus Council can be found at https://www.angus.gov.uk/council_and_democracy.

Fig. 1 The County of Angus



Angus Council's vision is to make Angus a great place to live, work and visit. While we cannot make this happen on our own, by working with partner organisations and communities, we aspire to provide integrated, responsive and sustainable services that will help deliver this vision.

3. Our role

Traditionally, Councils have been the direct and often sole provider of a very broad range of services. However, due to financial pressures and changing expectations from the public we serve, we can no longer do that. The Council now works closely with a wide range of public, private and third sector partners to focus our resources on efficiently

targeting the areas of greatest need and creating the best outcomes for the people of Angus with the resources we have. When planning services, we consider how they are provided and who can offer the best value – that may or may not be the Council.

The Council has a very wide range of statutory duties (what we are legally required to do) and continues to have a key role in determining priorities and policy within the constraints of the legislation which governs the activities of local Councils. We will continue to lead and co-ordinate partnership working; we will commission services; we will continue to support and enable communities. All of this will be achieved with a much clearer focus on outcomes, quality and sustainability. The Council's role is likely to continue to evolve as a consequence of the longer term impacts of the COVID-19 pandemic, addressing climate change and issues such as child and household poverty.

4. The Council Plan 2023-2028

A new Council Plan – 'Delivering Services for People' - was agreed in March 2023 covering the period 2023-2028. This Plan set out the Council's vision, priorities and overarching strategic policy framework for the next five years, at a time when local government in Scotland faces financial challenges on a scale never seen before.

The Council's Annual Performance Report which will be presented to Council in September 2024, will be looking back at the progress in relation to the first year of the plan, which is also the focus for this management commentary.

The Plan highlights the significant savings already achieved by the Council from our core budget over the last 10 years (£78.1 million) and that significant further savings will have to be made over the lifetime of the Plan. The updated estimate of savings required based on the most recent Council budget process is for savings of around £37 million to be required over the next three years, through finding radical, wide-ranging, and innovative ways of tackling rising costs and constrained funding.

The Plan therefore provides renewed focus and commitment to work even more closely and effectively with all partners, stakeholders, and communities, with the Council being a catalyst, rather than the sole provider of some services. This will allow the Council to protect and adequately resource the core services it is legally required to deliver.

Over recent times the Council has faced a wide range of additional challenges from the COVID pandemic, storms, floods and the Cost-of-Living crisis. Recovery from these is best achieved when the affected community can exercise a high degree of self-determination and contribute to the process. Therefore, there are clear links in the Council Plan to the new Angus Community Plan which is the partnership response to local needs and outlines the approach and collaborative activity to support our economy, people and place.

By aligning our Community Plan and expanding community collaboration, it should be possible to drive forward the Council's vision to make Angus a great place to live, work and visit.

4.1 Our Values

Our organisation's values are critical as they underpin how we undertake our work. Our values have been in place for a number of years and were identified through a variety of workshops, focussed sessions and surveys with our staff. This helped us understand behaviours and attitudes necessary to deliver on our aspirations for and with the people of Angus.

At the heart of our values is Putting People First and our ways of working are developed further through the following themes:

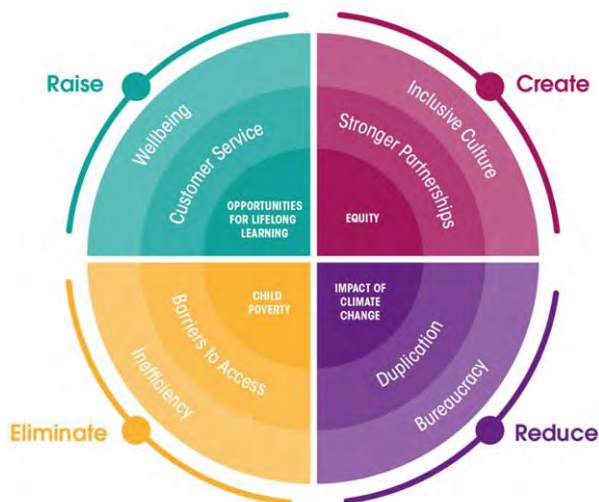
- Focus on People - Continuing to care for our people (both citizens and colleagues) and acknowledging our core role is to serve.
- Collaboration - Working more collaboratively across the organisation and with partners to best serve the public.
- Integrity - Developing our culture of honesty and integrity to build trust.
- Respect - Demonstrating and operating with respect for others.
- Fairness - Treating people fairly and with equity.

There is ongoing focus to embed these values across the organisation in everything we do, and our performance review process has been revised to be values focussed. Our approach to staff recognition also acknowledges individuals and teams that consistently live the values through their work.

4.2 Strategy on a Page (SOAP)

Building from Our Values, and in a direct response to support our recovery from the pandemic, our Strategy on a Page (SOAP) was introduced and continues to feature as part of our Council Plan, helping to focus us in terms of the important aspects of the approach we take to delivering our operational outputs – both in relation to delivery of our statutory service functions, alongside Priority areas of work.

Fig.2



4.3 Council Plan Priorities

The Council Plan agreed in March 2023 was also developed alongside our Finance & Change Plan and Workforce Plan updates. The new Council Plan dovetailed our Council priorities with those of the Angus Community Plan, focussing on the three strategic priorities of 'Caring for our Economy', 'Caring for our People' and 'Caring for our Place', along with a fourth priority specific to ensuring that 'Angus Council is Efficient and Effective'. We have therefore worked on these priority areas during 2023/24 and against which we will measure our outcomes:-

4.3.1 Caring for Our Economy

We will:

- continue to support and deliver elements of the Tay Cities Deal
- support and deliver programmes that help people into work
- support businesses to grow and invest in Angus through our employment land and commercial property
- be more commercial in our approach to contracts and support growth of business locally whenever possible through a community wealth building approach

4.3.2 Caring for our People

We will:

- Maximise the uptake of universal supports available for families in Angus
- Support children, young people and adults to access appropriate opportunities which allow them to progress in their learning
- Protect those in our communities who are at risk of or have experienced significant harm
- When children cannot safely live at home, keep our children local in Angus providing for their education and family needs
- Deliver the Angus "Our Bright Futures Plan"
- work as a core partner of Angus Health and Social Care Partnership to meet the health and social care needs of adults

4.3.3 Caring for our Place

We will:

- take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan: 2022 to 2030 and leading on the delivery of a Sustainable Energy Climate Action Plan (SECAP) for Angus to reduce area wide emissions
- reduce our energy use through a reduction in our property estate coupled with good management to reduce wasting energy
- produce a Local Development Plan for Angus
- ensure the provision of new houses in Angus
- ensure delivery of affordable housing via our Strategic Housing Investment Plan (SHIP)
- ensure that our housing estate is well maintained and invest in improvements
- deliver efficient waste services and encourage more recycling and cleaner streets
- maintain our roads, pavements, lighting, and other infrastructure efficiently and will focus on our priority routes and infrastructure
- support Angus Alive to transform its business to ensure a sustainable culture and leisure offer
- support Tayside Contracts to transform its business to ensure a sustainable service
- engage with communities to support their ambitions to deliver on local aspirations (e.g., community asset transfer requests, community gardens, food hubs)
- support the development of more active travel routes around Angus
- maximise funding opportunities and grants to the Third Sector and communities to support their ambitions to deliver services
- enhance and restore Angus Biodiversity, corporately and with a range of stakeholders

4.3.4 Angus Council is Efficient and Effective

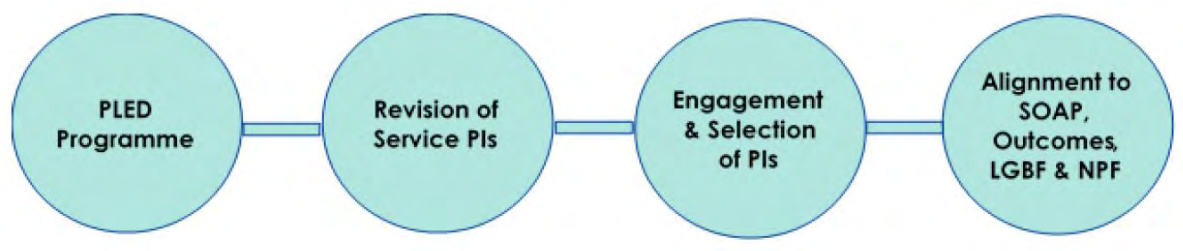
We will:

- ensure our workforce is supported through organisational change
- modernise our workforce and retrain staff where appropriate
- continue to develop our approach to agile working
- continue to develop 24/7 digital services to improve access to our services
- continue to support face to face appointments wherever possible
- deliver our change programme

4.4 Council Performance

The Council continues to strive towards its performance led Council ambition, with a focus on embedding continuous improvement and robust performance management arrangements, including driving greater value from our data. In order to better monitor and review the effectiveness of our work, we developed new indicators and targets for the 2023/24 Council Plan. These were co-produced with teams delivering services as part of our Performance-Led Council (PLED) Programme, which recognises that teams best understand which data truly shows the impact of the work that they do.

Fig.3

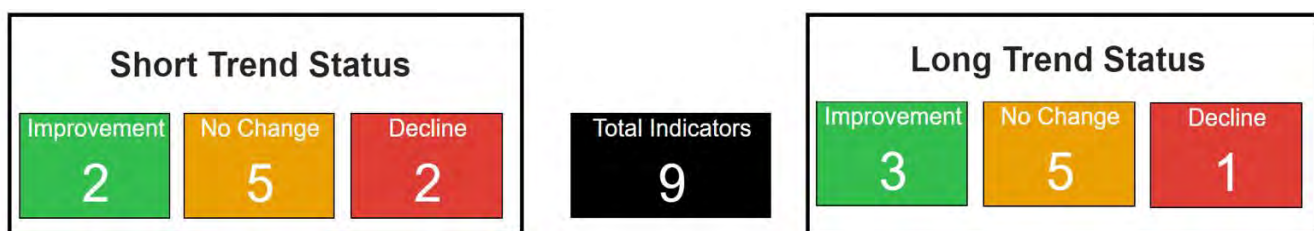


The Council Plan ([Report 239/23 Appendix](#)) and Community Plan ([Report 75/24 Appendix 1](#), [Appendix 2](#), [Appendix 3](#), [Appendix 4](#), [Appendix 5](#)) performance reports which were considered during financial year 2023/24 (relating to performance during financial year 2022/23) can be found by following the above hyperlinks.

In overall terms, the Council performance during 2023/24 has continued to progress key areas of work that were targeted as part of the Council Plan agreed in March 2023. Good progress has been made on a number of initiatives under each of the Caring for the Economy, Caring for our People, Caring for our Place and Angus Council is Efficient and Effective themes. The Council Plan Performance Report covering financial year 2023/24 ([Report 272/24, Appendix 1](#), and [Appendix 2](#)) was considered by the full Council at its meeting on 12 September 2024. The following narrative provides a brief overview for each theme.

In Caring for the Economy, the Tay Cities Deal initiatives have advanced during 2023/24, including the Mercury Drone Ports business case development and the progression of the Angus Rural Mobility hub project. Other specific project development work is in progress. However, it will still be some time before the benefits, such as job creation, are fully realised from these long-term investments. Employability initiatives also continue to be a focus, albeit this priority area is highly dependent upon decisions and funding from the Scottish Government. There are signs of long-term improvement, although Angus figures are below the Scottish average. The participation rate for 16–19-year-olds in learning, training and work remains static in 2022/23 (latest LGBF data) compared to the previous year (93%). Significant effort is being made by Angus Council and partners to ensure all our young people are supported to achieve positive destinations. Where possible, procurement arrangements are also being aimed at supporting local suppliers and SMEs (where legally permissible), while maximising community benefits opportunities. The latest Annual Procurement Report covers this in more detail. Performance Indicators are included in the Council Plan 2023-2028 to provide a proxy measure of progress against each of the priority areas. A detailed update for each of the indicators relating to the Caring for the Economy priorities can be found by using this [hyperlink](#). In terms of the overall performance trends, the following illustration highlights the changes for:

- Short term: comparison over 1 year
- Long term: comparison over 4 years

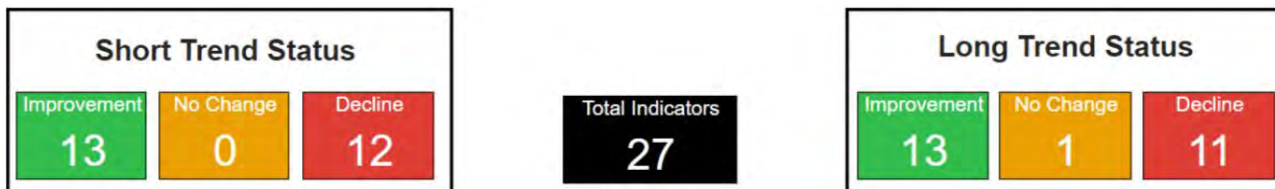


Both the short and long term trends indicate a relatively static/ mixed picture, albeit with slightly more indicators improving than declining in the long term.

In Caring for our People, 2023/24 has continued to be extremely challenging as the cost-of-living crisis has impacted people across Angus. Our services and partners have continued to address a range of rising need by increasing targeted support and working more collaboratively than ever before. For example, the council's Welfare Rights team was deployed within schools to ensure families were maximising available benefits. Storm Babet (in October 2023) had a profound impact on Angus, particularly in the community of Brechin with significant flooding to homes and businesses from the unprecedented rainfall, despite significant investment in flood defences. Full recovery from this extreme event will take time and significant investment. The Education and Lifelong Learning team continues to support young people with their development, learning and future opportunities. The Children, Families and Justice

Service have also continued to prioritize its work in relation to the Angus Promise. Plans have progressed to invest in the children's residential estate to ensure that, where appropriate, children and young people can be cared for in Angus and reduce council reliance on out of area care placements, which sometimes have poorer outcomes for the children. There also continues to be a strong focus on addressing Child Poverty, and the associated demand. Managing demand pressures also features highly in the latest performance approach for adult social care, with a particular focus now on preventive and pro-active action through partnership working including AHSCP, Angus Alive and Voluntary Action Angus. Performance Indicators are included in the Council Plan 2023-2028 to provide a proxy measure of progress against each of the priority areas. A detailed update for each of the indicators relating to the Caring for our People priorities can be found by using this [hyperlink](#). In terms of the overall performance trends, the following illustration highlights the changes for:

- Short term: comparison over 1 year
- Long term: comparison over 4 years



Both the short term and long term trends indicate a relatively mixed picture, albeit with slightly more indicators improving than declining. 2 indicators (short term) and 2 indicators (long term) do not have the relevant data to report the trend information.

In Caring for our Place, environmental issues such as carbon reduction, recycling, active travel, and climate change have been the focus of the council's investment priorities. Angus continues to perform well in recycling, although performance has dipped slightly due to a change in the way wood is recycled – it is now sent for biomass. In November 2023, Council agreed to implement a revised kerbside recycling service which aligned with national policy, delivers savings identified in the Council's Change Programme, and this will support an increase in recycling.

The new Monifieth Learning Campus (£65m), which was approved by Council as its main capital expenditure project, has been carefully designed to Passivhaus standards. This means that the building is extremely energy efficient making it cheaper to run and with a greatly reduced carbon footprint. Construction is well underway and on schedule for opening in August 2025. Active travel initiatives have also been a key feature of this reporting period, including progress on the Arbroath Places for Everyone project, which aims to create an exemplary walking and cycling route, accessible to all, connecting destinations throughout Arbroath. It represents a once-in-a-lifetime, transformational project for Arbroath and serves as a catalyst for the development of further projects to support the regeneration of the town. Funding from the Scottish Government's Cycling, Walking and Safer Routes (CWSR) grant has been used to deliver several active travel projects such as accessibility improvements on the eastern edge of Brechin. Also there have been major improvements to NCN1 (National Cycle Network) at Monifieth and Carnoustie funded by the Scottish Government and delivered in partnership between Angus Council, Sustrans Scotland and Carnoustie Golf Links Trust management. The council has continued to invest in flood management with the Arbroath Flood Protection scheme being completed at the end of 2022. However coastal erosion is now becoming a major concern, particularly on the Montrose coastline and future investment will be required to address this, along with consideration of future flooding risks across Angus, and particularly Brechin. Community engagement events took place during 2023/24 in relation to four buildings previously operated by ANGUSAlive, leading to the development of feasibility studies by community groups. Housing performance has continued to be an area identified for improvement and an improvement plan was developed during 2023/24 to address a range of issues, including housing voids. Improving the condition of the roads and infrastructure in Angus also continues to be a priority of the council, with the road network and several key bridges suffering considerable damage throughout the winter of 2023/24. These repairs have been funded by the Bellwin Scheme. While supporting the just transition to net zero 2045 is also a priority for the Council, performance information indicates that while improvement is taking place, Angus performance trends for CO2 emissions area wide per capita (both within and outwith the control of the council) highlight poorer performance than the Scottish average. Performance Indicators are included in the Council Plan 2023-2028 to provide a proxy measure of progress against each of the priority areas. A detailed update for each of the indicators relating to the Caring for our Place priorities can be found by using this [hyperlink](#). In terms of the overall performance trends, the following illustration highlights the changes for:

- Short term: comparison over 1 year

- Long term: comparison over 4 years



Both the short and long term trends indicate a decline in performance overall, with more indicators declining than improving. 5 indicators (short term) and 4 indicators (long term) do not have the relevant data to report the trend information.

The Angus Council is Efficient and Effective theme has continued to perform well in delivery of the Change Programme savings for 2023/24, where delivery against a target value of £13.3m achieved 93%, slightly below the target of 95%. Extensive work was undertaken by the Council's Leadership Forum during 2023/24 to help develop the next iteration of the Change Programme covering the 3-year period 2024/25 to 2026/27. The Council is also engaged in the national transformational work being progressed by SOLACE and the Improvement Service in relation to public service reform. The roll-out of the Council's Digital Strategy continued with improvements implemented in relation to the migration of systems/ data to cloud hosted servers, the introduction of multi-factor authentication to improve cyber security and supporting the investigation of emerging technology, including potential use cases for AI. Significant support was again provided to Angus Alive and Tayside Contracts over the period, supporting their transformation programmes. During 2023/24 the organisational development team launched our 'Fit for the Future' staff engagement and support programme, focussed on staff health and wellbeing, while providing a focus on engagement and sharing key information across the organisation, while listening to staff views. The Finance team also completed key areas of improvement work in relation to the implementation of a long-term financial planning framework, along with updating of treasury management practices. The Governance review was also completed. This included an extensive re-write of the Council's Standing Orders to ensure that they reflected good practice and were compliant with legislative requirements. Changes were also made to the Terms of Reference of Committees, the Scheme of Delegation to Officers and the introduction of a Member/Officer Protocol, as well as the introduction of new Procurement Standing Orders. Progress was also made to support further development of the Council's performance-led (PLED) programme through the establishment of a new Data Strategy Board that will lead the enabling work required to drive greater value from our data, while also driving forward the requirement to embed the PLED annual improvement cycle into our ways of working across all services. Performance Indicators are included in the Council Plan 2023-2028 to provide a proxy measure of progress against each of the priority areas. A detailed update for each of the indicators relating to the Council being efficient and effective priorities can be found by using this [hyperlink](#). In terms of the overall performance trends, the following illustration highlights the changes for:

- Short term: comparison over 1 year
- Long term: comparison over 4 years



Both the short and long term trends indicate a relatively mixed picture, albeit with slightly more indicators improving than declining in short term and vice versa in the long term.

3 indicators (short term) and 3 indicators (long term) do not have the relevant data to report the trend information.

4.4.1 LGBF – Performance Overview

Council teams also review the Local Government Benchmarking Framework (LGBF) to consider, where possible, our performance with other Councils, particularly those in similar authority groupings. This approach provides a holistic overview of Council performance across a wide range of Council services and is used to inform future service

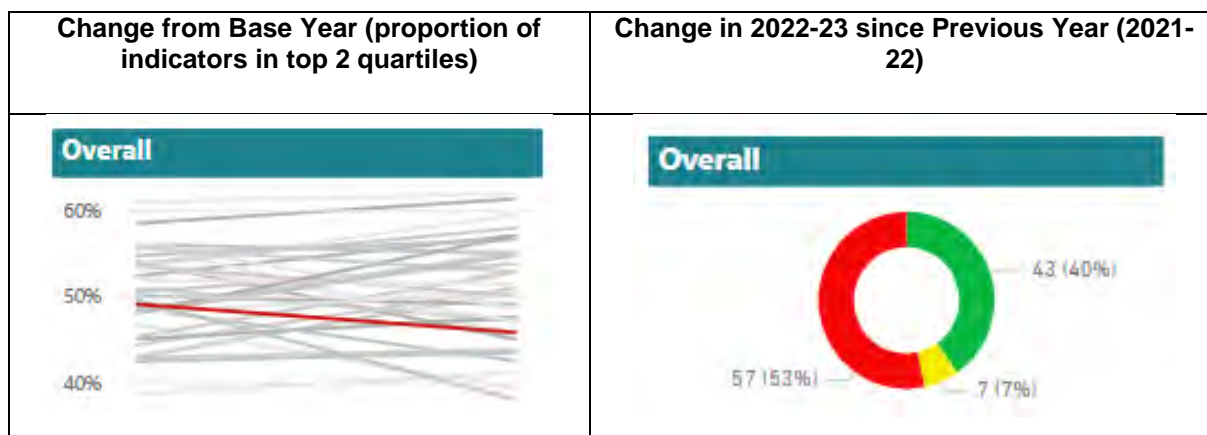
planning and identify areas requiring a deeper analysis and consideration of performance variation and trend information.

The latest LGBF report was issued in January 2024 (i.e. during 2023/24 financial year), which reflects performance during 2022/23 due to time lag for collecting data and formulating the report, and this provides the best information available to track overall performance progress. Reports on Council LGBF performance are also now considered annually by the Council's Scrutiny & Audit Committee at its June meeting, ([Report 195/24](#) refers).

The national overview report ([Link](#)) supports performance analysis across local government in Scotland. It allows relative performance to be assessed by dividing it into four quartiles, with quartile one representing top performance and quartile four representing poorest performance.

The diagram below illustrates (i) the Council's overall trend of proportion of indicators in the top 2 quartiles, across all LGBF indicators since the LGBF base year in 2010/11; and (ii) the change in 2022/23 since the previous year (2021/22).

Fig 4.



In terms of the change from base year, the overall % of indicators in the top 2 quartiles has decreased slightly from 49% (2010-11) to 46% in the most recent year. The change in the most recent year highlights 57 (53%) indicators declining; 7 (7%) staying the same; and 43 (40%) increasing.

This suggests that the overall performance trend in Angus is on a declining trajectory overall. This is not surprising based on the magnitude of financial savings which have had to be delivered over a similar time period. It also reflects the national picture. However, caution is required when interpreting data in isolation as this may only reflect one dimension of a broader context.

4.4.2 LGBF – Service Area Performance Trends

As part of the Council's LGBF analysis, the LGBF service area trends have been examined. This has highlighted the following:

- Environmental Services and Culture and Leisure Services demonstrated an increase in their overall % of indicators sitting in the top 2 quartiles between the base year (2010 -11) and 2022-23.

- With regards to Tackling Climate Change, the % of indicators sitting in the top 2 quartiles between base year (2010-11) and 2022-23 remains static.
- 5 out of the 8 service groupings have shown a decrease in their overall % of indicators sitting in the top 2 quartiles between the base year (2010-11) and 2022-23. These service groupings include: Childrens Services, Adult Social Work Services, Corporate Services, Economic Development and Housing Services.

A high-level analysis of the overall performance trends between 2021-22 and 2022-23 has identified the following:

- Environmental Services and Culture and Leisure Services have increased in more indicators than they have deteriorated over the past year.
- Corporate Services and Economic Development have equivalent numbers of indicators increasing and deteriorating over the past year.
- The remaining 4 out of the 8 service groupings have deteriorated in more indicators than they have increased over the past year. These include Childrens Services, Adult Social Work Services, Housing Services and Tackling Climate Change.

As part of our Performance Led (PLED) programme approach, the data-led evidence highlighted in the service groupings will be examined further to consider where improvement action is possible. This is particularly evident in the Council's Housing Service where a specific improvement plan has been developed to address a range of performance issues.

4.4.3 Council Services' Performance Information

During financial year 2023/24, Council services have also reported a range of 2022/23 performance information for scrutiny in these reports:

- [Angus Chief Social Work Officer Annual Report 2022/23](#)
- [Angus Violence Against Women Partnership Annual Report 2022/23](#)
- [Angus Child Protection Committee Annual Report 2022/23](#)
- [Angus Adult Protection Committee Annual Report 2022/23](#)
- [Scrutiny & Audit Committee Annual Report 2022/23](#)
- [Angus Education Report 2022/2023](#)
- [Treasury Management Annual Report 2022/23](#)
- [Angus Health & Social Care Annual Performance Report 2022/23](#)
- [Angus Alive Annual Performance Report 2022/23](#)
- [Tayside Contracts Annual Performance Report 2022/23](#)
- [Internal Audit Annual Report and Review of Corporate Governance 2023/24](#)
- [Public Bodies Climate Change Duties Annual Report 2022/23](#)
- [Angus Sustainable Energy and Climate Action Plan Progress Report 2023](#)
- [Transition to Net Zero Action Plan: 2022 to 2030 Annual Progress Update 2022/23](#)
- [Tayside Plan for Children, Young People and Families \(2021-2023\) Annual Report 2022-23](#)
- [Housing Services Performance Update – Annual Assurance Statement 2023](#)
- [Statutory Biodiversity Duty Report on Deliver \(2021-2023\)](#)
- [Tayside Biodiversity Action Plan 2016-2026 Progress Report](#)

4.4.4 Other Public Performance Information

In addition to the above, and to enhance our performance reporting to the public, links to the LGBF dashboard are provided through the how we compare pages of the Council's website.

5. Finance & Change Plan

At its 2023/24 budget setting meeting in March 2023, the Council agreed the combined Finance & Change Plan which includes: a simple guide to how the Council's finances work; the significant financial challenges the Council has dealt with and will face in the future; and charts and diagrams which show where the Council spends its money and where that money comes from. It also contains detailed information on the Council's Change Programme which has already achieved substantial savings through significant improvement to the Council's internal efficiency and this work continues.

6. Change Programme

The Change Programme referred to above explains that although the Council can do more to improve its efficiency, it has already done a huge amount to save taxpayers money and reduce its costs. The 2023/24 iteration of the Change Programme highlighted that as many of the Council's investment and enabling programmes/ projects were also included in the Council Plan, the 2023/24 Change Programme was re-aligned with its primary focus on savings, bringing the benefit of focussing the Change Programme entirely on savings delivery/ assurance, linked to the importance of addressing the challenging financial position which the Council faced. The proposals for achieving the required savings focussed on:

- Organisation Design/Service Changes
- Increased Cost Recovery
- Preventative Activity Delivered through a Targeted Partnership Approach
- Customer Service Changes

Part of this included service contraction which was highlighted as an unavoidable and inevitable consequence of the overall funding that is available to the Council, resulting in the introduction of each Council Directorate identifying a range of service contraction savings with targets of 1%, 2% and 2% over the 3-year period 2022/23 to 2024/25.

In terms of the delivery of the Change Programme budget savings during financial year 2023/24, the Council delivered £12.399m savings, which is 93.04% of the original budget setting target for 2023/24 of £13.327m. [detailed information on savings achieved will be available for audited accounts through the performance report]

7. Performance Led Council

The Council has developed its performance management framework over the past few years through its Performance Led (PLED) Programme. This was referenced in the July 2022 Angus Council Best Value Assurance Report (paras 57 to 64 refer), which noted that the pace of this programme was required to increase and recommended that: *"The Council should complete its implementation of the PLED programme which will improve the use of performance information and better demonstrate the impact of improvement actions"*.

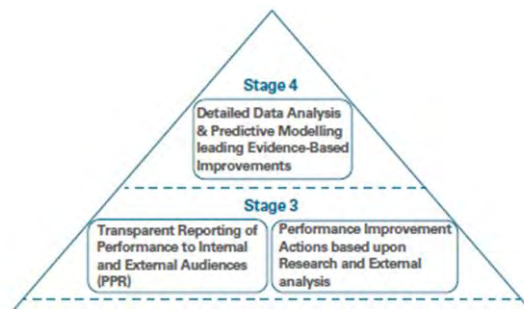
Since that time all Council services prioritised the work relating to stages 1 and 2 of the PLED Programme and continue to embed the approach as business-as-usual activity through following an annual improvement cycle. Some of this progress is patchy and further improvement is needed. Compliance assurance is now captured in the Annual Governance Statement questionnaires which are completed annually by each Directorate (starting in year 2023/24).

In terms of progress with stages 3 and 4 of the PLED Programme, the Council has identified that having good quality and robust data is fundamental to enabling progression with stages 3 and 4 of PLED. Therefore a new Data Strategy Board (including PLED in its Terms of Reference) has been established to lead and deliver this work. The Data Maturity Assessment completed in 2022/23 has provided the basis for identifying 5 key workstreams:

- Workstream 1 – Data Architecture
- Workstream 2 – Data Foundations
- Workstream 3 – Data Governance
- Workstream 4 – Data Skills
- Workstream 5 – Data Analytics

This enabling work will provide the foundations to support the progress with stages 3 and 4 of the PLED Programme, shown in the illustration below. As part of that enabling work, the Council is also currently exploring a number of 'test-of-change' initiatives linked to making better use of our data and that of a range of our partners, which will potentially be exemplars particularly well linked to stage 4 of the PLED pyramid.

Fig. 5



8. Best Value Audits Update

8.1 Best Value Audit Report 2022

The Council's response to the Best Value Audit Report was reported to Council at its meeting on 8 September 2022 ([Report 301/22](#), [Appendix 1](#) and [Appendix 2](#) refer).

The actions in response to the four recommendations from the report have been progressed with summary updates of the latest position of each included in [Report 22/24 Appendix 3](#) and [Report 193/24 Appendix 3](#) which were both respectively considered by the Council's Scrutiny & Audit Committee at its meetings on 23 January 2024 and 13 June 2024.

There remained one action outstanding which related to Developing a Place Framework for Angus. There has now been agreed by Council at its meeting on 20 June 2024, [Report 202/24](#) refers.

8.2 Best Value 'Thematic' Audits

Audit Scotland's Best Value 'thematic' audit on 'Angus Council Leadership of the development of new local strategic priorities' was reported to the Scrutiny & Audit Committee meeting on 26 October 2023 and full Council on 2 November 2023 ([Report 280/23](#) and [Appendix 1](#) refer).

The actions in response to the five recommendations from the report have been progressed with summary updates of the latest position of each included in [Report 22/24 Appendix 4](#) and [Report 193/24 Appendix 4](#) which were both respectively considered by the Council's Scrutiny & Audit Committee at its meetings on 23 January 2024 and 13 June 2024.

There remains two actions outstanding which relates to updating the Digital Strategy and Technology Roadmap and Developing Directorate Workforce Plans. There has been significant progress with both these actions. The Digital Strategy is to be reported to Committee in the Autumn of 2024. Workforce Planning is part of the latest Audit Scotland Best Value 'thematic' Audit in relation to 'Workforce Innovation' and therefore further assurance will be provided through that process, including outstanding areas for further improvement activity.

9. Looking Forward to 2024/25

The '2024 update' to the Council Plan 2023-2028, was agreed by the Council at its meeting on 29 February 2024, along with the latest versions of the Finance & Change Plan and the Workforce Plan.

The Council Plan update continues to include the vision for Angus; 'Angus is a great place to live, work and visit', which remains strong and continues to be supported by the set of values and clear priorities for Angus that support the Council's contributions towards the partnership outcomes set out in the Community Plan.

The Council's 'Strategy on a Page' continues to strategically support our recovery from the pandemic to complement our vision and values. The Council Plan priorities have become more specific to ensure our finite resources are targeted towards key areas of work. These remain focused on the four pillars of our economy, our people and our place, alongside the continual drive to improve the efficiency and effectiveness of Angus Council.

Building stronger partnerships and collaboration with our Communities, along with a range of organisations across local authority boundaries will also be a key element in our approach to delivering sustainable services.

The Council Plan update also includes a new section setting out Service Plan information, providing strategic level action we are taking to support our priorities. A range of actions sit below these strategic actions relating to our operational activities.

An annual Council Plan performance report will be presented to full Council (in September 2024) and the Scrutiny & Audit Committee (in October 2024), reporting on the progress made in delivering the plan (note: that will be against progress with the 2023/24 version).

The latest Finance & Change Plan demonstrates how the resources that Angus Council has available are being targeted towards delivering priority areas of work and sets out the scope of our proposals for change as part of our Change Programme. It also provides an overview of our revenue and capital funds (General Fund and Housing), outlining where we are investing resources and transforming our organisation towards a sustainable future.

It also highlights that over the last 11 years the Council has saved approximately £91m from its core budget, 27.5% of its total budget. It is estimated that over the next three years a funding gap of a further c£37m will require to be saved. That challenging financial position unambiguously reinforces the need for the Council to continue to transform in response to that situation over the next 3-to-5-year period. The Change Programme provides the strategic direction and mechanism for delivering that change. It provides the focus to support achieving a balanced budget for 2024/25 and sets out the initial plans for years two and three, which will be subject to further development.

Our latest Workforce Plan update sets out how we will attract, retain, develop and support our employees in order to meet current and future workforce requirements. In this way we will be able to meet the changing needs of our customers and communities delivering the range of services set out in the Council Plan, and the Community Plan. It also supports the Council to address the risks in relation to our workforce challenges in the short, medium and longer term.

10. Operating Context

The challenges which face Angus Council over the next five years will be the focus of work within our 8 Directorate areas:

- Education & Lifelong Learning – the education and lifelong learning Directorate is responsible for the provision of early learning and childcare, including that provided in partnership by private and voluntary providers; primary and secondary education (aligned with the requirements of the National Improvement Framework and Scottish Attainment Challenge); additional support needs; equality and inclusion; school and whole system improvement and school operation.
- Infrastructure & Environment – responsible for roads & transportation (roads, pavements, street lighting, active travel, road safety, public transport, parking, flood & coastal protection) and Property Assets (buildings, estates, energy consumption, housing technical, capital projects & facilities management); waste (waste collection and recycling); parks & cemeteries (ground maintenance, landscaping services, tree management, allotments and burial grounds).
- Children, Families & Justice – where the main areas of responsibility include statutory children & families services (family support, children with disabilities services, including respite and outreach provision, adoption, fostering and kinship services, looked after children's services, residential services, child protection services) and criminal justice social work as well as supporting a range of statutory strategic partnerships.
- Human Resources, Organisational Development, Digital Enablement, Information Technology & Business Support - covers a number of key support functions which enable service delivery across the Council;
- Legal, Governance & Change – Legal Services, Corporate Procurement, Social Care Commissioning & Strategic Commissioning, Committee Services, Elected Member Services, and Executive Support, Licensing, Registrars, Elections and Governance, Change & Strategic Policy.
- Vibrant Communities & Sustainable Growth – responsible for planning and sustainable growth (building standards, dangerous buildings, private sector housing grants, planning applications and enforcement, development planning, built heritage, placemaking, climate change, biodiversity, environment and access); housing (Access to Housing, Management of Council Housing, Local Housing Strategy, Affordable Housing Supply Programmes, private landlord registration, empty homes); trading standards (weights & measures, fair trading, scam prevention); environmental health (food safety, health & safety, public health funerals, pollution, animal welfare, pest control); vibrant communities; Community Learning and Development (Community Development, Adult Learning and Youthwork), Community engagement, Participatory Budgeting, Community Asset Transfers, the resettlement of 'New Scots' and Asylum Seekers, English for Speakers of Other Language, Community planning Partnership, Community Councils, Funding, distribution of the Place Based Investment Fund and development of Community led Development.
- Finance - Revenues & Benefits (Council Tax, benefits & money advice, welfare rights); Finance Corporate & Services Support;
- Chief Executives - mainly responsible for risk, resilience & safety; comms and internal audit & counter fraud.

All of the above Directorates work closely together to deliver services across localities according to their needs. However, Angus Council is just one part of the public service landscape and we work closely with other partners and arm's length external organisations such as:

- NHS Tayside
- [Angus Health and Social Care Partnership](#) (the Integration Joint Board for the Angus area);
- Police Scotland
- Scottish Fire & Rescue
- [ANGUSalive](#);
- [Tayside Contracts Joint Committee](#);
- [Voluntary Action Angus](#).

More information on these partners (and others) can be found in the Group Accounts, pages 103 - 114.

11. Financial Context – How the budgets were set for financial year 2023/24

Angus Council's General Fund (which covers all Council services except Housing) is funded by Revenue & Capital Grant provided by the Scottish Government, Council tax income, prudential borrowing for capital purposes only, grants and contributions from external sources, capital receipts and one-off funding from reserves.

Angus Council's general fund revenue and capital budgets for 2023/24 were originally agreed at a special Council meeting on 2 March 2023. In order for the Council to set a balanced budget for 2023/24, the budget strategy included Change Programme savings of £13.327 million (Report 54/23). £5.199 million of one-off measures from Council reserves was also required.

The Council's Housing Revenue Account (HRA) is funded mainly by rents from Council-owned properties. The revenue and capital budgets for the Housing Revenue Account were set at the Communities Committee on 21 February 2023, Report 39/23 refers. The Council is required by statute to record the income and expenditure relating to the provision, improvement and management of Council Houses separately from the General Fund. This can be seen on the Housing Revenue Account statement on page 111.

12. Financial Results

The annual accounts report the financial performance of the Council. Their purpose is to demonstrate that the Council has used its public funds to deliver on the Council's vision and strategic objectives. The requirements governing the format and content of the Council's Annual Accounts are contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023 code). The 2023/24 Annual Accounts have been prepared in accordance with this Code. A simplified summary of the Council's financial performance for 2023/24 will be presented to the meeting of Policy & Resources on 3 September 2024.

The 2023 Code sets the format and content of local authority annual accounts and requires a set of accounting statements to be prepared which sets out the position at each financial year end. These accounts are prepared by the Director of Finance (Section 95 Officer) for submission to an independent external auditor so that they may scrutinise their accuracy and completeness. The accounts present the Council's financial transactions for the year and help to demonstrate appropriate stewardship of public funds.

The Accounting statements comprise of:

- A movement in reserves statement;
- A comprehensive income and expenditure statement;
- A balance sheet;
- A cash flow statement;
- A variety of Accounting Notes which include a summary of significant accounting policies, analysis of significant figures within the accounting statements and other explanatory information;
- Group Accounts;
- Housing Revenue Income and Expenditure Statement;

- Council Tax Income Account;
- Non-Domestic Rates Income Account;
- Charitable Trusts Accounts;
- Common Good Accounts.

12.1 What Revenue and Capital Expenditure Covers

Revenue expenditure covers all the costs of operating Council services in any one year, while capital expenditure represents money spent by the Council for buying, upgrading or improving assets such as buildings and roads. The difference between capital and revenue expenditure is that the Council and Angus citizens receive the benefit from capital expenditure over more than one year.

12.2 General Fund Revenue Outturn Position

The Comprehensive Income and Expenditure Statement Summary below sets out the cost of running Angus Council Services including the Housing Revenue Account and Adult Services (Angus Integration Joint Board) along with the overall revenue outturn position for the financial year from 1 April 2023 to 31 March 2024.

Fig.6 Comprehensive Income and Expenditure Statement (CIES) Summary

	Net Spend £m	Net Budget £m	Variance Under/ (Over)spend £m
Education & Lifelong Learning	162.841	163.036	0.195
Infrastructure & Environment	45.246	44.008	(1.238)
Children, Families & Justice	28.005	26.761	(1.244)
Human Resources, Organisational Development, Digital Enablement, Information Technology & Business Support	11.181	11.022	(0.159)
Legal, Governance & Change	10.599	10.456	(0.143)
Vibrant Communities & Sustainable Growth	6.451	7.363	0.912
Finance	2.892	3.093	0.201
Chief Executives	1.176	1.188	0.012
Other Services	10.078	15.753	5.675
Corporate Items	1.419	4.682	3.263
Joint Boards	0.794	0.794	0.000
General Fund Net Expenditure	280.682	288.156	7.474
Adult Services	68.748	68.748	0.000
Housing Revenue Account	4.227	4.698	0.471
Net Cost of Service as per CIES	353.657	361.602	7.945
Other operating expenditure/(income)	(0.095)		
Financing & Investment Income & Expenditure	(1.323)		
Taxation and Non-specific Grant Income	(330.544)		
Deficit on Provision of Services transferred to the General Fund Reserve	21.695		

Fig 6 above shows that the overall revenue outturn for 2023/24 was an accounting deficit of £21.695 million. After making the required adjustments, as shown in the Expenditure Funding Analysis (note 5), along with transfers to and from earmarked reserves (note 6), a decrease of £10.511 million in the General Fund Reserve and an increase of £0.259 million on the Housing Revenue Account reserve is evident as shown in the Movement in Reserves Statement on page 45.

The table (Fig 6) above also shows that, across all General Fund net expenditure budgets, there was a favourable variance against the original budget of £7.474 million. The majority of the variance was known about or planned for during 2023/24 and in setting the 2024/25 budget. This is an improved outturn position on the balance assumed when we set the 2024/25 budget in February 2024. Also, a number of grants & donations were received in 2023/24 and the spend for which will be incurred over a number of years. These prepaid grants require to be earmarked and carried forward from 2023/24 to 2024/25.

In broad terms variances within General Fund Services revenue budgets arose due to the following main reasons: -

- a. Slippage within Local Government employee costs has returned an additional saving of £1.145 million against the budgeted slippage target of £2.850 million. This is primarily due to difficulties in filling vacant posts, which has impacted all Directorates. There is also additional grant funding of £1.221 million for pay award costs which gave a favourable position compared to what had been budgeted.
- b. Pre-paid and ring-fenced grants of £5.187 million which, due to accounting treatment requirements, are shown as savings at the year end. These unspent grants need to be earmarked in the General Fund Reserve and will be used in the current and future financial years and represent delayed expenditure rather than a saving.
- c. Transfer from Angus Health & Social Care Partnership for Angus Council's share of previous years reserves of £1.069 million which have been earmarked in the General Fund Reserve for future drawdown.
- d. Balance of £3.100 million for one-off investments included in the 2023/24 budget (report 57/23), of which £1.747 million needs to be earmarked in the General Fund Reserve for use in future years.
- e. Savings of £0.380 million within Prudential Borrowing for vehicle replacement financing costs within Infrastructure & Environment.
- f. Additional income arising from; Interest on Revenue Balances of £1.430 million through rising interest rates on investments of cash balances with counterparties and additional savings through service concessions accounting treatment of £0.972 million in relation to Beechhill House.
- g. These savings have been offset by the overspend on external residential placements and fostering within Children Families & Justice of £2.026 million, under recovery of income from MEB contract gain share of £1.134 million within Infrastructure & Environment, various areas of overspend of £0.909 million within Education & Lifelong Learning and change programme savings of £0.928 million which were not achieved.
- h. These savings have also been offset by a deficit of £0.809 million on Insurance costs arising from the impact of Storm Babet, which is reported within Other Services. This has been charged to the Insurance Fund and does not have an impact on the General Fund in 2023/24.

This overall saving on Directorate budgets for 2023/24 needs to be viewed in the context of further savings which have now been removed from Directorate budgets in 2024/25, along with the planned savings achieved as part of the future years budget & reserves strategies.

Overall Impact on the General Fund Reserve

The actual year end position on the General Fund Reserve was a decrease of £10.511 million.

12.3 Service Concessions

In September 2022, the Scottish Government published Finance Circular 10/2022 which allows Councils to apply additional flexibility to accounting treatment for PFI/PPP service concession arrangements in place prior to 1 April 2022. The guidance applies from financial year 2022/23 but permits retrospective application as an option. Councils could apply the flexibility in either 2022/23 or 2023/24. In practice, this allows Councils to account for the financing of assets built using PFI and PPP over the life of the asset rather than the life of the contract. The use of this flexibility does not mean that the Council will be paying any additional money to the PPP/PFI contractors and the assets will revert to full ownership of the Council once the original contract terms have been fulfilled. The Council has five PFI / PPP schemes to which the service concessions flexibility applies:

- A92 Dual Carriage Way – Arbroath to Dundee
- Forfar/Carnoustie Schools
- Forfar Community Campus
- Arbroath Schools
- Beech Hill House.

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 to four PPP/PFI schemes to which the service concessions flexibility was applied. These schemes were A92 Dual Carriage Way – Arbroath to Dundee, Forfar/Carnoustie Schools, Forfar Community Campus and Arbroath Schools and this 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

was included in the General Fund Reserve at March 2023 and specific proposals on the use of this benefit were covered in report 57/23 to Angus Council on 2 March 2023. The proposals included a number of measures intended to reduce the Council's ongoing cost base. Further details of this change in accounting policy can be found in Note 1 to the accounts (section U) and Note 23 to the accounts.

The 2022/23 External Audit Action Plan advised that all PPP/ PFI schemes held by a Council must be treated consistently. Therefore in 2023/24 the service concession flexibility arrangements were also applied to Beech Hill House. This has provided a further on-going benefit of £0.090 million until 2029/30 and a one-off benefit of £0.882 million to the Council's General Fund Reserve at 31 March 2024. This makes the total one-off benefit to the Council of £23.747 million as a result of applying the additional flexibility to accounting treatment for PFI/PPP service concession arrangements in place prior to 1 April 2022 as detailed in Finance Circular 10/2022. This benefit will also be used to fund measures intended to reduce the Council's on-going cost base.

12.4 Agency Funding & Payments to Angus Businesses/Individuals 2023/24

During 2023/24 there were costs and associated funding which have not been recognised in the Council's accounts in accordance with national accounting guidance and the assessment of principal/agency arrangements. The Council received funding where the Council acted as an agent on behalf of the Scottish Government and distributed grants to businesses/individuals across Angus to assist with their sustainability/survival due to the impact of the storms and flooding witnessed across Angus in 2023/24. The total amount of agency grant distributed in 2023/24 by the Council was approximately £0.448 million (£1.8 million in 2022/23), with the most significant grants shown below.

Fig. 7 – Agency Funding

Type of Grant	Primary Use of Funding	£m
Storm Babet Business Grants	£3,000 business recovery grant for businesses impacted by flooding	0.141
Storm Babet Household Grants	£1,500 community recovery payment for households whose properties were flooded	0.307
	TOTAL	0.448

12.5 Other Agency Services

The Council has an agreement with Scottish Water whereby it collects water and wastewater charges in conjunction with the collection of Council Tax. This is based on nationally agreed regulations.

12.6 General Fund Capital Outturn Position

The General Fund capital programme reported net expenditure of £24.849 million against a full year budget of £26.866 million (92.5% spend), representing slippage of £2.017 million and details of this are set out in the table below:

Fig. 8

Programme	Monitoring Budget Net £m	Actual Expenditure £m	Under / (Over) Spend £m	Spend Against Budget %
Vibrant Communities & Sustainable Growth				
Economic Development	0.369	0.199	0.170	54.0%
Planning & Sustainable Growth	0.000	0.000	0.000	0.0%
Infrastructure & Environmental Services				
Assets	1.079	0.850	0.229	78.8%
Environmental Services	4.138	3.235	0.903	78.2%
Roads & Transportation	7.330	7.334	(0.004)	100.1%
	12.834	12.375	0.459	96.4%

Education & Lifelong Learning				
Digital Enablement & Information Technology	0.973	0.820	0.153	84.3%
Angus Health & Social Care Partnership	0.100	0.035	0.065	35.0%
ANGUSalive	0.218	0.001	0.217	0.5%
Tay Cities Deal	(0.175)	(0.000)	(0.175)	0.0%
Total Net Capital Expenditure	26.866	24.849	2.017	92.5%

The significant areas which contributed to the net underspend of £2.017m are as follows:

- Economic Development – Montrose South Regeneration project – underspend of £0.183m due to final award for compensation being lower than budgeted for.
- Environmental Services – General and Waste vehicle replacement programmes: underspend of £0.369m due to delays with delivery timescales and an element of refurbishment instead of replacement. Upgrade and extension to welfare facility at Forfar waste depot: underspend of £0.225m due to longer delivery timescales.
- Education and Lifelong Learning – Monifieth learning campus: underspend of £0.302m which arose from the advancement of early years revenue funding £0.500m to 2023/24 from later years, offset against valuation of works and advanced purchase of furniture.

The most significant areas of General Fund capital expenditure (on a net basis) undertaken during the year included:

- £12.028 million on the new Monifieth Learning Campus;
- £4.891 million on infrastructure works to roads – carriageway and footway reconstructions;
- £1.737 million on the provision of waste services;
- £1.498 million on the provision of environmental services
- £0.850 million on the provision, maintenance and upkeep of the Council's buildings and property;
- £0.820 million on corporate information and communication technology;
- £0.763 million on flooding / coastal protection related works, including a major flood scheme at Brothock Water, Arbroath;

More detailed narrative on the Council's capital investment plans, treasury management (borrowing and investments), prudential indicators and loans fund liabilities can be found in the Council's Capital Strategy ([Report 67/24](#)) and Treasury Management Strategy Statement (Report 102/24). The 2023/24 Treasury Management Annual report will be presented to the Scrutiny & Audit committee on 27 August and Angus Council on 12 September 2024.

13. Housing Revenue Account (HRA) Revenue and Capital Outturns

Angus Council owns 7,759 properties for which it charges rent.

All expenditure associated with HRA properties must be funded from the rental income generated. Any surplus or deficit at the end of the year is transferred into or out of the Housing Revenue Account (HRA) balances. For 2023/24, the transfer of a net surplus of £0.259 million resulted in HRA balances of £4.445 million at 31 March 2024.

The Housing Capital Programme reported net expenditure of £9.882 million, representing an underspend of £1.781 million against a budget of £11.663 million. The most significant areas of HRA capital expenditure (on a net basis) undertaken during the year included:

- £2.245 million on new Council housing provision;
- £0.574 million on property conversions;
- £1.414 million on aids and adaptations;

- £3.524 million on energy saving / towards zero carbon measures;
- £0.687 million on sheltered housing; and
- £0.729 million on internal upgrades.

Underspends mainly arose within the programmes for energy saving / towards zero carbon (£0.697 million); and internal upgrades (£0.959 million).

The spend profile of energy saving / towards zero carbon projects has been impacted by focussing on rural areas, leading to a lower spend profile due to lower stock density. The underspend in-year on the internal upgrades programme resulted from the need to re-tender the current phase of bathroom replacements, with the time involved in that inevitably leading to a delay in undertaking bathroom replacements. This work will however be reprofiled into 2024/25 and beyond.

14. Usable Council Reserves

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 on a one-off basis. All of the transactions on the General Fund, Housing Revenue Account and capital budgets in 2023/24 affect the Council's reserves as does expenditure met through transfers from the Reserves such as the Renewal and Repairs Fund. The Movement in Reserves Statement shows the balance on the Council's Usable Reserves.

Based on all of the transactions for the 2023/24 financial year, the main usable reserves and their balance at 31 March 2024 are shown below together with the equivalent balances at 31 March 2023.

Fig. 9 Usable Reserves

	Balance as at 31 March 2024 £m	Balance as at 31 March 2023 £m	Movement £m
General Fund Reserve	60.703	71.214	(10.511)
Housing Revenue Account	4.445	4.186	0.259
Capital Fund	0.741	0.775	(0.034)
Renewal and Repair Fund	0.476	0.782	(0.306)
Insurance Fund	0.684	1.421	(0.737)
Usable Capital Receipts	0.797	0.853	(0.056)
Unapplied Capital Grant	0.924	1.939	(1.015)
Total	68.770	81.170	(12.400)

After making the required adjustments and transfers to and from earmarked reserves a decrease of £10.511 million in the General Fund Reserve and an increase of £0.259 million on the Housing Revenue Account reserve is evident as shown in figure 9 above.

The General Fund Reserve is split between uncommitted balances (the level of funding available to Angus Council to manage financial risks and unplanned expenditure) and balances which have been committed for specific purposes.

The General Fund Reserve is £60.703 million as of 31 March 2024 and some £59.706 million of this General Fund Reserve is committed as follows:

Fig. 10 General Fund Reserve Commitments

	£ million
Working Balance/Contingency (per existing policy)	5.000
Balance of 2022/23 Budget Setting - Toilets Accessible to All	0.100
Balance of 2023/24 Budget Setting – One off Investments	1.747
Budget Setting 2024/25 - Reserves Strategy - Report 65/24 & Motion	24.023
Tay Cities Deal Fund	0.241
Change Fund	0.323
Budget Setting 2019/20 - Investment Projects	0.125
Budget Setting 2018/19 - Service Developments	0.135
Severance Costs Provision	0.748

Provision for Participatory Budgeting	0.282
ANGUSalive	0.723
Scottish Welfare Fund	0.431
Affordable Housing Revenue Account	2.993
Integrated Joint Board	2.109
COVID-19 Response (285/21 & 341/21)	0.760
Prior Years 100 % Carry forward Requests	0.639
Ukraine & Afghan Grant Funding	2.774
Prior Year Redeterminations	5.423
Grants received that need to be earmarked for future drawdowns per accounting regulations	4.813
2023/24 Redeterminations	4.073
Additional Commitments as per Policy & Resources Committee on 3 Sept 24	1.150
Car Park Reserve	0.188
Arbroath Harbour Reserve	0.208
Specific Reserves	0.249
Devolved School Management (DSM)	0.374
24/25 Carry Forward	0.075
Total Committed Within General Fund Reserve	59.706
Uncommitted General Fund Reserve at 31 March 2024	0.997

Once this committed balance has been removed from the net General Fund Reserve, the Council has an uncommitted balance of £0.997 million at 31 March 2024. This uncommitted balance position is after allowing for an earmarked contingency sum of around 1.5% of the net revenue budget (£5.0 million) and it is considered prudent to continue with this position to address any significant one-off issues such as inflationary pressures which could arise further during the course of the current and forthcoming financial year. This contingency sum will also provide a suitable financial base for future years as part of the Council's medium term budget strategy.

The Renewal & Repair Fund Reserve at 31 March 2024 are £0.476 million and this made up of following components: Property £0.272 million; Information Technology £0.088 million; Roads & Transport £0.100 million; and Parks & Cemeteries £0.016 million.

The Insurance Fund covers the main classes of insurance and is specifically earmarked for possible future insurance claims. This balance reflects the £1m insurance excess arising from the Storm Babet related claim. There is provision in the General Fund and HRA reserves to allow reinstatement of this sum should it be necessary once the insurance claim is concluded.

The Capital Receipts Reserve represents the proceeds from non-current asset disposals not yet used and which are available to meet future capital expenditure.

The Capital Grants Unapplied Account holds those grants and contributions received towards capital projects where Angus Council has met the conditions that would otherwise require repayment of the monies, but the monies have yet to be applied to meet expenditure.

15. Balance Sheet

The Balance Sheet represents a snapshot of Angus Council's overall financial position on 31 March 2024. It brings together the year-end balances of all Angus Council's accounts and presents money owed to and by the Council, assets owned and the balances and reserves at the Council's disposal. The overall net assets of Angus Council have decreased by £31.434 million, from £824.813 million in 2022/23 to £793.379 million, in 2023/24.

The main reasons for this decrease are: a reduction in Property, Plant and Equipment assets of £11.774 million, due predominantly to another year of depreciation and a reduction in current assets of £24.290 million due mainly to our investments in the money markets having reduced in line with our cash balances reducing.

16. Group Accounts

Angus Council has a material interest in a number of companies and joint ventures, which requires the preparation of Group Accounts. Details of the consolidated Group Accounts of Angus Council can be found on pages 100 to 110.

17. Financial Indicators

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends the inclusion of certain "financial ratios" in the Management Commentary to assist the reader to assess the performance of Angus Council over the financial year and the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity.

Fig. 11- Financial Indicator Commentary

Financial Indicator	2023/24	2022/23	Purpose
Uncommitted General Fund reserve (incl contingency) as a proportion of annual budgeted net expenditure	1.8%	2.7%	Reflects the level of funding available to manage financial risk/unplanned expenditure
Movement in the uncommitted General Fund reserve	£1.515m	£2.512m	Reflects the extent to which the Council has increased/(decreased) its uncommitted General Fund Reserve between years
Council Tax – in Year Collection Rate	96.9%	97.5%	Demonstrates the Council's effectiveness in collecting Council tax debt
Ratio of Council tax income to overall level of funding	19.0%	19.0%	This reflects the Council's capacity to vary expenditure by raising Council Tax Income
Capital Financing Requirement	£319.870m	£313.179m	Measurement of requirements to borrow for capital purposes
External debt levels	£268.351m	£285.698m	Actual borrowing for capital investment purposes
Ratio of financing costs to net revenue stream	9.4% (GF) 11.5% (HRA)	9.8% (GF) 10.3% (HRA)	Measurement of the extent of Council's funds available to fund borrowing costs

18. Looking Forward

18.1 Operating context

The Council has faced a very challenging year financially and the services of the Council have faced challenges with cost pressures, inflation and increased community needs and expectations.

Audit Scotland published a document in May 2024, Local Government Budgets 2024/25 and this highlights the Challenges ahead for Scotland's Councils to balance the books:

- Scotland's Councils are facing a significant gap in the money needed to deliver local services and the money they have available;
- Together, all 32 Councils have a gap of £585 million. This is estimated to increase to £780 million by 2026/27;
- This means Councils will have to make increasing difficult decisions about how Councils are run, how they can deliver services and what services can continue.

18.2 Financial Context

Angus Council, like other Local Authorities in Scotland, gets most of the money needed to provide services from grants provided by the Scottish Government. Some 81% of the Council's General Fund net revenue budget is now paid for through these grants. Income from Council Tax pays for these services too but only covers 19% of their net cost. Current funding arrangements mean the Council is heavily dependent on government grant to pay for services

and in recent years the level of that grant available to support existing services has been falling in real terms (i.e. taking into account inflation).

In line with good practice the Council prepares plans and makes estimates of its expenditure and income into future years so it can be prepared for what may happen. The Council's latest Medium Term Budget Strategy (MTBS report 353/23) covers the period to 2026/27. The projected funding gap identified in that Strategy was updated for the Special Council meeting on 29 February 2024 and was subsequently amended by the administration group motion (motion refers). This gap continues to be one of the biggest challenges that the Council faces in the next few years. The projected gap will be addressed primarily through the Council's Change Programme and from applying our 4 year reserves strategy.

The Council has also developed a Longer Term Financial Planning Framework (LTFPF) and the first version of that framework was presented to the Council in September 2023 (Report [241/23](#) refers).

The Change Programme is projected to deliver £6.308 million of budgeted savings in financial year 2024/25. In addition to this it is estimated that the programme will achieve savings totalling £5.897 million over financial years 2025/26 and 2026/27.

Fig. 12 - Comparison of Estimated Funding Gap and Estimated Savings from Change Programme

	2025/26 £m	2026/27 £m	2 Year Total £m
Projected Funding shortfall (Report 66/24)	10.886	10.830	21.716
Less Future Finance & Change Plan Savings	(3.867)	(2.030)	(5.897)
Sub-total – Total Funding Gap	7.019	8.800	15.819
Less Indicative Increase in Council Tax Base	(0.100)	(0.100)	(0.200)
Indicative Increase in Council Tax	(5.683)	(6.251)	(11.934)
Less use of uncommitted general fund balance per proposed use of reserve strategy	(3.000)	(2.500)	(5.500)
Add Previous Years One-off Solutions	3.104	3.000	6.104
Remaining Funding Gap	1.340	2.949	4.289

The figures in the table above are included within the revised Finance & Change Plan and it should be noted that they assume a 10% increase in Council Tax for both future years (cumulative) and corresponding changes to the Council Tax base apply. The table shows that the Council's finances on General Fund revenue services are expected to continue to be under severe strain in the years ahead and that further changes to the services the Council provides will be needed.

Angus Council is not alone when it comes to facing these challenges, all Councils in Scotland face similar issues, as highlighted in Audit Scotland's publication Local Government Budgets 2024/25 .

The financial context for the Council into future years remains an exceptionally challenging one and the position continues to be impacted by demands around future pay increases partly due to the increased cost of living. The majority of these costs will not be covered by additional grant funding. Nevertheless, the Council is as well placed as it can be to take on this challenge both financially and culturally. Significant effort and investment is being put into working with communities and partners, to the development of the Council's senior leaders and to ensuring the Council is performance led and strong on self-evaluation. The Council's forward financial planning, its reserves position, prudent financial management and comprehensive Change Programme also provide a solid base to tackle future challenges. The Council's reserve strategy was updated and approved in February 2024 as part of the 2024/25 budget setting process, report 65/24 refers with a further amendment made as part of the administration motion.

The principal risks and uncertainties facing Angus Council are included in the Corporate Risk Dashboard last submitted to Scrutiny & Audit committee on 23 January 2024, report 21/24 refers. This identifies significant risks to the Council, in addition to financial sustainability, as being:

- Transforming for the future the Council fails to transform its service delivery to meet future demands and priorities while working within its budget constraints and rising costs.
- IT Resilience & Cyber Attack (Business Continuity), interruption of service or inability to provide IT services due to loss of the data centre and/or other critical infrastructure components caused by factors such as a fire, vandalism, cyber-attack, equipment malfunction. Work is being done around the Recovery Time Objectives in our business continuity plans to ensure they are realistic in relation to available IT resources and time. Numerous controls already exist such as implementation of Office365 will improve resilience for all services, regular and tested data back-up and recovery.
- Climate Change, failing to comply with the requirements of the Climate Change (Scotland) Act 2009 to achieve interim targets by 2030 and net zero emissions by 2045 and a failure to manage climate change adaptation will reduce the resilience of communities, businesses and ecosystems within Angus. Commentary was made on these matters in the LTFFP, Appendix A Section 11 (Report 241/23 refers).

19. Conclusion & Acknowledgment

The 2023/24 financial year has been very challenging for Angus Council, its staff and its partners. The cost of living challenges and severe weather has brought pain and disruption to all our communities and resulted in very heavy workloads for many staff across public services. When it matters most the Council and its staff continue to be there and deliver for the people and businesses of Angus and did so again during 2023/24 in very challenging circumstances.

We are pleased to record that the Council has successfully delivered on many of its targets and priorities during the 2023/24 financial year. The Council has also successfully managed its financial affairs over the last financial year which reflects well on both the efforts and professionalism of the employees and the effectiveness of our financial management procedures. The continuation of prudent financial management and medium term financial planning has allowed the Council to operate broadly within its overall budget and achieve prescribed financial objectives. Accordingly, we wish to record our thanks to all of the Council's staff for their essential contribution to helping ensure that essential public services were delivered within the financial targets set.

Finally, we would like to take this opportunity to acknowledge the significant effort in producing the Annual Accounts and record our sincere thanks to all of the staff for their continued hard work and support. We greatly appreciate the significant efforts of all those who were involved.

Kathryn Lindsay
Chief Executive

Councillor Bill Duff
Leader of the Council

Introduction

Angus Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003. This means that it must plan to continuously improve its performance, while maintaining an appropriate balance between quality and cost. It must do this with regard to economy, efficiency and effectiveness.

To fulfil this duty, elected members and senior officers are responsible for putting in place arrangements to ensure that Angus Council has proper governance and that it delivers its functions. These include:

- setting the strategic direction, vision, culture and values of the Council;
- effective operation of corporate systems, processes and internal controls;
- engaging with communities;
- monitoring progress against strategic objectives;
- delivering services cost effectively; and
- ensuring that appropriate arrangements are in place for the management of risk.

To this end, the Council has approved and adopted a Local Code of Corporate Governance (the Local Code). This is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives (SOLACE) framework, Delivering Good Governance in Local Government and the supporting guidance notes for Scottish Local Authorities.

The Local Code sets out the core principles of good governance and the key policies, procedures and structures which demonstrate Angus Council's compliance. It is also applicable in general terms to elected members and officers on external bodies. A copy of our [Local Code of Corporate Governance](#) is available on the Council's website.

This annual governance statement explains how the Council has complied with the terms of the Local Code for the year ended 31 March 2024. It also meets the requirements of the Local Authority Accounts (Scotland) Regulations 2014, which requires all relevant bodies to prepare an annual governance statement. The statement covers relevant governance issues as they affect those entities included as part of the Council's Group Accounts, reliance having been based on their respective governance statements and internal audit annual reports.

Guidance published by CIPFA in 2022 is accepted as best practice for local authority audit committees. CIPFA guidance recommends that all audit committees should "*report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance*". (CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022).

The first annual report from the Scrutiny & Audit Committee was submitted to Council in September 2018 and has continued in September annually thereafter.

Unforeseen Events

During this reporting period, the Council has continued to adapt and respond to unforeseen events and disruptions that have occurred, including Storms Babet and Gerrit. As a result, some services have come under increased pressure due to additional demands and the associated resource issues which have been compounded by recruitment challenges.

The Council has continued to respond well to the challenges raised by the exceptional circumstances, and in a manner that has been well planned, proportionate and responsive to the circumstances. Each response has been delivered in a controlled environment, with appropriate governance arrangements deployed to provide robust assurance aligned to the circumstances.

The Governance Framework

The governance framework comprises the systems, processes, values and culture by which the Council is governed. It enables the Council to monitor progress against the outcomes set out in the Council Plan.

The governing body of Angus Council is the full Council. Some functions, including setting the annual budget and Council Tax, can only be discharged by the full Council. The following standing committees were in place during 2023/24:

- Children and Learning Committee (until 31 December 2023);
- Civic Licensing;
- Communities;
- Development Management Review;
- Development Standards;
- Family, Education and Justice (Formerly Children and Learning (from 1 January 2024));
- Policy and Resources; and
- Scrutiny and Audit.

The core constitutional documents of the Council are referred to as the Scheme of Governance and include:

- Part 1 - [Standing Orders](#), which regulate the proceedings at Council meetings;
- Part 2 – [Committee Terms of Reference](#), which details the Council's committees, sub committees and their associated remits;
- Part 3 - [Scheme of Delegation to Officers](#), which details the delegation to a range of appropriate officers;
- Part 4 – [Protocol for Relations between Councillors and Employees](#), which outlines the way in which councillors and employees should behave towards one another; and
- Part 5 – [Procurement Standing Orders](#), which ensure the Council uses uniform contracting procedures, secures compliance with the law, obtains best value in its procurement activity, provides a framework for a more detailed procurement manual and protects the Council and its staff.

A comprehensive review of the Scheme of Governance was completed in 2023/24 and approved by Angus Council on 14 December 2023.

Internal Financial Control

Within the Council's overall governance framework there are specific arrangements in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period.

It is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision, delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. Controls cannot eliminate the risk of failure to achieve strategic priorities and outcomes, but the system is designed to manage risk to a reasonable level.

The Council's [Financial Regulations - September 2021 \(revised March 2023\)](#) were updated during the 2022/2023 financial year. Ad-hoc updates of a more minor nature are also made under delegated authority.

As referenced above, the Council's new Procurement Standing Orders were approved by Council at its meeting on 14 December 2023. These replace the provisions in the Council's Financial Regulations relating to Contracts and Procurement and come into effect on 1st April 2024.

Statutory Roles

Head of Paid Services (The Chief Executive) is responsible and accountable for all aspects of executive management. They are responsible to councillors for the staffing of the council and ensuring the work in different departments is co-ordinated.

The Council's financial management arrangements comply in all material respects with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2016)*. A self-assessment using the latest updated guidance will be conducted once it has been published.

The Council's Chief Financial Officer (CFO) / Section 95 Officer (Director of Finance) is involved in the development of all strategic and financial policy matters and has direct access to all elected members. They report directly to the

Chief Executive on all matters including their statutory role. For the year under review (2023/24), the Chief Financial Officer was able to fulfil the requirements of the role through the arrangements which existed. The Director of Finance has carried out a self-assessment against the CIPFA Financial Management Code during 2022/23. Three actions were identified relating to the CFO role in the updated CIPFA guidance. The Financial Resilience assessment was completed and reported to Council in September 2023 (Report [241/23, Appendix 1](#)). The stakeholder engagement strategy on the Council's budget remains as work in progress.

The Monitoring Officer is a statutory appointment by the Council by virtue of section 5 of the Local Government and Housing Act 1989. The Council's Monitoring Officer is the Director of Legal, Governance & Change.

By virtue of section 5(7) of the 1989 Act, the duties of the Monitoring Officer must be carried out personally by them or, where they are unable to act owing to absence or illness, personally by such member of their staff nominated by them as their deputy. The deputy arrangement was enacted during the period January to September 2024.

The post of a Monitoring officer is designated as a politically restricted post, in accordance with section 2(1)e of the 1989 Act.

The Monitoring Officer is responsible for ensuring that appropriate training is given to elected members on the Ethical Standards Framework, the Councillors' Code of Conduct and any guidance and advice notes issued by the Standards Commission. This includes ensuring that training is provided on induction, and on a regular basis thereafter.

The Monitoring Officer should contribute to the promotion and maintenance of high standards of conduct by providing advice and support to elected members on the interpretation and application of the Councillors' Code of Conduct.

The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Amendment Regulations 2003 (Scottish Statutory Instrument 2003/135) requires all councils to appoint a proper officer who is responsible for ensuring the Council keeps a Register of Interests, which is open to the public to inspect. The Monitoring Officer should ensure that a proper officer is appointed under the Council's Scheme of Delegation and that such a Register of Interests is maintained.

Although it is the responsibility of elected members to ensure that all relevant interests are recorded, the Monitoring Officer should try to ensure that elected members are aware of what constitutes a registrable interest under the Code and, further, that they are aware that any changes must be recorded within one month. The Monitoring Officer should also ensure reminders incorporating a note to the effect that the statutory requirement is to update entries on the Register of Interests within one month of any change are issued to elected members at least once a year.

The Monitoring Officer should also ensure that elected members are aware that they have an obligation under the Councillors' Code of Conduct to ensure gifts and hospitality are registered within one month.

The Monitoring Officer should ensure that there are procedures in place to provide for a consistent approach in respect of seeking and recording declarations of interest at the start of all meetings of the Council (and any committee or sub-committee thereof).

The Monitoring Officer may be required to report to their Council from time to time on matters relating to the ethical standards framework that may require review. The Monitoring Officer should report any concerns about compliance with the Code to the Chief Executive.

The Council's Chief Social Work Officer (CSWO) (Director of Children, Families & Justice) is responsible for providing effective professional advice to elected members and officers in the authority's provision of statutory social work duties. The CSWO also provides professional governance and leadership in the delivery of social work and social care services. The role of the CSWO complies with revised guidance issued by [Scottish Ministers](#).

The CSWO's annual report details the arrangements that are in place within Angus to allow the CSWO to fulfil this role and provides assurance to elected members as to the governance of statutory social work services in Angus. The CSWO assurances cover all social work services, including those which have been delegated to the Angus Integration Joint Board (IJB). The CSWO 2023/24 annual report will be brought to the Council in Autumn 2024. The latest National Chief Social Work Officers [Annual Report](#) is also available on the Institute for Research and Innovation in Social Services (IRISS) Website.

Adult social work services are delivered under the direction of the Angus Integration Joint Board, established under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The work of the Angus Health & Social Care Partnership is overseen by the Angus Integration Joint Board (IJB). Agendas, reports and minutes of the IJB are published on the Council website. The IJB Chief Officer is a member of the Council's Corporate Leadership Team. The latest Integration Scheme is published on the [Council Website](#).

Internal Audit Service

The Council operates an internal audit service which reports directly to the Chief Executive. The in-house team is supplemented by additional resource, including IT audit input from a professional firm. The service is led by the Service Leader Internal Audit. This post is shared with Dundee City Council and suitable staffing arrangements have been put in place during 2023/24 to support this approach. The Service Leader Internal Audit reports on a functional basis to the Scrutiny & Audit Committee and reports in their own name, retains final edit rights over all audit reports and provides the Scrutiny & Audit Committee with an annual report on governance, risk and internal control.

The internal audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS). The annual self-assessment undertaken in May 2024 confirmed that the internal audit service conforms with PSIAS.

The Internal Audit annual report 2023/24 (para 20 refers) also states that self-assessment against the CIPFA statement on the Role of the Head of Internal Audit in public service organisations confirmed compliance with requirements for both the Head of Internal Audit and the Council.

The Counter-Fraud Team (CFT) is a specialist resource which reports to the Service Leader Internal Audit. The Council acknowledges its responsibility for ensuring the risks and negative impacts associated with fraud are managed effectively and any allegations of fraud and corruption are investigated by CFT staff in partnership with Council colleagues where appropriate. The continued work of CFT plays a key role in the Council's response to the risk of fraud and corruption.

The team has overall responsibility for assessing and investigating allegations of fraud and corruption and for reporting findings. An annual self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption confirms that the Council has adopted a response that is appropriate for its fraud and corruption risks. This is reported to the Scrutiny & Audit Committee in June each year.

The allegations investigated during 2023/24 were non-cash related or were of sufficiently low financial value not to have had a material impact on the Council's financial standing. Report 190/24 considered by the Scrutiny & Audit Committee at its meeting on 13 June 2024, contains further detail on the work of the Counter Fraud Team.

Organisational Changes during 2023/24

Changes were made to the Council's Corporate Leadership Team and Directorate structures following the retirement of the Director of Strategic Policy, Transformation and Public Sector Reform on 1 September 2023 ([Report 244/23](#) and [Appendix](#) refers). In seeking to streamline the Corporate Leadership Team it was decided not to replace the post of Director and to reallocate the roles and functions of that directorate to other directorates within the Council.

The Council also appointed a new Chief Executive from 1 January 2024, following the retirement of the previous incumbent on 31 December 2023. The new Chief Executive formerly held the post of Director of Children, Families and Justice (with Chief Social Work Officer statutory responsibility).

The appointment of the new Chief Executive also led to, following due process, the post holder of Service Leader – Justice being promoted to Interim Director of Children, Families and Justice (with Chief Social Work Officer statutory responsibility). Council subsequently agreed to amend the Scheme of Governance: Part 3 – Scheme of Delegation to Officers ([Report 101/24](#) refers), by adding a delegation to the Chief Social Work Officer to appoint a Depute Chief Social Work Officer to be selected from the Service Leaders within Children Families & Justice or the Heads of Service from within the Angus Health and Social Care Partnership, following consultation with the Director of Children, Families and Justice. This replaced the previous approach which defined the designated Depute Chief Social Work Officer as being the Service Leader – Justice.

In June 2024, the Provost stepped down from his position with immediate effect, with the Depute Provost fulfilling any civic duties in the interim while the new Provost was identified. A new Provost was appointed by Council at its meeting on 12 September 2024.

On 29 July 2024, Cllr Beth Whiteside announced her decision to step down from her role as Angus Council Leader. Cllr George Meechan continued to serve as Depute Leader while the new Leader was identified. On 10 September 2024, the Angus Council Administration Group announced that Cllr Bill Duff was the new Leader of Angus Council.

Best Value Arrangements

Making best use of resources is a key objective for the Council. The adequacy and effectiveness of arrangements to secure Best Value are inherent to the Council's operations.

The Best Value Audit report published by the Accounts Commission on 5 July 2022 provides supporting evidence ([Report 301/22](#) and [Appendix](#) refer).

A Best Value Thematic Audit report in relation to: '*Angus Council Leadership of the development of new local strategic priorities*' was finalised by Audit Scotland in September 2023. The findings in the report provide further evidence that Angus Council is working in a manner that is well aligned with the Best Value principles which were under review as part of this thematic audit ([Report 280/23](#) and [Appendix](#) refer).

Progress with the improvement actions emerging from the recommendations in these Best Value audit reports is reported to the Council's Scrutiny & Audit Committee at the January and June meetings.

Compliance with Best Value guidance is also now reviewed annually as part of the annual assurances from Directors which informs the Annual review of the governance framework.

Annual Review of the Governance Framework

The Council conducts an annual review of the effectiveness of its overall governance framework. The review is undertaken on behalf of the Chief Executive by the Corporate Governance Officers Group. This group is responsible for monitoring compliance with the principles of good governance. It also makes recommendations for additions and / or improvements to the governance framework to reflect any changes in the way the Council does business and any new legislation affecting the Council's governance arrangements.

The annual review of the governance framework is informed by:

- annual assurances from Directors, who are responsible for the development, maintenance and improvement of the governance arrangements within their own directorate;
- an annual assurance statement and questionnaire completed by the Chief Officer, Angus IJB;
- annual assurances from the S95 Officer, Monitoring Officer and Chief Social Work Officer;
- consideration of governance issues by the Scrutiny & Audit Committee, including internal and external audit reports, counter-fraud updates, corporate risk register updates and complaints summary reports;
- reports from other scrutiny bodies and inspectorates;
- a review of the governance statements prepared by subsidiaries and associates included in the Council's Group Accounts; and
- assurance letters received from the Chair of the IJB Audit Committee and the Chair of the AngusAlive Board.

The Council's Service Leader Internal Audit conducts an independent review of the Council's risk management processes, systems of internal control and corporate governance processes as part of their Internal Audit Annual Report 2023/24 (Report 191/24, Appendix 1).

Their review of 2023/24, includes the opinion that:

"4. In my professional judgement as Service Leader Internal Audit, notwithstanding the reduction in audit resources during the reporting period and the impact to completing work due to delays in receiving information from services, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal audit.

5. *In my opinion the council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money.*
6. *The majority of control objectives in internal audit work were assessed as having been achieved, with a number of areas of good practice noted. Where necessary actions were agreed to improve the control environment or tighten up the operation of the existing controls. The more material findings are highlighted later in this report.*
7. *I have concluded that the local code and scheme of governance are adequate and effective, and although some areas for improvement have been identified, the code is complied with in all material respects.*
8. *There has been some further progress with Risk Management arrangements this year, but it remains slow and therefore there are still some key areas of risk management that need to be fully established and embedded in day-to-day practice. Responsibility for risk identification, assessment and management sits across the whole organisation. Services and risk owners need to pay more consistent attention to ensure progress is made at a faster pace."*

The conclusion from the review activity outlined above is that in 2023/24 the Council continued to demonstrate that the governance arrangements and framework within which the Council operates are sound and operating effectively, notwithstanding the ongoing challenges in relation to the unforeseen events highlighted above.

Improvement Areas

The annual review process identified the following areas where improvements have been made during 2023/24, or where further improvements are planned for 2024/25 to enhance the Council's governance framework. Progress will be reported to the Scrutiny & Audit Committee. An update on the improvement actions identified in previous Annual Governance Statements, along with new actions emerging from this year's review, was reported to the Scrutiny & Audit committee in June 2024 (Report 193/24, Appendix 1, Appendix 2 refer).

Key matters to highlight from the annual review process are as follows:

- The Council's Housing Service identified in the 'Housing Services Performance Update - Annual Assurance Statement' report to the Communities Committee meeting on 26 September 2023 ([Report 259/23](#), [Appendix 1](#) and [Appendix 2](#) refer), that a review of Housing's Performance Management Framework (PMF) was underway which would also consider the relationship with the service's governance arrangements. The report highlighted particular areas of concern and that a number of short-term service priority projects had been established to take forward improvements. It also identified that some of these projects crossover with the existing PMF and others have identified gaps in governance which need to be addressed. The Annual Assurance Statement also identified three areas of non-compliance with legal obligations in relation to fire alarms, electrical safety testing and Scottish Housing Quality Standards. An overall Housing Improvement Action Plan has been prepared in order to address these and other relevant matters ([Report 185/24](#), [Appendix 1](#) and [Appendix 2](#) refer).
- There is an area for improvement action required in relation to monitoring of policies and their timetable for review. In addition, new policies require to follow a process to ensure they include peer review, consultation and engagement, and cross referencing to the Local Code of Corporate Governance, along with Internal Audit assurance mapping.
- Risk management continues to be a high corporate priority as an area for improvement. The pace of progress has been slower than desired over the last few years, mainly due to the staff resources leading this work being diverted to support the unforeseen events highlighted above. Actions in relation to Risk Appetite and Service Risk Registers which are recorded on the Scrutiny & Audit Committee self-evaluation action plan have been extended on a number of occasions. While some good progress has been made on developing Service Risk Registers and risk awareness generally, there requires to be a clear focus to conclude this work and therefore a new corporate improvement action has been raised as part of this year's annual review (note: this new

action will supersede the two actions noted above). This action will encompass all the relevant components that have need identified including an update to the overall [Risk Management Strategy](#).

- While the Scheme of Governance was updated during 2023/24, there continues to be improvement activity required in relation to the Angus Health & Social Care Partnership and the Infrastructure and Environment Services Directorate's operational Schemes of Delegation. This work will continue to progress and be linked to a further phase of operational Scheme of Governance improvement work to standardise the approach to operational Schemes of Delegation across the organisation. This work has been included in the corporate action plan to monitor progress.
- Procurement processing and training was identified as an area for corporate improvement in the 2022/23 annual review. It has similarly been highlighted as an area for improvement in this year's annual review process. A 3-tier training programme has been designed and Phase 1, the baseline 'introduction to procurement' sessions is about to be rolled out to all appropriate staff on a Service-by-Service basis. This will be supported by a refreshed suite of document templates and Procurement Guidance Notes. Mandatory e-learning forms Phase 2 with training commensurate with the style of procurement to be undertaken being a prerequisite to any tenders etc. Phase 3 is a rolling programme of monthly drop-in sessions providing more detail on individual aspects of procurement to support best practice.
- The 2021/2022 governance review of the internal audit report identified the following:
 - Limited or no assurance that controls are adequate in relation to IT User Access Administration (IDOX). Actions to address the weakness identified two Priority 1 and two Priority 2 actions which were completed during 2023/24.
 - IT Interfaces as an area where limited assurance was provided. Actions to address the weakness identified two Priority 2 actions which were completed during 2023/24.

Last year's (2022/23) governance review of the internal audit report identified the following:

- Adults With Incapacity Follow-up audit was assessed as providing "No Assurance". The audit reviewed procedures in place to ensure compliance with legal, OPG and MWC requirements, including the implementation of an improvement plan from 2019. The service began taking action to address the weaknesses identified as soon as these were brought to their attention and before the report and action plan were finalised. The Priority 1 action from this report, which was to undertake a full review of the systems in place, was completed in September 2023. A further follow-up audit of this service area is planned as part of work to be completed on the 2023/24 internal audit plan.
- Procurement – Exemptions from Tendering was assessed as providing Limited Assurance. Good progress has already been made to address the agreed actions from this audit, with three Priority 1 and four Priority 2 actions already completed. There is one action still outstanding, a Priority 3 action with a 30 June 2024 deadline, to review all procurement training and support materials – this is noted earlier as an area for improvement activity focus from the 2023/24 annual review of the governance framework. The Procurement team are currently finalising this piece of work as part of a wider training strategy. A follow-up audit on the contract exemptions process will be carried out as part of the 2024/25 internal audit plan, once all the actions have been implemented and the revised process has become fully established.

This action compliments the wider strategy of the Procurement & Commissioning function in terms of strengthening the education of all those with Delegated Procurement Authority across the Council. These revised Procurement Guidance Notes and support materials/ templates etc all form part of a three-tiered training approach across all Services.

This year's (2023/24) governance review of the internal audit report and counter fraud activity have identified the following:

- Internal audit reports relating to Cash Counts and Cash Handling – Schools, and IT Asset Hardware Inventory – Schools have been assessed as having Limited Assurance. Both audit findings require

improvements to guidance, along with training and implementation of proper procedures which have been included in specific action plans.

- The internal audit of IT Business Continuity also identified Limited Assurance, with the main areas for improvement relating to Business Impact Assessments and the requirement to review Business Continuity Plans.
- A consultancy review of Organisational Resilience identified a number of areas of good practice. It also identified areas for improvement/ further development. While most of these areas are being addressed, it is highlighted that the identification of business-critical activities is a key area requiring improvement action focus – this links with the IT Business Continuity findings.
- A Risk Management internal audit concluded there was Limited Assurance and stated that “Some satisfactory elements are evident within the control framework. However, some significant weaknesses have been identified which are likely to undermine the achievement of objectives, and/or the level of non-compliance with controls puts the system objectives at risk”. This area for improvement has also been highlighted in the key matters specified above.
- Counter fraud testing has identified potential overtime/ additional hours overpayments. Specific investigations and remedial action is ongoing, along with improvement action to avoid recurrence.
- An internal audit relating to Performance Management and Monitoring was reported in August 2024, and concluded there was Limited Assurance. The report noted that the actual performance management framework adopted by the Council is generally considered to be sound. The matters identified for improvement, for the most part, rest with the need to apply and embed the framework more consistently throughout the Council, which has led to a reduction in the overall level of assurance. An action plan has been developed to address the identified areas for improvement.
- An ongoing improvement action in relation to the process for assessing, billing and collection of payments for adult social care was previously identified. Work to conclude this achieved the target completion date of 30 June 2024. An Internal Audit review has also been carried out and reached a “substantial assurance” conclusion on the progress of the action plan.
- The Managing Director of Tayside Contracts has confirmed that the items in last year’s governance statement relating to Tayside Contracts areas for improvement have all now been addressed, other than the implementation of a new financial system (which has been subject to supplier delays) which has been rescheduled for implementation in December 2024.
- This year’s (2023/24) governance review of Tayside Contract’s Internal Audit Annual Report has identified Physical Security as an area requiring improvement. This was identified during a series of unannounced site visits at Tayside Contract’s facilities, undertaken as part of the audit, that identified a number of instances where security controls were not in place or were not operating as expected. The Property Officer, in conjunction with the operational managers, has since progressed an action plan, with some actions already complete.
- The review of Angus Alive’s Internal Audit Annual Report for 2023/24 has identified that their Internal Auditor has excepted Business Continuity Planning in terms of Angus Alive’s framework of controls in place that provide adequate assurance regarding the organisation’s governance framework, effective and efficient achievement of objectives and the management of key risks. This followed a review of Business Continuity Planning from 2022/23 which gave limited assurance. Limited assurance was also the outcome of a review of Procurement arrangements which was undertaken to ensure they comply with legislation and that procedures are being followed. Angus Alive’s senior leadership team have confirmed that action is being progressed to address these matters.
- In August 2024, personal data from a council online test system was released into the public domain via posts to two closed Homes for Ukraine themed Facebook groups. The council disabled the link once it had been made aware of the breach and issued a public apology. An internal investigation was immediately launched, and the council reported itself to the Information Commissioner’s Office due to a serious data protection breach. The investigation into the matter is ongoing.

- Improvement actions emerging from the Council's Best Value audit recommendations continue to be reported to the Scrutiny & Audit Committee in January and June each year.

Some Directors have identified operational improvements to governance arrangements within their own service, but these are not considered material enough to affect the overall assessment of the Council being compliant with the requirements of our Local Code of Corporate Governance.

Progress with the actions to address the ongoing and new improvement areas included in this annual governance statement will be reported to the Scrutiny & Audit Committee at its meetings in January and June. These are captured in the latest [Action Plan](#).

Conclusion

Angus Council is committed to achieving good standards of corporate governance to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The Corporate Governance Officers Group, on behalf of the Chief Executive, maintains an overview of all aspects of the Council's governance framework and is focussed on ensuring that good standards of governance are maintained as the Council works to fulfil its ambitions as set out in the Council Plan.

The Council recognises the contribution effective governance makes to the stewardship of resources and the achievement of outcomes. The maintenance of effective governance arrangements is particularly important during times of change, as the organisation becomes leaner and adopts new ways of delivering services.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council's systems of governance and that the annual review demonstrates compliance with the core principles of good governance.

Kathryn Lindsay		Councillor Bill Duff
Chief Executive		Leader of the Council

Background

The Local Authority Accounts (Scotland) Regulations 2014 ("The 2014 Regulations") require local authorities to prepare a Remuneration Report as part of the annual statutory accounts.

In accordance with this requirement this report sets out:-

- The remuneration policy context for senior councillors and senior employees and the Council's role in determining these;
- The number of employees whose remuneration was in excess of £50,000 per annum;
- The number and cost of exit packages agreed rising in bands of £20,000 up to £100,000 and bands of £50,000 thereafter;
- The remuneration and pension rights of senior councillors;
- The remuneration and pension rights of senior employees.

Senior Councillors Remuneration Policy Context

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004, (Remuneration) Regulations 2007 ("The 2007 Regulations") and subsequent amendments to these. The Regulations provide for the grading of councillors for the purposes of remuneration arrangements as the Leader of the Council, the Provost (the Civic Head), Senior Councillors or Councillors.

It should be noted that reference to "Senior Councillors" (upper case) within the 2007 Regulations is narrower than the use made of this term in The 2014 Regulations. Thus, for the purposes of this Remuneration Report, reference to senior councillors (lower case) ,other than where reference is being made to The 2007 Regulations, also includes other senior posts such as the Leader, Provost, etc. A senior councillor within this Remuneration Report is, therefore, a councillor who holds a significant position of responsibility in the Council's political management structure.

When determining the level of remuneration for councillors the Scottish Ministers consider the recommendations of the Scottish Local Authority Remuneration Committee (SLARC). SLARC is an advisory Non-Departmental Public Body set up in 2005 to advise Scottish Ministers on the remuneration, allowances and expenses incurred by local Council councillors.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2023/24 the salary for the Leader of Angus Council is £40,205. The Regulations permit the council to remunerate one Civic Head. The regulations set out the maximum salary that may be paid to that Civic Head. Angus Council's Civic Head (the Provost) is paid at 65% of the Leader of the Council's salary (£26,133). The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration.

The 2007 Regulations also set out the salary that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum salary that may be paid to a Senior Councillor is 75% of the total salary of the Leader of the Council. The total of salaries that the Council may pay all of its Senior Councillors shall not exceed £326,643 and 13 in number. The Council can exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. The Council's policy, as it applied during 2023/24, was for the Conveners of the "main" committees to have salaries of £26,133 and the Vice Conveners of the "main" committees to have salaries of £22,475.

In addition to the Senior Councillors of the Council, the 2007 Regulations also set out the remuneration payable to councillors with the responsibility of a Convener or a Vice-Convener of a Joint Board. The 2007 Regulations require the remuneration to be paid by the Council of which the convener or vice-convener (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the convener or vice-convener being a member of the Local Government Pension Scheme. The Council can seek to be reimbursed by the Joint Board for any additional remuneration paid to the member from being a Convener or Vice-Convener of a Joint Board beyond that which they would receive from their role as a Senior Councillor or Councillor with their own local Council.

Angus Council's remuneration scheme for councillors (which encompasses the salaries of all elected members including the Leader, Civic Head and Senior Councillors) was agreed at a meeting of the full Council on 26 May 2022 the minute of which is available under item 4 at:-

https://www.angus.gov.uk/media/minute_of_meeting_of_angus_council_committee_of_26_may_2022

The salaries shown as at 26 May 2022 have since been updated for inflationary increases agreed through Scottish Statutory Instruments. In accordance with The 2007 Regulations, the Council publishes on its website details of the remuneration and expenses of all councillors. It is highlighted that a number of the expenses disclosed in that information are excluded from this Remuneration Report in accordance with the requirements of the 2014 Regulations. The latest full information can be accessed at:-

Councillors Expenses 1 April 2023 to 31 March 2024

Senior Employees Remuneration Policy Context

In accordance with the 2014 Regulations, the senior employees included in table 5 include any local Council's employee:-

- Who has responsibility for management of the local Council to the extent that the person has power to direct or control the major activities of the Council (including activities involving the expenditure of money), during the year to which the Remuneration Report relates, whether solely or collectively with other persons;
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- Whose annual remuneration, including any remuneration from a local Council subsidiary body, is £150,000 or more.

Senior employees may also have a contractual right of access to the Council's car lease scheme and where they are participating this is included within "non-cash expenses" together with any other benefits in kind. The remuneration information detailed in table 5, as required by the 2014 Regulations, relates to the total received by an individual while they are an incumbent of a senior employee post. Employees commencing or leaving employment during the year and changes in expenses can therefore create distortions in the comparative figures between years. In light of this, and for the purpose of clarity, detailed below are the salaries for 2023/24 of the posts which are classed as senior employees of the Council.

Table 1

Post	2023/24 Salary £
Senior Management – Angus Council	
Chief Executive	154,609
Depute Chief Executive	135,517
Director of Education & Lifelong Learning (Chief Education Officer)	107,647
Director of Vibrant Communities & Sustainable Growth	107,647
Director of Children, Families & Justice (Chief Social Work Officer)	107,647
Director of Infrastructure & Environment	107,647
Director of Finance (Section 95 Officer)	111,929
Director of Human Resources, Digital Enablement, Information Technology & Business Support	107,647
Director of Strategic Policy, Transformation & Public Sector Reform	107,647
Director of Legal, Governance & Change (formerly Legal & Democratic Services) (Monitoring Officer)	107,647

Subsidiary Body: ANGUSalive	
Chief Executive	107,647

Exit Packages

The Accounting Code requires authorities to report summary information in relation to exit packages which are exit costs from employee departures. The table below sets out the relevant costs of departure that have been agreed in the financial statements in accordance with The 2014 Regulations requirements on termination benefits. Included in this definition are the costs of voluntary redundancy, early retireals and ex-gratia payments. Exit costs from employee departures due to ill health retireals or departures are excluded, in accordance with The 2014 Regulations.

Table 2 below discloses the number of relevant exit packages agreed during 2023/24 and their costs grouped in the relevant bandings. It is Council policy that staff departures from early retirement or voluntary redundancy will only be agreed if doing so will achieve a net saving over a maximum payback period of two and a half years.

Table 2

Banding by Total Cost of each exit package	Number of exit packages agreed				Cost of exit packages in each band				Pension curtailment cost in each band (note 1)		Total cost of exits in each band	
	Compulsory		Other		Compulsory		Other		Other			
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£					£	£	£	£	£	£	£	£
Up to 20,000	6	6	16	7	41,769	35,096	100,573	27,201	0	0	142,342	62,297
20,001 – 40,000	1	0	0	0	28,025	0	0	0	0	0	28,025	0
40,001 – 60,000	0	0	0	0	0	0	0	0	0	0	0	0
60,001 – 80,000	0	0	0	0	0	0	0	0	0	0	0	0
80,001 – 100,000	0	0	0	0	0	0	0	0	0	0	0	0
100,001 – 150,000	0	0	0	0	0	0	0	0	0	0	0	0
150,001 – 200,000	0	0	0	0	0	0	0	0	0	0	0	0
200,001 – 300,000	0	0	0	1	0	0	0	0	0	201,675	0	201,675
300,001 – 400,000	0	0	0	0	0	0	0	0	0	0	0	0
Total	7	6	16	8	69,794	35,096	100,573	27,201	0	201,675	170,367	263,972

Notes:

- The pension curtailment figure is calculated by the actuary using actuarial techniques and assumptions. It is in respect of an early retiral and reflects the additional costs of an employee taking retirement early and their pension not being reduced to reflect this. This figure is an estimate for this report per regulations and is not an actual payment made by the Council.

Pension Benefits Policy Context

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS). Teacher's benefits are provided through the Scottish Teachers' Superannuation Fund (STSF).

Councillors' and local government employees' pension benefits are based on career average pay. Their pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is adjusted by the change in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the re-valued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. Pension benefits for those Pension Scheme members who were members prior to 1 April 2016 will include some entitlement earned under the previous final salary pension scheme.

Normal Pension Age equals State Pension Age for benefits built up from 1st April 2016. From 1 April 2009 a tiered contribution system was introduced for scheme participants. A participant's total contributions are based upon on how much of their pay falls into each tier and the rate applicable for that tier. The overall percentage paid by the employee is made up of an average of how much of their pay falls into the different bands. The bands for 2023/24 and 2022/23 are shown in table 3 below:-

Table 3

Full Time Equivalent Pay	Contribution Rate Payable by Councillors / Employees 2023/24	Full Time Equivalent Pay	Contribution Rate Payable by Councillors / Employees 2022/23
Up to £25,300	5.50%	Up to £23,000	5.50%
Over £25,301 and up to £31,000	7.25%	Over £23,301 and up to £28,100	7.25%
Over £31,001 and up to £42,500	8.50%	Over £28,101 and up to £38,600	8.50%
Over £42,501 and up to £56,600	9.50%	Over £38,601 and up to £51,400	9.50%
Over £56,601	12.00%	Over £51,401	12.00%

Further information on the LGPS can be found at:-

[The Scottish Public Pensions Agency \(SPPA\) Website](#)

The pension benefits in respect of those senior councillors who take part in the LGPS are detailed in table 7 while those in respect of senior employees are detailed in table 8.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to convert some of that pension entitlement into a lump sum (in respect of post 1 April 2009 accrued benefits only); and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service with Angus Council (and its predecessors) or has transferred into the Fund from another employer. It is highlighted, however, that the pension benefits arising from any additional voluntary contributions undertaken by the individual are excluded from the figures shown in accordance with The 2014 Regulations.

Remuneration of Senior Councillors (1 April 2023 to 31 March 2024)

The following table provides details of the remuneration paid to Angus Council's councillors for senior roles only in 2023/24.

Table 4

*2022/23 Salary, Fees & Allowances £	Responsibility (1 April – 31 March)	Senior Councillor	2023/2024 Salary, Fees & Allowances £	2023/24 Taxable Expenses £
21,612	Civic Head/Provost	B Boyd	26,133	0
33,249	Leader of the Council & Convener of Policy & Resources	B Whiteside	40,205	0
19,659	Depute Provost	L Clark	22,475	0
27,079	Depute Leader 1 of the Council & Finance Convener	B Duff	30,154	0
24,937	Depute Leader 2 of the Council & Vice Convener of Policy & Resources & Vice Convener of Communities	K Braes	30,154	0
21,612	Convener of Families, Education & Justice (formerly Children & Learning)	L Devine	26,133	0
18,586	Vice Convener of Families, Education & Justice (formerly Children & Learning)	M Shepherd	22,475	0
21,612	Convener of Communities	M McDonald	26,133	0
21,612	Convener of Development Standards	D Cheape	26,133	0
20,167	Vice Convener of Development Standards	B Durno	22,475	0
24,072	Convener of Scrutiny & Audit	C Fotheringham	26,133	0
20,866	Vice Convener of Scrutiny & Audit	G Nicol	22,475	0
20,031	Convener of Civic Licencing & Licencing Board & Spokesperson – Welfare Rights, Poverty & Equalities	G Meechan	26,133	0
18,586	Vice Convener of Civic Licencing & Licencing Board & Spokesperson – Youth Engagement & Opportunities	L Melville	22,475	0
18,586	Spokesperson – Environment & Active Travel	S Cowdy	22,475	0
332,266	Total		392,161	0

* 2022/23 figures restated to remove Councillors who left in the prior year.

Remuneration of Senior Employees

The following table provides details of the remuneration paid to Angus Council's senior employees.

Table 5

* 2022/23 Total Remuneration £	Post	Senior Employee	Note	2023/24 Salary, fees & allowances £	Election Payments £	2023/24 Taxable Expenses £	2023/24 Compensation for Loss of Employment £	2023/24 Total Remuneration £
147,375	Chief Executive	M Williamson	1,2	111,541	0	0	0	111,541
101,506	Chief Executive (from 01.01.24) and Director of Children, Families & Justice (Chief Social Work Officer - until 31.12.23)	K Lindsay	2	119,387	0	0	0	119,387
127,786	Depute Chief Executive	M Armstrong		135,517	0	0	0	135,517
101,506	Director of Education & Lifelong Learning (Chief Education Officer)	K McIntosh		107,647	0	0	0	107,647
101,506	Director of Vibrant Communities & Sustainable Growth	A Smith		107,647	0	0	0	107,647
0	Interim Director of Children, Families & Justice (Chief Social Work Officer)	K Lee	3	27,224	0	0	0	27,224
50,573	Director of Infrastructure & Environment	G Dailly		107,647	0	0	0	107,647
105,642	Director of Finance (Section 95 Officer)	I Lorimer		111,929	0	0	0	111,929
101,506	Director of HR, Digital Enablement, IT & Business Support	S Faulkner		107,647	0	0	0	107,647
101,506	Director of Strategic Policy, Transformation & Public Sector Reform	V Smith	4	46,008	0	0	0	46,008
101,906	Director of Legal, Governance & Change (formerly Legal & Democratic Services) (Monitoring Officer)	J Buchanan		107,647	0	0	0	107,647
1,040,812	Total			1,089,841	0	0	0	1,089,841

	Subsidiary Body: ANGUSalve							
101,506	Chief Executive	K Hunter	5	91,290	0	0	0	91,290
0	Chief Executive (Acting up)	C Knight	5	80,054	0	0	0	80,054
0	Chief Executive (Acting up)	I Stevens	5	80,054	0	0	0	80,054
101,506	Total			251,398	0	0	0	251,398

*2022/23 figures restated to remove an employee who left in the prior year.

Notes:

1. In 2023/24 there were no election payments (2022/23 - £2,084).
2. M Williamson retired from post on 31 December 2023 and K Lindsay commenced in post on 1 January 2024 (FYE salary £154,609).
3. K Lee commenced in post on 1 January 2024 (FYE salary £107,647).
4. V Smith retired from post on 1 September 2023 (FYE salary £107,647).
5. From 5 May 2023 C Knight and I Stevens jointly acted up to cover the Chief Executive post (FYE salary £107,647).

General Disclosure of Employees by Remuneration Band

The following table details the number of employees whose remuneration was in excess of £50,000 per annum. The employee figures include local government employees (LGE), those remunerated under the Scottish Negotiating Committee for Teachers (SNCT) and chief officials (CO) (based upon the post the employee occupied at 31 March). The figures therefore include those senior employees on which additional remuneration information is provided in Table 5.

One of the chief officers in the CO column is not an Angus Council chief officer but a senior Angus IJB officer who is employed by the Council. Pay increases due to high inflation have brought more employees within the scope of this disclosure in 2023/24 compared to 2022/23.

Table 6

2022/23 LGE	2022/23 SNCT	2022/23 CO	2022/23 Total	Remuneration Band	2023/24 LGE	2023/24 SNCT	2023/24 CO	2023/24 Total
23	42	1	66	£50,000 - £54,999	74	51	0	125
30	79	0	109	£55,000 - £59,999	13	66	0	79
4	55	0	59	£60,000 - £64,999	24	60	0	84
3	22	0	25	£65,000 - £69,999	3	54	0	57
3	16	0	19	£70,000 - £74,999	3	18	0	21
9	1	0	10	£75,000 - £79,999	10	12	0	22
0	0	0	0	£80,000 - £84,999	8	3	0	11
0	2	0	2	£85,000 - £89,999	0	0	0	0
0	2	1	3	£90,000 - £94,999	0	2	0	2
0	2	0	2	£95,000 - £99,999	0	2	0	2
0	0	6	6	£100,000 - £104,999	0	2	0	2
0	0	1	1	£105,000 - £109,999	0	0	5	5
0	0	0	0	£110,000 - £114,999	0	0	2	2
0	0	0	0	£115,000 - £119,999	0	0	1	1
0	0	0	0	£120,000 - £124,999	0	0	0	0
0	0	1	1	£125,000 - £129,999	0	0	0	0
0	0	0	0	£130,000 - £134,999	0	0	0	0
0	0	0	0	£135,000 - £139,999	0	0	1	1
0	0	1	1	£140,000 - £144,999	0	0	0	0
72	221	11	304	Total	135	270	9	414

Pension Benefits – Senior Councillors

Fourteen of the fifteen senior councillors participate in the pension scheme. The pension entitlements for these senior councillors for the year to 31 March 2024 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year. All senior councillors shown in the table are members of the Tayside Pension Fund and the pension figures shown relate to the benefits that the individual has accrued as consequence of their total local government service with Angus Council.

Table 7

* In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/23 £	Responsibility	Senior Councillor	In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/24 £	Accrued Pension Benefit at 31/03/24 £000	Accrued Pension Benefit at 31/03/24 lump sum £000	Accrued Pension Benefit Movement from 31/03/23 £000	Accrued Pension Benefit Movement from 31/03/23 lump sum £000
4,175	Civic Head/Provost	B Boyd	4,443	6	0	1	0
6,154	Leader of the Council & Convener of Policy & Resources	B Whiteside	6,835	4	0	1	0
4,795	Depute Leader 1 of the Council & Finance Convener	B Duff	5,126	7	0	1	0
4,741	Depute Leader 2 of the Council & Vice Convener of Policy & Resources & Vice Convener of Communities	K Braes	5,126	3	0	1	0
4,175	Convener of Families, Education & Justice (formerly Children & Learning)	L Devine	3,702	5	31	-2	31
3,342	Vice Convener of Families, Education & Justice (formerly Children & Learning)	M Shepherd	3,821	1	0	0	0
4,175	Convener of Communities	M McDonald	4,443	3	0	1	0
4,175	Convener of Development Standards	D Cheape	4,443	3	0	1	0
3,929	Vice Convener of Development Standards	B Durno	3,821	3	0	1	0
4,283	Convener of Scrutiny & Audit	C Fotheringham	4,443	6	0	1	0
3,738	Vice Convener of Scrutiny & Audit	G Nicol	3,821	4	0	1	0
3,587	Convener of Civic Licencing & Licencing Board & Spokesperson – Welfare Rights, Poverty & Equalities	G Meechan	4,443	1	0	1	0
3,342	Vice Convener of Civic Licencing & Licencing Board & Spokesperson – Youth Engagement & Opportunities	L Melville	3,821	1	0	0	0
3,342	Spokesperson – Environment & Active Travel	S Cowdy	3,821	1	0	0	0
57,953	Total		62,109	48	31	8	31

*2022/23 figures restated to remove Councillors who left in the prior year.

Pension Benefits – Senior Employees

The pension entitlements of senior employees for the year to 31 March 2024 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year. It is highlighted that the pension contributions relate to only those made when an individual has been an incumbent of a senior employee post. All senior employees shown in the table are members of the Tayside Pension Fund and the accrued pension benefit figures shown are those that the individual has accrued as consequence of their total local government service, in whichever post(s), with Angus Council (and its predecessors) or has transferred into the Fund from another employer.

Table 8

*In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/23 £	Post	Senior Employee	Note	In Year Pension Contributions paid by the Council to the Pension Fund Year to 31/03/24 £	Accrued Pension Benefit at 31/03/24 £000	Accrued Pension Benefit at 31/03/24 lump sum £000	Accrued Pension Benefit Movement from 31/03/23 £000	Accrued Pension Benefit Movement (lump sum) from 31/03/23 £000
23,848	Chief Executive	M Williamson	1	18,962	60	77	-20	72
17,256	Chief Executive (from 01.01.24) and Director of Children, Families & Justice (Chief Social Work Officer - until 31.12.23)	K Lindsay	1	19,285	43	37	6	4
21,724	Depute Chief Executive	M Armstrong		23,038	60	63	7	3
17,256	Director of Education & Lifelong Learning (Chief Education Officer)	K McIntosh		18,300	12	0	3	0
17,256	Director of Vibrant Communities & Sustainable Growth	A Smith		18,300	43	47	5	3
0	Interim Director of Children, Families & Justice (Chief Social Work Officer)	K Lee	2	4,628	29	22	29	22
8,628	Director of Infrastructure & Environment	G Dailly		18,300	34	25	7	5
17,943	Director of Finance (Section 95 Officer)	I Lorimer		19,028	59	83	6	5
17,256	Director of HR, Digital Enablement, IT & Business Support	S Faulkner		18,300	59	92	5	5
17,256	Director of Strategic Policy, Transformation & Public Sector Reform	V Smith	3	7,821	34	206	-17	131
17,256	Director of Legal, Governance & Change (formerly Legal & Democratic Services) (Monitoring Officer)	J Buchanan		18,300	34	0	5	0
175,679		Total		184,262	467	652	36	250
	Subsidiary Body: ANGUSalife							
17,256	Chief Executive	K Hunter	4	17,948	19	0	4	0
0	Chief Executive (Acting up)	C Knight	4	13,644	29	21	14	21
0	Chief Executive (Acting up)	I Stevens	4	13,638	31	27	16	27
17,256	Total			45,230	79	48	34	48

*2022/23 figures restated to remove an employee who left in the prior year.

Notes:

1. M Williamson retired from post on 31 December 2023 and K Lindsay commenced in post on 1 January 2024.
2. K Lee commenced in post on 1 January 2024.
3. V Smith retired from post on 1 September 2023.
4. From 5 May 2023 C Knight and I Stevens jointly acted up to cover the Chief Executive post.

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year. The relevant information relating to 2023/24 can be found in the table below.

	Central function employees	Education function employees
Trade union representatives	21	20
FTE trade union representatives	17.93	18.10
Percentage of working hours spent on facility time		
0% to 0.99% of working hours	11 representatives	5 representatives
1% to 50% of working hours	9 representatives	15 representatives
51% to 99% of working hours	0 representatives	0 representatives
100% of working hours	1 representative	0 representatives
Total pay bill and facility time costs		
Total pay bill	£116,842,813.06	£82,215,661.88
Total cost of facility time	£68,603.96	£69,119.62
Percentage of pay spent on facility time	0.058%	0.084%
Paid trade union activities		
Hours spent on paid facility time	2521.75	1934
Hours spent on paid trade union activities	174	91
Percentage of total paid facility time hours spent on paid TU activities	6.90%	4.70%

Audit Review (Page 126-128)

The following information in the Remuneration Report will be audited by Audit Scotland:-

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Senior Councillor's Remuneration – Page 38

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The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements and with the auditor's knowledge and are not otherwise misleading.

Kathryn Lindsay

Chief Executive

Councillor Bill Duff

Leader of the Council

The Statement of Responsibilities

The Authority's Responsibilities

The authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the authority has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Director of Finance;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- Approve the Annual Accounts for signature. (Approval is formally delegated to the Scrutiny & Audit Committee)

I confirm that these Annual Accounts were approved for signature by the Scrutiny & Audit Committee on 24 September 2024.

Signed on behalf of Angus Council

Councillor Bill Duff
Leader of the Council

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Director of Finance, has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Director of Finance has also:

- Kept adequate accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statement of accounts give a true and fair view of the financial position of the local authority and its group at the reporting date and the transactions of the local authority and its group for the year ended 31 March 2024.

Ian Lorimer CPFA
Director of Finance

Movement in Reserves Statement as at 31 March 2024

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and housing rent setting purposes. The "Net increase / decrease before transfers to earmarked reserves" line shows the statutory General Fund Reserve and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Reserve £m	Housing Revenue Account £m	Capital Grants Unapplied £m	Renewal & Repair Fund £m	Capital Funds £m	Insurance Fund £m	Total Usable Reserves £m	Unusable Reserves £m	Total Council Reserves £m
Balance at 31 March 2022	56.207	4.370	1.128	1.498	2.988	1.592	67.783	695.588	763.371
<u>Movement in reserves during 2022/23</u>									
Surplus or (deficit) on provision of services	(41.194)	(3.880)	0.000	0.000	0.000	0.000	(45.074)	0.000	(45.074)
Other Comprehensive Expenditure and Income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	106.355	106.355
Total Comprehensive Expenditure and Income	(41.194)	(3.880)	0.000	0.000	0.000	0.000	(45.074)	106.355	61.281
Adjustments to usable reserves permitted by accounting standards	8.838	0.000	0.000	0.000	0.000	0.000	8.838	(8.838)	0.00
Adjustments between accounting & funding basis under regulations (Note 5)	44.262	5.914	0.850	0.000	(1.403)	0.000	49.623	(49.462)	0.161
Net Increase/ Decrease before Transfers to Earmarked Reserves	11.906	2.034	0.850	0.000	(1.403)	0.000	13.387	48.055	61.442
Transfers to/from Earmarked Reserves (Note 6)	3.101	(2.218)	(0.039)	(0.716)	0.043	(0.171)	0.000	0.000	0.000
Increase / Decrease in Year	15.007	(0.184)	0.811	(0.716)	(1.360)	(0.171)	13.387	48.055	61.442
Balance at 31 March 2023 carried forward	71.214	4.186	1.939	0.782	1.628	1.421	81.170	743.643	824.813
<u>Movement in reserves during 2023/24</u>									
Surplus or (deficit) on provision of services	(20.977)	(0.718)	0.000	0.000	0.000	0.000	(21.695)	0.000	(21.695)
Other Comprehensive Expenditure and Income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(10.045)	(10.045)
Total Comprehensive Expenditure and Income	(20.977)	(0.718)	0.000	0.000	0.000	0.000	(21.695)	(10.045)	(31.740)
Adjustment to usable reserves permitted by accounting standards	23.263	0.000	0.000	0.000	0.000	0.000	23.263	(23.263)	0.000
Adjustments between accounting & funding basis under regulations (Note 5)	(14.996)	1.938	(0.782)	0.000	(0.128)	0.000	(13.968)	14.274	0.306
Net Increase/ Decrease before Transfers to Earmarked Reserves	(12.710)	1.220	(0.782)	0.000	0.128)	0.000	(12.400)	(19.034)	(31.434)
Transfers to/from Earmarked Reserves (Note 6)	2.199	(0.961)	(0.233)	(0.306)	0.038	(0.737)	0.000	0.000	0.000
Increase / Decrease in Year	(10.511)	0.259	(1.015)	(0.306)	(0.090)	(0.737)	(12.400)	(19.034)	(31.434)
Balance at 31 March 2024 carried forward	60.703	4.445	0.924	0.476	1.538	0.684	68.770	724.609	793.379

Comprehensive Income and Expenditure Statement (CIES) for the year to 31 March 2024

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2022/23 Restated				2023/24			
Gross Spend £m	Gross Income £m	Net Spend £m	Service	Gross Spend £m	Gross Income £m	Net Spend £m	Net Budget £m
171.305	(20.851)	150.454	Education & Lifelong Learning	183.020	(20.179)	162.841	163.036
57.027	(11.581)	45.446	Infrastructure & Environment	61.311	(16.065)	45.246	44.008
30.043	(3.138)	26.905	Children, Families & Justice	31.871	(3.866)	28.005	26.761
11.689	(0.187)	11.502	Human Resources, OD, Digital Enablement, IT & Business Support	11.680	(0.499)	11.181	11.022
12.028	(0.925)	11.103	Legal, Governance & Change	12.141	(1.542)	10.599	10.456
30.894	(23.856)	7.038	Vibrant Communities & Sustainable Growth	30.995	(24.544)	6.451	7.363
5.281	(1.431)	3.850	Finance	4.628	(1.736)	2.892	3.093
3.269	(1.671)	1.598	Chief Executives	1.864	(0.688)	1.176	1.188
16.220	(5.675)	10.545	Other Services	19.938	(9.860)	10.078	15.753
0.904	(0.000)	0.904	Corporate Items	1.419	0.000	1.419	4.682
0.496	(3.218)	(2.722)	Ukraine Support Grant	0.000	0.000	0.000	0.000
0.825	(0.008)	0.817	Joint Boards	0.802	(0.008)	0.794	0.794
339.981	(72.541)	267.440	General Fund Net Expenditure	359.669	(78.987)	280.682	288.156
165.163	(95.962)	69.201	Adult Services*	170.647	(101.899)	68.748	68.748
37.738	(31.393)	6.345	Housing Revenue Account	35.858	(31.631)	4.227	4.698
542.882	(199.896)	342.986	Net Cost of Services	566.174	(212.517)	353.657	361.602
		(0.181)	Other Operating Expenditure – (Gain)Loss on disposal of non-current assets			(0.095)	
		15.201	Financing and Investment Expenditure & Income (Note 7)			(1.323)	
		(312.932)	Taxation and Non-Specific Grant Income (Note 8)			(330.544)	
		45.074	Deficit on Provision of Services			21.695	
		(72.202)	(Surplus) or deficit on revaluation of non-current assets			(4.034)	
		(34.153)	Re-measurements of the net pension liability			14.079	
		(106.355)	Other Comprehensive (Income)/Expenditure			10.045	
		(61.281)	Total Comprehensive (Income)/Expenditure			31.740	

*Adult Services (Angus Health & Social Care Partnership Integration Joint Board) expenditure and income above have been grossed up in accordance with financial reporting treatment in line with LASAAC guidance.

Balance Sheet as at 31 March 2024

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

31/3/2023 £m		Notes	31/3/2024 £m
1,060.132	Property, Plant & Equipment	11	1,048.358
8.070	Heritage Assets	12	8.070
3.252	Investment Property		3.252
1.904	Assets Held for Sale		1.904
0.475	Long Term Investments	28	0.466
2.022	Long Term Debtors	13	1.870
1,075.855	Long Term Assets		1,063.920
75.449	Short Term Investments	28	47.634
0.345	Inventories		0.345
28.309	Short Term Debtors	14	41.579
12.655	Cash and Cash Equivalents	15	2.910
116.758	Current Assets		92.468
(8.148)	Short Term Borrowing	28	(5.933)
(74.325)	Short Term Creditors	16	(83.390)
(82.473)	Current Liabilities		(89.323)
(134.640)	Long Term Borrowing	28	(129.600)
(8.852)	Pension Liability	21	(8.764)
(141.835)	Other Long Term Liabilities	31	(135.322)
(285.327)	Long Term Liabilities		(273.686)
824.813	<u>Net Assets</u>		793.379
81.170	Usable Reserves	6	68.770
743.643	Unusable Reserves	17	724.609
824.813	<u>Total Reserves</u>		793.379

The unaudited financial statements were issued on the 28 June 2024 and the audited financial statements were authorised for issue by the Director of Finance on 24 September 2024

Ian Lorimer CPFA
Director of Finance

Cash Flow Statement as at 31 March 2024

This Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

31/3/2023 £m		31/3/2024 £m
(45.074)	Net Surplus/(Deficit) on the Provision of Services	(21.695)
	Adjustment for Non-Cash Movements	
58.040	Depreciation and Impairments	64.205
1.335	Non current asset adjustments	0.258
20.340	Retirement benefits	(14.167)
0.000	Net movement in stock	0.000
(2.905)	Net movement in debtors	(9.364)
11.847	Net movement in creditors and provisions	7.860
0.405	Other Internal accounts adjustments	(0.415)
89.062		48.377
	Adjustments for Items Shown Within Investing and Financing Activities	
(1.515)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(0.353)
(18.254)	Capital grants and contributions applied to capital financing	(24.763)
(19.769)		(25.116)
24.219	Net Cash Inflows from Operating Activities *	1.566
(36.129)	Purchase of property, plant and equipment, investment property and intangible assets	(48.105)
(2.500)	Sale/(Purchase) of Short Term and Long Term Investments	28.003
0.890	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2.758)
18.695	Capital grants, receipts and contributions applied to capital financing	24.028
(19.044)	Net Cash Outflow from Investing Activities	1.168
0.000	Cash receipts of short and long-term borrowing	0.000
(5.082)	Cash repayments of short and long-term borrowing	(7.539)
(6.299)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(6.503)
1.083	Other receipts from financing activities	1.563
(10.298)	Net Cash In/(Outflows) from Financing Activities	(12.479)
(5.123)	Net Increase / (Decrease) in Cash and Cash Equivalents	(9.745)
17.778	Cash and Cash Equivalents at the Beginning of the Reporting Period	12.655
12.655	Cash and Cash Equivalents at the End of the Reporting Period	2.910

The cash flows from operating activities in 2023/24 include interest received of £4.491million (2022/23, £1.520 million) and interest paid of £16.947 million (2022/23, £17.166 million)

Notes to the Accounts

Note 1 – Summary of significant Accounting Policies

A(i). General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, with Section 12 of the Local Government in Scotland Act 2003 requiring them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

A(ii). Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

B. Disposal of Operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:-

- The sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the accounting period or before the earlier of: three months after the commencement of the subsequent accounting period; or the date on which the draft financial statements are issued;
- If a termination, the former activities have ceased permanently;
- The sale or termination has a material effect on the nature and focus of the Council's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the Council's continuing operations; and
- The assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Income and expenditure directly related to discontinued operations is shown separately on the face of the Comprehensive Income & Expenditure Statement (CIES) under the heading of discontinued operations. Liabilities relating to discontinued operations are disclosed separately in a note to the Balance Sheet.

C. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable on demand without penalty, on notice of not more than 24 hours or 1 working day.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. In this regard, fixed term deposits are not highly liquid and are not readily convertible to cash and are therefore not cash equivalents, regardless of the period remaining to maturity at the balance sheet date - unless a particular deposit matures on the next working day following the balance sheet date. Notice accounts are considered to be fixed deposits for the purposes of treatment under this policy.

Bank overdrafts, where evident, are considered to be an integral part of the Council's cash management and are thus included within cash and cash equivalents.

D. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

General

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E(i). Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts, where applicable, to record the cost of holding Non-Current Assets during the year:-

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, impairment or revaluation losses or amortisations. However, it is required to make an annual contribution from revenue to contribute towards the reduction in its overall borrowing requirement and does so through loans fund principal charges. Depreciation, impairment losses and amortisations are therefore replaced by capital financing charges in the General Fund and Housing Revenue Account Balances. This is achieved by way of an adjusting transaction in the Capital Adjustment Account in the Movement in Reserves Statement based upon the difference between the two figures.

E(ii) Review of Loans Fund Policy

The objective of the policy is to support a sustainable and deliverable longer-term revenue budget strategy, whilst ensuring that provision remains prudent and appropriate to the benefits that are provided from the associated capital expenditure.

The repayment of loans fund advances is based on:

- the period set for which each advance is to be repaid to the loans fund; and

- the annuity interest rate (the method used which links the repayment of the borrowing to the flow of benefits from an asset where the benefits are expected to increase in later years).

The statutory guidance identifies that the broad aim of a prudent repayment is to ensure that the repayments of a loans fund advance, in relation to the repayment period and each year's repayment amount, are reasonably commensurate with the period and pattern of the benefits provided to the community from the capital expenditure.

The Council uses a simplified annuity method that uses an average repayment period for all loans fund advances and reflects the prudence requirement as stated above, i.e. that it is commensurate with the benefits provided by the capital expenditure.

The statutory duty to administer the loans fund in accordance with prudent financial management extends to the interest rate selected for the annuity calculation. The statutory guidance does not advise on what is an appropriate interest rate for the annuity but suggests that a local authority should set out their policy on interest rate selection and apply that policy consistently.

F. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits such as wages and salaries, paid annual leave, paid sick leave and non-monetary benefits (e.g. vehicles) for current employees that fall due wholly within 12 months after the end of the period in which the employees render the related service, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to the Other Services line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to either terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:-

- a) The Scottish Teachers' Pension Scheme, administered by the Scottish Public Pensions Agency (SPPA); and
- b) The Local Government Pension Scheme, administered by Dundee City Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), which are earned as employees accumulate qualifying service for the Council.

- a) Scottish Teachers Pension Scheme

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified specifically to the Council. The scheme is, therefore, accounted for as if it were a defined contributions scheme. In light of this no liability for future payments of benefits is recognised in the Balance Sheet and the Education & Lifelong Learning service line in the Comprehensive Income and Expenditure Statements is charged with the employer's contributions payable to the Scottish Teachers Pension Scheme in the year.

- b) The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:-

- The liabilities of the Tayside Pension Fund pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds; and
- The assets of the Tayside Pension Fund attributable to the Council are included in the Balance Sheet at their fair value based upon the following:-
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price; and
 - property – market value.

The change in the net pension asset / liability is analysed into seven components:-

- current service cost – the increase in liabilities as a result of years of service earned this year. These are allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked at 31 March;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. These are debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Other Services;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. These are debited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return. These are credited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains / losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees. These are debited / credited to the Surplus / Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Other Services;
- re-measurements of the net pension asset / liability – changes in the net pensions asset / liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These are credited / debited to the Pensions Reserve; and
- contributions paid to the Tayside Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense within the Comprehensive Income & Expenditure Statement, rather per IAS 19 the increase or decrease in pension cost liability is shown. This is offset through the Movement on Reserve Statement.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G. Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:-

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events. However, where a category of events would have a material effect, a disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

H. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and then carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied (where appropriate) by the effective rate of interest (EIR) for the instrument. The EIR is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, no EIR adjustment is necessary and the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement. An EIR adjustment could however be required where borrowing or investment interest rates are stepped or variable.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. The Council's policy in respect of premiums / discounts arising from debt restructuring is to debit / credit these in full to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of restructuring.

Where premiums and discounts were incurred prior to 1 April 2006 and were scheduled to be charged to the Comprehensive Income and Expenditure Statement on an amortised basis, regulations allow the impact on the General Fund Balance to continue to be spread over future years and this is applied by the Council.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

I. Financial Assets

Loans and Receivables

These are assets which have fixed or determinable payments but are not quoted in an active market.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. In subsequent years they are measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where soft loans (loans at less than market rates) are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the debtor, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year. In light of this the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Available-for-Sale Assets

These are assets which have a quoted market price and / or do not have fixed or determinable payments.

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at, and thereafter carried at, fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Information regarding the Council's approach to calculating fair values is contained in note 29, however the following broad principles can be noted:-

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis; and
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value would, where applicable, be balanced by an entry in an Available-for-Sale Reserve and the gain / loss recognised in the Surplus / Deficit on Revaluation of Available-for-Sale. The exception would be where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain/loss for the asset accumulated in the Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains / losses previously recognised in the Statement of Recognised Gains and Losses.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

J. Foreign Currency Transactions

The Council carries out only negligible foreign currency transactions in any year and these are processed on the basis of prevailing market exchange rates.

K. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:-

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant

or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the person or body providing the grant or contribution.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

L. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (eg. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

M. Interests in Companies and Other Entities

The Council has material interests in other entities that have the nature of subsidiaries, associates and jointly controlled entities which require the preparation of group accounts. Group accounts are included after the Council's own single-entity accounts which record the extent of financial interest in other entities.

N. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

O. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment properties are not depreciated but are revalued as part of the 5 year rolling programme according to market conditions at time of revaluation. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

P. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken in conjunction with other ventures that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council would recognise on its Balance Sheet the assets that it controls and the liabilities that it incurs and would debit and credit

the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by other venturers, with the assets being used to obtain benefits for the venturers. The joint venture would not involve the establishment of a separate entity. The Council would account for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

Q. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a Long Term Liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

Lease payments are apportioned between:-

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under a finance lease is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance. This is achieved by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement based upon the difference between the two figures.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on the basis of the actual charge due for the year under the terms of the lease. Initial direct costs incurred in negotiating and arranging the lease are charged as an expense in the year incurred.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is removed from Non-Current Assets (Property, Plant & Equipment or Assets Held for Sale) and a Long Term Debtor created to recognise the finance lease asset.

Lease rentals receivable are apportioned between:-

- income towards the lessee's acquisition of interest in the asset – applied to write down the Long Term Debtor; and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited as income to the services that hold the item of property, plant or equipment. Income is credited on the basis of the actual income due for the year under the terms of the lease. Initial direct costs incurred in negotiating and arranging the lease are charged as an expense in the year incurred.

R. Overheads

The costs of overheads are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP).

S. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:-

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:-

- infrastructure, community assets and assets under construction – depreciated historical cost;
- council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH); or
- all other assets – fair value, determined using the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

For non-property assets that have short useful lives or low values (or both), the depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the

reversal of an impairment loss previously charged to a service. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. Receipts received are required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Usable Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement. It is the Council's policy to fully utilise receipts to reduce borrowing in the year they are received unless formally approved otherwise.

The written-off value of disposals is not a charge against council tax, as the cost of Non-Current Assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is not charged in the year of acquisition but thereafter the straight line method of depreciation is applied where appropriate. An exception is made for assets without a determinable finite useful life (ie, freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:-

Asset Category	Depreciation Bases	Useful Life
Council Dwellings	Straight – line allocation over the useful life	50 years
Other Buildings	Straight – line allocation over the useful life estimated by valuer	Maximum of 60 years, determined by valuer
Vehicle & Equipment	Straight – line allocation over its useful life	4-10 years varies depending on class of asset

Infrastructure	Straight – line allocation	20-60 years
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Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Componentisation refers to accounting separately for the different component parts of assets, particularly for depreciation purposes.

Criteria for Assessment for Componentisation

An individual asset will only be considered for componentisation if it meets the following criteria:

- It is an operational asset (assets under construction will only be considered once they become operational);
- It has an overall asset value exceeding £1.5m at the balance sheet date;
- It has an overall remaining useful life exceeding 25 years at the balance sheet date.

Assets not meeting the above criteria will not be split into components and will be treated as a single asset for non-current asset accounting purposes.

Asset Components

Assets which meet the criteria for assessment will be split into their significant components where these have substantially different useful economic lives.

Council dwellings are valued as beacons and each beacon will be treated as an individual asset and therefore componentised based on the components set out below.

In this regard, the following components have been established:

Component		Useful Life	% of Valuation
Land	Land	N/A	N/A
Other Buildings	Substructure, superstructure and internal finishes	60 years	35%
Council Dwellings	Substructure, superstructure and internal finishes	50 years	35%
Fittings	Windows, roof covering, services, internal fittings	20 years	50%
External Works		30 Years	15%

The above component split should apply to the majority of property assets meeting the criteria for assessment, but each asset will be reviewed by Angus Council and the external valuer. If the above split is not considered appropriate, further steps will be taken to establish appropriate alternative components.

Component categories for other assets will be considered as necessary but will follow the principles of the categories outlined above.

Where an individual component is subsequently replaced, the carrying amount of the old component is derecognised to avoid double counting and the new component reflected in the carrying amount. In relation to Council dwellings, components replaced will not be derecognised as the values to be removed would be insignificant.

T. Heritage Assets

The council holds and conserves heritage assets for future generations in support of the primary objective of increasing knowledge, understanding and appreciation of the history of the area of Angus.

All Heritage Assets are recorded within catalogues or inventories held by the Council with only the assets having a fair value of £0.100 million or more being recognised and recorded on the balance sheet in accordance with the Council's policy on Heritage Assets.

The figures disclosed in the balance sheet are based on the assessment used for Insurance purposes by the Council. Any increase or decrease in these values will be charged to either a previous revaluation reserve or to the Comprehensive Income & Expenditure Statement.

An impairment review will be conducted every year and if there is any indication that material differences are estimated these will be treated in accordance with the property, plant and equipment policy on impairments.

It is not normal for the Council to dispose of Heritage Assets but if this is the case these disposals will be treated in accordance with the Council's general policy in relation to the disposal of property, plant and equipment.

Depreciation is not applied to Heritage Assets as it is considered these all have indefinite lives.

U. Private Finance Initiative (PFI), Public Private Partnership (PPP) and Similar Contracts (Service Concessions)
 These contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Council is deemed to control the services that are provided under its schemes and as ownership of the property, plant and equipment either remains with the Council or will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the operators each year are analysed into five elements:-

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- Payment towards liability – applied to write down the Balance Sheet liability towards the operator (the profile of write-downs is calculated using the same principals as for a finance lease); and
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Service Concession Arrangement flexibility application

The Scottish Government's 2022 Resource Spending Review contained details of a Service Concession Arrangement (SCA) flexibility that related to the Council's PFI / PPP projects. The flexibility permits councils to undertake internal accounting changes that extend the period over which the principal repayment of the unitary charge can be made which results in a one-off credit to the General Fund and ongoing annual savings for a period of time. In the remaining years following the end of the SCAs, the rescheduled debt repayments continue until the debt liability has been extinguished. The Statutory Regulation in relation to this matter, Local Government Finance Circular 10/2022 (FC 10/2022), was published in September 2022.

FC 10/2022 replaces the 2010 version that covered this area and permits the authority to apply a temporary flexibility for service concession arrangements entered prior to April 2022. The Circular sets out the accounting requirements and the options permitted for the recognition of repayments of the principal element of the lease component or the lease liability for the year and the temporary flexibility for SCAs entered prior to 1 April 2022.

The Council has applied the permitted change in the calculation of the statutory charge in 2022-23 and the adopted approach has been applied across all four such arrangements held by the Council in line with the key accounting principle of consistency. Note that this approach has not been applied to the SCA for Beech Hill House which is controlled by the Angus Health Social Care Partnership.

The annual unitary charge will continue to be paid to the contractor over the contract period. The guidance applies to principal and not to interest, service charge costs or grant. These will continue to be accounted for over the contract period.

Annuity method for revised repayment of debt liability

The recalculation of the debt liability charges applies the annuity method to calculate the revised repayments. This method best represents the consumption of the assets over their useful lives.

This methodology is applied within the Councils current Loans Fund repayment policy. The use of an annuity method for the writing down of the PPP debt liability therefore ensures a consistent approach for the writing down of all debt which is financing capital expenditure, in that;

- The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now.
- The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, considering the real value of the amounts when they fall due.
- The annuity method is a prudent basis for providing for assets that provide a steady flow of benefits over their useful life.

Useful Economic Life

The most appropriate asset life for the calculation is considered to be 50 years for buildings and 40 years for roads infrastructure which replicates the useful asset life of other similar type assets held on the Council's balance sheet.

Capital Financing Requirement

The reprofiling of the debt liability repayments over the life of the asset rather than the life of the contract increases the Capital Financing Requirement (CFR) as at 1 April 2022. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period.

Accounting Treatment

The statutory adjustment under FC 10/2022 can be made as at 1 April in the year the revised repayments are applied. This option has been exercised in 2022-23 and has been applied retrospectively. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2022 results in a retrospective debit to the Capital Adjustment account in 2022-23 with a corresponding credit in the Movement in Reserves Statement within the General Fund. Further in year annual reductions will be applied along similar lines as the retrospective adjustment until the end of the contract period for each of the four SCAs. Thereafter the revised charges will result in higher costs being charged to the General Fund than the current repayment profile until the end of the UEL.

V. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that is likely to require settlement by a transfer of economic benefits or service potential and where a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation. They are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision within the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service where there is certainty that reimbursement will be receivable if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

W. Reserves

The Council holds two categories of reserves, Usable and Unusable.

Usable Reserves – the Council holds a number of Usable Reserves in line with statutory provisions and these are used in the management of the Council's finances subject to the need to maintain a prudent level of reserve.

When expenditure is to be financed from a reserve, the funds are uplifted to the appropriate service in that year and are included in the Net Cost of Service line of the Comprehensive Income and Expenditure Statement. This ensures there is no net charge against council tax for the expenditure.

Unusable Reserves – the Council holds a number of Unusable Reserves which are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and they do not represent usable resources for the Council.

X. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

Y. Value Added Tax (VAT)

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

Z. Common Good

Following exercises to review legal titles, etc. there are occasions when it is necessary for the transfer of assets between the General Fund and Common Good accounts and vice versa. Each transfer between the Common Good and the General Fund, and vice versa, will be considered on a case by case basis. For current year transfers, accounting adjustments will be made effective on the date of the transfer. Where the actual transfer has occurred in a previous year but has not been identified until a later year, the accounting adjustments will be made on 1 April in the year that the asset transfer is identified.

Restatements

Where appropriate prior year information will be restated in order to reflect the incumbent guidance and legislation. In addition restatements will take place when it is deemed that this will make a material improvement to the information included in the accounts. All restatements will be applied within the context of the Council's accounting policies.

Note 2 - Accounting Standards Issued, but Have not Yet Been Adopted

The Code requires disclosure of the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following accounting standards, relevant to Angus Council, have been issued but not yet been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by The Code:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
 - specify that an entity's right to defer settlement must exist at the end of the reporting period
 - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
 - clarify how lending conditions affect classification, and
 - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.

The amendments are effective for annual periods beginning on or after 1 January 2024 and there is, therefore, no impact on the 2023/24 financial statements.

The implementation of IFRS 16 for Lease Accounting which was planned to have been adopted with effect from 1 April 2022 has now been deferred until 1 April 2024 with local authorities having the option to adopt earlier if they decide to do so. This standard replaces IAS 17 and removes the operating classification for leases, eliminating the ability for organisations to keep operating leases off balance sheet, by reporting them as a note to the accounts. With the new standard all leases will be considered finance leases unless they meet the specific exception criteria. The Council has opted to defer implementation until 1 April 2024.

In 2024/25, Angus Council will apply IFRS16 Leases as adopted by the Code of Accounting Practice. IFRS16 will mean that the majority of leases where the Council act as lessee will come onto the balance sheet and lessor accounting is effectively unchanged.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures.

As a lessee, Angus Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

Angus Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

It is anticipated that the application of the Code's adaptation of IFRS16 will result in additions to the Councils balance sheet within Property, plant and equipment (right of use assets), Non-current creditors (lease liabilities) and Current creditors (lease liabilities) however at this stage the impact is not known.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statements of Accounts are:

Public Sector Funding

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and to reduce levels of service provision.

Employee Benefits

The accrual in relation to employee benefits is estimated on the basis of sampled information provided by managers regarding outstanding annual leave.

Council Tax Provision

The bad debts provision is based on an average of the lowest five collection years since 1993/94. This careful and prudent approach protects against any significant detrimental changes to payment patterns including those which may arise from the current cost of living challenges for Angus taxpayers.

Council House Valuation

The valuation of the Council's housing stock is undertaken on the basis of a beacon approach. Through this approach only a limited number of representative houses are valued and the total stock valuation is extrapolated from this.

Asset Valuations

The Council employs professional valuers who are registered with the Royal Institution of Chartered Surveyors. These valuers carry out regular reviews of the value of assets reported in the Balance Sheet and any significant changes in value are processed as asset revaluations or impairments. These values are based on their professional opinion using available market information at the time of assessment.

Note 4 - Assumptions made about the Future and other Major Sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by Angus Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance on those assets not funded through the Housing Revenue Account, bringing into doubt the useful lives assigned to non-housing assets. The carrying amount of PPE at 31 March 2024 is £1,048.357 million.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase for every year that useful lives had to be reduced. (See note 11 and policy S)
Pensions Liability	Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Turbulence in world markets arising from the COVID-19 pandemic has created medium-term uncertainty about scheme assets. A firm of consulting actuaries is engaged to provide the Tayside Pension Fund with expert advice about the assumptions to be applied. The net pension liability at 31 March 2024 is £8.764 million and this has moved from a net liability of £8.852 million. This is in the main due to a minimal increase in the discount rates and no change in the future inflation assumptions.	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £10.806 million.</p> <p>Although the effect on the net pension liability of changes in assumptions can be measured, the assumptions interact in complex ways. Movements in corporate bond yields and inflation can have a significant impact on the discount rate used to calculate pension liabilities. This in turn can have a substantial impact on the IAS19 balance sheet position.</p>
Inflation	<p>Inflation continued at high levels during 2023/24 following the increases evident during 2022/23. This was particularly prevalent for commodities such as energy and construction materials. Inflation has, however, fallen quickly during the early part of 2023/24 and thus the potential for impact upon the Council's energy budget, pay settlements and capital programme have been mitigated. Future inflation levels are now considered to be likely to stabilise around the UK Government's long-term aim of a 2% target.</p> <p>The only aspect of the Council's accounts dependent upon future inflation levels are the assessments of assets and liabilities pertaining to the pension schemes.</p>	The assumptions regarding inflation are set out in Note 21 (Defined Benefit Pension Schemes). A sensitivity analysis is also set out in Note 21 to demonstrate the impact of changes in factors related to inflation e.g. pay increases.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 5 – Expenditure Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2023/24	General Fund Balance £m	Housing Revenue Account £m	Capital Grants Unapplied £m	Capital Funds £m	Unusable Reserves £m
Charges for depreciation and impairment of non-current assets	28.335	12.884	0.000	0.00	(41.219)
Revaluation losses on property Plant and Equipment	(0.277)	0.000	0.000	0.000	0.277
Capital grants and Contributions applied	(19.580)	(4.296)	0.105	0.000	23.771
Revenue expenditure funded from Capital under statute	4.049	0.000	0.000	0.000	(4.049)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(0.050)	(0.045)	0.000	0.000	0.095
Statutory provision for the financing of capital investment	(9.128)	(1.913)	0.000	0.000	11.041
Capital expenditure charged against the General Fund and HRA balances - CFCR	(5.290)	(4.122)	0.000	0.000	9.412
Capital grants and contributions applied to capital financing	0.000	0.000	(0.887)	0.000	0.887
Other Adjustments	0.306	0.000	0.000	0.000	(0.306)
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	(0.128)	0.128
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(0.206)	0.000	0.000	0.000	0.206
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(13.592)	(0.575)	0.000	0.000	14.167
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.437	0.005	0.000	0.00	(0.442)
Adjustment between CAA and Revaluation Reserve for depreciation that is related to the revaluation balance rather than Historic Cost.	23.263	0.000	0.000	0.000	(23.263)
Total Adjustments	8.267	1.938	(0.782)	(0.128)	(9.295)

Comparative Figures in 2022/23	General Fund Balance £m	Housing Revenue Account £m	Capital Grants Unapplied £m	Capital Funds £m	Unusable Reserves £m
Charges for depreciation and impairment of non-current assets	34.338	15.077	0.000	0.000	(49.415)
Revaluation losses on property Plant and Equipment	(0.213)	0.000	0.000	0.000	0.213
Capital grants and Contributions applied	(13.458)	(3.928)	(0.018)	0.000	17.404
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(0.199)	0.018	0.000	0.000	0.181
Statutory provision for the financing of capital investment	9.565	(1.549)	0.000	0.000	(8.016)
Capital expenditure charged against the General Fund and HRA balances - CFCR	(4.706)	(4.473)	0.000	0.000	9.179
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(0.868)	0.000	0.868	0.000	0.000
Other Adjustments	0.000	0.017	0.000	0.000	(0.017)
Use of the Capital Receipts Reserve to finance new capital expenditure	0.000	0.000	0.000	(1.403)	1.403
Amount by which finance costs charges to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(0.095)	0.000	0.000	0.000	0.095
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	19.592	0.748	0.000	0.000	(20.340)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.306	0.004	0.000	0.000	(0.310)
Adjustment between CAA and Revaluation Reserve for depreciation that is related to the revaluation balance rather than Historic Cost.	8.838	0.000	0.000	0.000	(8.838)
Total Adjustments	53.100	5.914	0.850	(1.403)	(58.461)

Note 6 - Transfers to/from Earmarked Reserves

This note sets out the amounts earmarked in the General Fund and HRA reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2022/23.

<u>Usable Reserves</u>	Opening Balance at 1/4/23 £m	Transfer Out 23/24 £m	Transfers In 23/24 £m	Closing Balance at 31/3/24 £m
Sub Total General Fund	71.214	(16.329)	5.818	60.703
Housing Revenue Account	4.186	(1.460)	1.719	4.445
Total General Fund	75.400	(17.789)	7.537	65.148
Insurance Fund	1.421	(1.309)	0.572	0.684
Renewal and Repairs Fund	0.782	(0.375)	0.069	0.476
Capital Funds	1.628	(4.531)	4.441	1.538
Capital Grants Unapplied	1.939	(1.119)	0.104	0.924
Total	81.170	(25.123)	12.723	68.770
<u>General Fund Commitments</u>				
Working Balance/Contingency (per existing policy)	5.000	0.000	0.000	5.000
Balance of 2022/23 Budget Setting – Toilets Accessible to All / Provision for Inflationary Pressures	0.600	(0.500)	0.000	0.100
Balance of 23/24 Budget Setting	31.479	(29.732)	0.000	1.747
Budget Setting 2024/25 – 4 Year Strategy – Admin motions	0.000	0.000	16.445	16.445
Budget Setting 2024/25 – Commitments Core General Fund	0.000	0.000	2.260	2.260
Budget Setting 2024/25 – Commitments Exceptional Cost Pressures Reserve	0.000	0.000	5.318	5.318
COVID-19 Contingency – exceptional pressure Reserve	2.841	(2.841)	0.000	0.000
Tay Cities Deal Fund	0.246	(0.005)	0.000	0.241
Change Fund (committee report 83/14 refers)	0.551	(0.228)	0.000	0.323
Investment Projects (approved as part of 2019/20 budget setting)	0.125	0.000	0.000	0.125
Service Developments (approved as part of 2020/21 budget setting)	0.311	(0.176)	0.000	0.135
Severance Costs Provision	0.937	(0.189)	0.000	0.748
Provision for Participatory Budgeting	0.282	0.000	0.000	0.282
ANGUSalve – Income Generation uncertainty/inability to deliver savings target in Change Programme	0.723	0.000	0.000	0.723
Scottish Welfare Fund	0.513	(0.082)	0.000	0.431
Affordable Housing Revenue Account	2.913	(0.707)	0.787	2.993
Return of IJB Reserves	0.546	(0.817)	2.380	2.109
COVID Expenditure	1.252	(0.492)	0.000	0.760
Prior Year Carry Forwards	1.546	(1.799)	0.892	0.639

Ukraine and Afghan Grant Funding	2.774	0.000	0.000	2.774
Prior Year Redetermination Monies	7.279	(1.856)	0.000	5.423
2023/24 Grants	0.000	0.000	4.813	4.813
20023/24 Redetermination Monies	0.000	0.000	4.073	4.073
Debt Charges	1.042	(1.042)	0.000	0.000
Additional Carry Forward Requests	0.245	(0.245)	0.000	0.000
Ringfenced Grants received in 2022/23 that need to be earmarked for future drawdown as per accounting regulations	5.272	(5.272)	0.000	0.000
Consolidation of Living Wage – Pay & Grading	0.350	(0.350)	0.000	0.000
Discretionary Housing Payments Funding	0.089	(0.089)	0.000	0.000
2023/24 Carry Forwards	0.000	0.000	0.075	0.075
Additional Commitments as per Policy & Resources Committee on 3 Sept 24	0.000	0.000	1.150	1.150
Car Parking Reserve	0.179	0.000	0.009	0.188
Arbroath Harbour Reserve	0.211	(0.029)	0.026	0.208
Specific Reserve	0.237	0.000	0.012	0.249
Devolved School Management	1.149	(1.149)	0.374	0.374
Total	68.692	(47.600)	38.614	59.706

Note 7 - Financing and Investment Income and Expenditure

2022/23 £m		2023/24 £m
17.269	Interest payable and similar charges	17.362
0.395	Net Interest on the defined benefit liability	(13.680)
(2.267)	Interest receivable and similar income	(4.675)
(0.196)	Share of Tayside Contracts (Surplus)/Deficit	(0.330)
15.201	Total Expenditure	(1.323)

Note 8 - Taxation and Grant Incomes

2022/23 £m		2023/24 £m
	Revenue tax and grant income:	
(54.304)	Council Tax Income	(57.832)
(26.160)	Non Domestic Rates	(27.934)
(214.214)	Scottish Government Revenue Grants	(220.902)
	Capital grants and contributions:	
(12.161)	Scottish Government General Capital Grant	(10.754)
(4.919)	Scottish Government Specific Capital Grants	(9.297)

(0.794)	Other capital grants	(3.674)
(0.380)	Other capital contributions	(0.151)
(312.932)	Total Income	(330.544)
	Credited to Services:	
(17.430)	Housing Benefit Grants	(17.174)
(0.230)	Educational Maintenance Allowance Grant	(0.217)
(2.043)	Criminal Justice Social Work Grant	(2.051)
(11.218)	Early Learning and Childcare Grant	(10.521)
(2.141)	Pupil Equity Fund/Attainment Scotland Fund	(2.304)
(0.266)	Scottish Government General Capital Grant for Capital Expenditure on 3 rd Party Assets	(0.354)
(33.328)	Total	(32.621)

Note 9 – Expenditure and Funding & Subjective Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the council tax and rent payers how the funding available to the Council (i.e. government grants, rents, fees and charges, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by councils in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Restated 2022/23				2023/24		
Expenditure Chargeable to the General Fund & HRA	Adjustments Between the Funding & the Accounting Basis	Net Spend CIES		Expenditure Chargeable to the General Fund & HRA	Adjustments Between the Funding & the Accounting Basis	Net Spend CIES
£m	£m	£m		£m	£m	£m
122.723	27.731	150.454	Education & Lifelong Learning	132.740	30.101	162.841
26.984	18.462	45.446	Infrastructure & Environment	29.353	15.893	45.246
24.378	2.527	26.905	Children, Families & Justice	27.875	0.130	28.005
8.826	2.676	11.502	HR, OD, Digital Enablement, IT & Business Support	9.875	1.306	11.181
8.816	2.287	11.103	Legal, Governance & Change	8.692	1.907	10.599
5.058	1.980	7.038	Vibrant Communities & Sustainable Growth	5.361	1.090	6.451
3.002	0.848	3.850	Finance	2.907	(0.015)	2.892
1.143	0.455	1.598	Chief Executives	1.181	(0.005)	1.176
10.404	0.141	10.545	Other Services	9.981	0.097	10.078
0.904	0.000	0.904	Corporate Items	1.419	0.000	1.419
0.817	0.000	0.817	Joint Boards	0.794	0.000	0.794
(2.722)	0.000	(2.722)	Ukraine Support Funding	0.000	0.000	0.0
210.333	57.107	267.440	General Fund Net Expenditure	230.178	50.504	280.682
63.842	5.359	69.201	Adult Services	67.981	0.767	68.748

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(9.484)	15.829	6.345	Housing Revenue Account (HRA)	(8.661)	12.888	4.227
264.691	78.295	342.986	Net Cost of Services	289.498	64.159	353.657
(297.731)	(0.181)	(297.912)	Other (income)/Expenditure	(318.187)	(13.775)	(331.962)
(33.040)	78.114	45.074	(Surplus) or Deficit on Provision of Services	(28.689)	50.384	21.695
(86.702)	(19.653)	(106.355)	Other Comprehensive (Income)/Expenditure	51.134	(41.089)	10.045
(119.742)	58.461	(61.281)	Total Comprehensive (Income)/Expenditure	22.445	9.295	31.740

2022/23		2023/24		
Total General Fund and HRA £m		General Fund £m	HRA £m	Total General Fund and HRA £m
60.577	Opening General Fund and HRA Balance	71.214	4.186	75.400
(45.074)	Less/Plus Surplus or Deficit on Provision of Services	(20.977)	(0.718)	(21.695)
59.897	Transfer to/from Other Reserves	10.466	0.977	11.443
75.400	Closing General Fund and HRA Balance	60.703	4.445	65.148

Notes to the expenditure and funding analysis, adjustments between funding and accounting basis.

2023/24				
Adjustments from the General Fund to Arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustments for Capital Purposes	Pensions Adjustments	Other Differences	Total Adjustments
	£m	£m	£m	£m
Education & Lifelong Learning	29.907	(0.133)	0.327	30.101
Infrastructure & Environment	15.945	(0.076)	0.024	15.893
Children, Families & Justice	0.165	(0.052)	0.017	0.130
Human Resources, OD, Digital Enablement, IT & Business Support	1.333	(0.039)	0.012	1.306
Legal, Governance & Change	1.918	(0.016)	0.005	1.907
Vibrant Communities & Sustainable Growth	1.110	(0.029)	0.009	1.090
Finance	0.000	(0.021)	0.006	(0.015)
Chief Executives	0.000	(0.008)	0.003	(0.005)
Other Services	0.098	(0.001)	0.000	0.097
Corporate Items	0.000	0.000	0.000	0.000
Tayside Joint Valuation Board	0.000	0.000	0.000	0.000
General Fund Net Expenditure	50.476	(0.375)	0.403	50.504
Adult Services	0.845	(0.112)	0.034	0.767
Housing Revenue Account (HRA)	12.883	0.000	0.005	12.888
Net Cost of Services	64.204	(0.487)	0.442	64.159
Other Income & Expenditure	(0.095)	(13.680)	(41.089)	(54.864)
Difference between General Fund Surplus or (Deficit) and Comprehensive Income and Expenditure Statement surplus or (Deficit) on the Provision of Services	64.109	(14.167)	(40.647)	9.295

Restated 2022/23				
Adjustments from the General Fund to Arrive at the Comprehensive Income & Expenditure Statement Amounts	Adjustments for Capital Purposes	Pensions Adjustments	Other Differences	Total Adjustments
	£m	£m	£m	£m
Education & Lifelong Learning	23.130	4.384	0.217	27.731
Infrastructure & Environment	15.263	3.180	0.019	18.462
Children, Families & Justice	0.157	2.355	0.015	2.527
Human Resources, Digital Enablement, Information Technology & Business Support	1.073	1.594	0.009	2.676
Legal, Governance & Change	1.643	0.640	0.004	2.287
Vibrant Communities & Sustainable Growth	0.779	1.193	0.008	1.980
Finance	0.000	0.843	0.005	0.848
Chief Executives	0.000	0.452	0.003	0.455

Other Services	0.061	0.080	0.000	0.141
Corporate Items	0.000	0.000	0.000	0.000
Adult Services	0.857	4.476	0.026	5.359
Total Angus Council Services	42.963	19.197	0.306	62.466
Tayside Joint Valuation Board	0.000	0.000	0.000	0.000
General Fund Net Expenditure	42.963	19.197	0.306	62.466
Housing Revenue Account (HRA)	15.077	0.748	0.004	15.829
Net Cost of Services	58.040	19.945	0.310	78.295
Other Income & Expenditure	(0.181)	0.395	(20.048)	(19.834)
Difference between General Fund Surplus or (Deficit) and Comprehensive Income and Expenditure Statement surplus or (Deficit) on the Provision of Services	57.859	20.340	(19.738)	58.461

Adjustments for Capital Purposes

This column includes depreciation and impairment of non-current assets, amortisation of intangible assets and gain on disposal of non-fixed assets.

Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income. This represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs; and the net interest on the defined benefit liability charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement relates to the Employee Benefit Accrual.

Subjective Analysis of Surplus or Deficit on the Provision of Services

2022/23		2023/24
£m		£m
207.574	Employee benefit expenses	202.574
271.081	Other service expenses	293.042
6.187	Support Service recharges	6.353
58.040	Depreciation, amortisation & impairment	64.204
17.664	Interest Payments	17.362
560.546	Total Expenditure	583.535
(199.896)	Fees, charges & other service income	(179.896)
(2.463)	Interest & Investment Income	(18.685)
(54.304)	Income from Council Tax	(57.832)
(258.628)	Government grants & contributions	(305.332)
(0.181)	Gain on disposal of non-current assets	(0.095)
(515.472)	Total Income	(561.840)
45.074	(Surplus) / Deficit on the Provision of Services	21.695

Note 10 - External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims provided by the Council's external auditors:

2022/23		2023/24
£m		£m
0.294	Fees payable to (external auditors) with regard to external audit services carried out by the appointed auditor for the year	0.312

Note 11 - Property, Plant and Equipment

Comparative Movements in 2023/24

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
Net Book Value	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 March 2023	345.050	524.009	14.177	132.149	4.718	3.679	36.350	1,060.132	112.018
Adjustment (note1)	0.000	1.666	0.000	0.000	0.000	0.000	0.000	1.666	0.000
Additions	12.256	4.329	4.956	10.927	0.278	0.076	15.830	48.652	1.433
Depreciation Charge	(12.767)	(36.414)	(3.661)	(11.483)	(0.038)	(0.116)	0.000	(64.479)	(9.527)
Revaluation increases/ (decreases) recognised in the RRA	(1.973)	4.308	0.000	0.000	0.000	0.000	0.000	2.335	0.000
Revaluation increases/ (decreases) recognised in the NCS	0.000	0.310	0.000	0.000	0.000	0.000	0.000	0.310	0.000
Disposals /Demolitions	(0.140)	0.000	(0.118)	0.000	0.000	0.000	0.000	(0.258)	0.000
Reclassified Assets Held for Sale	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reclassified Assets	10.124	0.463	0.000	11.003	0.000	(0.258)	(21.332)	0.000	0.000
31 March 2024	352.550	498.671	15.354	142.596	4.958	3.381	30.848	1,048.358	103.924
Gross Book Value	365.237	556.545	66.372	see note below	5.736	4.564	30.848	see note below	166.401
Accumulated Depreciation & Impairment	(12.687)	(57.874)	(51.018)	See note below	(0.778)	(1.183)	0.000	see note below	(62.477)
Net Book Value at 31 March 2024	352.550	498.671	15.354	142.596	4.958	3.381	30.848	1,048.358	103.924

Note 1 – As per committee report [293/23](#), 2 assets have been transferred to the General Fund from the Arbroath Common Good.

In relation to Infrastructure Assets the Council has elected to apply both statutory overrides allowed in Scottish Government Finance Circular [9/2022](#) (Statutory Override – Accounting for Infrastructure Assets). These constitute:

- Omission of the reporting of Gross Cost and Accumulated Depreciation and Impairment balances for infrastructure assets. On this basis the cross sub-total for Property, Plant and Equipment is also excluded. This has also been applied to the 2022/23 comparatives below.
- The existing carrying amount of a replaced infrastructure asset is treated as zero when replaced.

Movements in 2022/23

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
Net Book Value	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 April 2022	327.053	495.699	13.676	133.689	4.732	4.150	35.753	1,014.752	110.585
Additions	10.544	4.672	3.835	9.288	0.051	0.000	6.287	34.677	0.850
Depreciation Charge	(14.931)	(28.951)	(3.300)	(10.828)	(0.035)	(0.207)	0.000	(58.252)	(8.742)
Revaluation increases/ (decreases) recognised in the RRA	17.899	51.552	0.000	0.000	0.000	0.592	0.000	70.043	0.000
Revaluation increases/ (decreases) recognised in the NCS	0.000	0.142	0.000	0.000	0.000	0.000	0.000	0.142	0.000
Disposals /Demolitions	(1.119)	(0.009)	(0.156)	0.000	0.000	0.000	0.000	(1.284)	0.000
Reclassified Assets	5.604	0.904	0.122	0.000	(0.030)	(0.856)	(5.690)	0.054	0.000
31 March 2023	345.050	524.009	14.177	132.149	4.718	3.679	36.350	1,060.132	102.693
Gross Book Value	345.050	547.531	62.594	see note below	5.458	4.748	36.350	see note below	164.385
Accumulated Depreciation & Impairment	0.000	(23.522)	(48.417)	See note below	(0.740)	(1.069)	0.000	see note below	(61.692)
Net Book Value at 31 March 2023	345.050	524.009	14.177	132.149	4.718	3.679	36.350	1,060.132	102.693

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. The 2023/24 valuations were undertaken by External Valuers, Graham & Sibbald Chartered Surveyors (MRICS qualified). 2023/24 is the fifth year of the current programme and valuations for 2023/24 were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

A new 5 year valuation plan will be discussed and agreed with Property Asset colleagues and the External Valuer for the period 2024/25 to 2029/30. The assets that were valued in 2023/24 were sports centres, residential homes & care centres, public conveniences, and depots & workshops.

Note 12 – Heritage Assets

Reconciliation of the Carrying Value of Heritage Assets held by the Council

	Tangible Heritage Assets			Total Assets
	Museum Fine Art	Museum Other Collections	Civic Regalia	
	£m	£m	£m	£m
Valuation at 31 March 2023	7.270	0.700	0.100	8.070
Valuation at 31 March 2024	7.270	0.700	0.100	8.070

The valuations disclosed in the balance sheet are based on the assessments prepared for Insurance purposes and are currently in the processes of being revalued by Taylor's Auctioneers & Valuers. Revised and increased valuations have, so far, been received for the 2 highest valued paintings (by Pieter Breugel) and these are disclosed in the 2023/24 Accounts.

All other items which may be deemed as being Heritage Assets have not been included on the Balance Sheet, in the main due to materiality. It is not considered practical to provide valuations as they were all under the de-minimus of £100,000.

Expenditure which, in the Council's view, is required to preserve or prevent further deterioration of individual items is recognised in the Comprehensive Income and Expenditure Account. The Council aims to maintain the condition of these assets in a steady state of repair, subject to budgetary and operational constraints.

The assets shown on the balance sheet are all currently valued at £100,000 or above in accordance with the policy on Heritage Assets and are as follows:

		Valuation at 31 March 2023 £m	Valuation at 31 March 2024 £m	Valuation Gain / (Loss) £m
Fine Art Collection				
Painting, The Adoration of the Magi	Pieter Breugel	3.500	3.500	0.000
Painting, St John Preaching in Wilderness	Pieter Breugel	3.000	3.000	0.000
Others		0.770	0.770	0.000
Total Fine Art Collection		7.270	7.270	0.000
Other Collections & Civic Regalia		0.800	0.800	0.000
Total Heritage Assets in Balance Sheet		8.070	8.070	0.000

Note 13 – Long Term Debtors

2022/23 £m		2023/24 £m
0.028	Housing Advances	0.021
1.841	Police Scotland Loan	1.742
0.153	Common Good	0.107
2.022	Total Long Term Debtors	1.870

Note 14 – Short Term Debtors

2022/23 £m		2023/24 £m
2.234	Local Taxation	2.811
6.249	Trade Customers	10.294
2.632	Related Parties (note 22)	2.391
17.194	Others	26.083
28.309	Total Short Term Debtors	41.579

Note 15 - Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2022/23 £m		2023/24 £m
0.042	Cash held by the Council	0.054
(0.814)	Bank Overdraft	(3.967)
13.427	Cash Investments	6.823
12.655	Total Cash and Cash Equivalents	2.910

Note 16 – Short Term Creditors

2022/23 £m		2023/24 £m
(1.073)	Local Taxation	(1.115)
(26.160)	Trade Payables	(32.411)
(28.378)	Other Payables	(32.154)
(4.315)	Public Private Partnerships	(4.306)
(14.399)	Related Parties (note 22)	(13.404)
(74.325)	Total Short Term Creditors	(83.390)

Note 17 - Unusable Reserves

31 March 2023 £m		31 March 2024 £m
358.930	Revaluation Reserve Account	339.701
400.474	Capital Adjustment Account	400.817
(0.550)	Financial Instruments Adjustment Account	(0.344)
(8.852)	Pensions Reserve	(8.764)
(6.359)	Employee Statutory Adjustment Account	(6.801)
743.643	Total Unusable Reserves	724.609

Revaluation Reserve Account (RRA)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23 £m		2023/24 £m
296.159	Balance at 1 April	358.930
72.073	Upward revaluation of assets	6.091
(0.464)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2.057)
(8.838)	Difference between fair value depreciation and historical cost depreciation	(23.263)
358.930	Balance at 31 March	339.701

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

This table provides details of the source of all the transactions posted to the Account.

2022/23 £m		2023/24 £m
428.788	Balance at 1 April	400.474
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(48.823)	Charges for depreciation and impairment of non-current assets	(41.219)
0.213	Revaluation gain/losses on Property, Plant and Equipment	0.277
0.000	Amortisation of intangible assets	0.000
	Revenue expenditure funded from capital under statute	
0.181	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0.095
0.000	Adjusting amounts written out of the Revaluation Reserve	0.000
	Capital financing applied in the year:	
1.403	Use of the Capital Receipts Reserve to finance new capital expenditure	0.122
0.000	Unapplied Capital Receipts	0.000
0.000	Capital receipt for finance lease	0.006
17.386	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	19.722
0.018	Application of grants to capital financing from the Capital Grants Unapplied Account	0.887

2022/23 £m		2023/24 £m
(7.874)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	11.041
9.179	Capital expenditure charged against the General Fund and HRA balances	9.412
0.003	Other Adjustment	0.000
400.474	Balance at 31 March	400.817

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage historic premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but if appropriate are reversed out of the General Fund Reserve to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Reserve in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance of premiums currently on the Account at 31 March 2024 will be charged to the General Fund over the next 6 years.

2022/23 £m		2023/24 £m
(0.645)	Balance at 1 April	(0.550)
0.088	Proportion of premiums incurred in previous financial years to be charged against the General Fund Reserve in accordance with statutory requirements	0.055
0.007	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0.151
(0.550)	Balance at 31 March	(0.344)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2022/23 £m		2023/24 £m
(22.665)	Balance at 1 April	(8.852)
34.153	Re-measurement of net pensions liability	(14.079)
(20.340)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	14.167
(8.852)	Balance at 31 March	(8.764)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance (including Housing) from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2022/23 £m		2023/24 £m
(6.049)	Balance at 1 April	(6.359)
(0.310)	Amounts accrued at the end of the current year	(0.442)
(6.359)	Balance at 31 March	(6.801)

Note 18 - Termination Benefits

The Council terminated the contracts of a number of employees in 2023/24 which incurred a liability of £0.070 million, (£0.000 million in 2022/23). Further detail is provided in the Remuneration Report, page 37, Table 2.

Note 19 – Councillor Remuneration, Allowances and Expenses

2022/23 £m		2023/24 £m
0.631	Remuneration	0.651
0.000	Allowances	0.000
0.006	Expenses	0.007
0.637	Total	0.658

Note 20 – Teachers Pensions Scheme Accounted for as Defined Contribution Scheme

Teachers employed by the council are members of the Scottish Teachers' Pension Scheme (STPS) administered by the Scottish Government (Scottish Public Pensions Agency) and is a multi-employer scheme. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. Angus Council does not underwrite any other entities' liabilities in the scheme.

The Scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by Councils. The council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of the Annual Accounts, it is therefore accounted for the same basis as a defined contribution scheme.

In 2023/24, the employer's rate of contribution was 23.0% and the amount paid over in respect of employer's contributions was £13.621 million (£12.691 million in 2022/23, 23.0%). The estimated value of employer contributions payable to the teachers pension scheme in 2024/25 is £15.4 million.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for as unfunded obligations and payments in Note 21 below.

Note 21 - Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post employment benefits (pensions). Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

The council participates in the Local Government Pension Scheme (Tayside Pension Fund)), administered locally by Dundee City Council – this is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The scheme currently provides benefits based on career average revalued salary and length of service on retirement.

In 2023/24 the council paid employer contributions totalling £15.580 million (£14.364 million in 2022/23) representing 17.0% of employees' pensionable pay.

The Council also has liabilities for any discretionary payments outside the main scheme. These benefits are unfunded defined benefit arrangements and liabilities are recognised when awards are made. Investment assets are built up to meet pension liabilities for discretionary awards and cash has to be generated to meet actual pensions payments as they eventually fall due.

In 2023/24, the council paid £0.975 million in unfunded discretionary benefits (£0.917 million in 2022/23). Five awards of unfunded discretionary benefits were made in 2023/24 totalling £0.152 million (£0.111 million in 2022/23).

The principal risks to the authority of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies sections. (please refer to Note 1, item F for further details).

The surpluses/deficits in the scheme will be taken into account by the Fund's actuaries in determining future contributions.

Pensions Position

The pension accounting requirements of International Accounting Standards (IAS 19) have been applied to the accounting statements. Under these requirements, costs of services delivered by the council are restated to include an actuarially assessed cost of the liability falling upon the council in respect of employee pensions under the Local Government Pension Scheme. This is as opposed to the actual employer contributions paid during the year in accordance with the Scheme. Adjustments are made to ensure that the impact on council tax and housing rents from the IAS 19 presentational requirements is neutral.

The IAS19 requirements also lead to the creation of a Pension Asset or Pension Liability offset by a Pension Reserve. At the 31 March 2024 there was a Pension Liability of £8.764 million with a corresponding negative Pension Reserve. This Pension Liability is the difference between the value at 31 March 2024 of the Scheme's assets (investments, etc) attributable to the council and the present value of the liabilities relating to pensions for council employees (past and present). Thus, if the council were to have discharged its responsibilities at 31 March 2024, there would have been a shortfall of some £8.764 million. The Pension Liability of £8.764 million compares with a £8.852 million liability for the previous year – a favourable movement of £0.088 million. The Pension liability deficit has been restricted with an asset ceiling of £260.877 million to report a net position. The asset ceiling is the present value of any economic benefits available in the form of refunds or reduced future employer contributions.

As noted above, these assets are expressed in present value terms rather than the cash amount that will eventually be paid out in order to allow for the "time value of money". This is undertaken by discounting these future cash amounts by use of a corporate bond rate.

Amendments to the IAS19 standard now requires that, when determining any past service cost or gain or loss on settlement, the net defined benefit liability is remeasured using current assumptions and the fair value of plan assets at the time of the event. The amendment does, however, note that the extra remeasurement does not need to be applied where the application of that remeasurement is immaterial. There were no remeasurements undertaken for Angus Council in 2023/24.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and the Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Reserve via the Movement in Reserves Statement during the year:-

Year to 31 March 2023 £m	<i>The amounts recognised in the CIES statement are:</i>	Year to 31 March 2024 £m
35.128	Service cost	15.978
0.209	Administration expenses	0.242
	<i>Financing and Investment Income and Expenditure</i>	
0.395	Net interest on the defined liability /(asset)	(13.680)
	Total Recognised in the Comprehensive	

35.732	Income & Expenditure Account	2.540
	The amounts recognised in the Movement on Reserves Statement:-	
(20.340)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	14.167
15.392	<i>Actual amount charged against the General Fund Reserve for pensions in the year:</i>	16.707
14.364	Employer's contributions payable to scheme	15.580
1.028	Retirement benefits payable to pensioners	1.157

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:-

Net Pension Asset as at	31 March 2022 £m	31 March 2023 £m	31 March 2024 £m
Present value of the defined benefit obligation	896.273	629.942	690.831
Fair Value of plan assets	(884.415)	(836.390)	(951.708)
Sub-Total	11.858	(206.448)	(260.877)
Present value of unfunded obligation	10.807	8.852	8.764
Impact of asset ceiling	0.000	206.448	260.877
Net liability arising from defined benefit obligation	22.665	8.852	8.764

Reconciliation of the present value of the Scheme Liabilities (Defined Benefit Obligation)

Year to 31 March 2023 £m		Year to 31 March 2024 £m
907.080	Opening Balance at 1 April	638.794
34.926	Current service cost	15.774
23.327	Interest cost	30.730
(369.111)	Actuarial (gains)/losses arising from changes in financial assumptions	(3.324)
0.000	Actuarial (gains)/losses arising from change in demographic assumptions	(13.432)
62.518	Experience (gain)/loss on defined benefit obligation	54.760
(24.340)	Estimated benefits paid net of transfers in	(28.462)
0.202	Past service costs, including curtailments	0.204
5.114	Contributions by Scheme participants and other employers	5.526
(0.922)	Unfunded pension payments	(0.975)
638.794	Closing Balance at 31 March	699.595

Reconciliation of the movements in the Fair Value of Scheme (Plan) Assets

Year to 31 March 2023 £m		Year to 31 March 2024 £m
884.415	Opening Balance at 1 April	836.390
22.932	Interest on assets	44.410
(65.907)	Return on assets less interest	70.300
0.000	Other actuarial gains/(losses)	8.154
(0.209)	Administration expenses	(0.242)
15.307	Contributions by employer including unfunded	16.607

5.114	Contributions by Scheme participants and other employers	5.526
(25.262)	Estimated benefits paid plus unfunded net of transfers in	(29.437)
836.390	Closing Balance at 31 March	951.708

- Please note that the £16.607 million above is an estimated amount used by the Actuary in the preparation of the IAS 19 report and the actual amount of £16.707 million has been reflected through the CIES. This produces a difference of £0.100 million which is due to timing differences of when they collate data for the preparation of the Actuarial report.

Reconciliation of asset ceiling

Year to 31 March 2023 £m		Year to 31 March 2024 £m
-	Open impact of asset ceiling	206.448
-	Interest on asset ceiling	11.011
206.448	Actuarial losses/ (gains)	43.418
206.448	Closing impact of asset ceiling	260.877

- The asset ceiling is the present value of any economic benefit available to the employer in the form of refunds or reduced future employer contributions.

Local Government Pension Scheme Assets

The scheme assets disclosed above consist of the following categories, by proportion of the total assets held:-

Detailed Fund Asset Share	28 February 2024 %
Equities	
Consumer	8.3
Manufacturing	8.3
Energy & Utilities	2.1
Financial Institutions	8.4
Health and Care	5.5
Information Technology	7.5
Others	3.3
Debt Securities	
Corporate Bonds (investment grade)	4.3
Corporate Bonds (non-investment grade)	0.0
UK Government	0.0
Others	0.5
Private Equity	
All	1.9
Real Estate	
UK Property	8.7
Overseas Property	0.3
Investment Fund and Unit Trusts	
Equities	37.1
Bonds	1.8
Hedge Funds	0.0
Commodities	0.0
Infrastructure	0.0
Others	0.0
Derivatives	
Inflation	0.0
Interest Rate	0.0
Foreign Exchange	0.0
Other	0.0
Cash and Cash Equivalents	
All	2.0
TOTAL	100.0

The following table provides analysis of each category of the above assets that have a quoted market price in an active market and those that do not.

Asset Breakdown	31 March 2024 % Quoted	31 March 2024 % Unquoted
Fixed Interest Government Securities		
UK	6%	-
Overseas	0%	-
Corporate Bonds		
UK	4%	-
Overseas	3%	-
Equities		
UK	9%	-
Overseas	34%	29%
Property	9%	-
Derivatives	0%	-
Cash/Temporary Investments	6%	-
Debtors	0%	-
Creditors	0%	-
TOTAL	71.0%	29.0%

The estimated asset breakdown for Angus Council as at 31 March 2024 is as follows:-

31 March 2023 £m	31 March 2023 %	Asset Breakdown	31 March 2024 £m	31 March 2024 %
604.133	72	Equities	686.305	72
20.225	2	Gilts	60.049	6
105.714	13	Other Bonds	62.528	7
81.824	10	Property	84.361	9
23.040	3	Cash	58.234	6
1.454	0	Alternatives	0.231	0
836.390	100%	TOTAL	951.708	100%

Re-measurements in Other Comprehensive Income

Year to 31 March 2023 £m	Re-measurement of the net assets/(defined liability)	Year to 31 March 2024 £m
(65.907)	Return on Fund assets in excess of interest	70.300
-	Other actuarial gains/(losses) on assets	8.154
369.111	Change in financial assumptions	3.324
-	Change in demographic assumptions	13.432
(62.518)	Experience gain/(loss) on defined benefit obligation	(54.760)
(206.448)	Changes in effect of asset ceiling	(43.418)
34.238	Re-measurements of the net assets/(defined liability)	(2.968)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about life expectancy rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Tayside Pension Fund being based on the latest full valuation of the scheme as at 31 March 2023, rolled forward for various financial assumptions that comply with IAS 19. The significant assumptions used by the actuary for the purposes of IAS 19 calculations are as follows:-

Local Government Pension Scheme		Local Government Pension Scheme
2022/23		2023/24
	<i>Mortality assumptions</i>	
	<i>Life Expectancy from ages 65 years Retiring today:</i>	
19.0	Men	18.9
22.4	Women	21.6
	<i>Life Expectancy from ages 65 years Retiring in 20 years:</i>	
20.4	Men	20.2
23.9	Women	23.1
3.90%	Rate of increase in salaries	3.90%
4.80%	Rate for discounting scheme liabilities	4.85%
2.90%	Pension Increases CPI	2.90%

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The following sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The following changes to these assumptions would result in movements in the defined benefit obligation as follows:-

	Increase in Assumption £m	Decrease in Assumption £m
Life expectancy (increase or decrease by 1 year)	29.175	(27.853)
Rate of increase in salaries (increase or decrease by 0.1%)	1.111	(1.103)
Rate of increase in pensions (increase or decrease by 0.1%)	10.172	(9.905)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(10.806)	11.082

Impact on Future Cashflows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Contributions are set every 3 years as a result of the actuarial valuation of the Fund required by the regulations. The most recent actuarial valuation of the Fund was carried out as at 31 March 2023 and set contributions for the period from 1 April 2024 and 31 March 2027. There are no minimum funding requirements in the Local Government Pension Scheme but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The weighted average duration of the defined benefit obligation for scheme members is 16 years (2022/23: 16 years)

The Projected Pension Expense for the year to 31 March 2025 are as follows:-

Projections for the year to 31 March 2025	Year to 31 March 2025 £m
Service Cost	17.940
Net Interest on the defined liability (asset)	0.059
Administration expenses	0.243
Total	18.242
Employer Contributions	14.295

Note 22 - Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Scottish Government

The Scottish Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 8.

Members

Members of the council have direct control over the council's financial and operating policies. The total of members' remuneration, allowances and expenses paid in 2023/24 is shown in Note 19.

Other Public Bodies (subject to common control by Scottish Government)

The Council undertakes material transactions with Dundee City Council, Perth & Kinross Council, Tayside Joint Valuation Board and NHS Tayside in a variety of areas. Transactions and balances outstanding are detailed in Tables 1 & 2 below.

Entities Controlled or Significantly Influenced by Angus Council

The Council has significant interests in companies and relevant transactions and balances in the following organisations:-

- Angus Integration Joint Board – is a formal partnership between NHS Tayside and Angus Council as described in the Angus IJB Integration Scheme. That Integration Scheme describes the health and social care functions that have been delegated by the Parties to Angus IJB from 1st April 2016;
- Tayside Contracts – is a joint local Council trading organisation which operates under a Joint Committee. Angus Council procures work from Tayside Contracts and each of the three constituent councils receive a share of annual surpluses from Tayside Contracts which can then be reinvested in services. Angus Council has a share of the assets and liabilities of the organisation and has representation on the Joint Committee thus the organisation is deemed to be significantly influenced by the Council;
- Dundee City Council (DCC) – Payments for MEB Waste Processing – Old DERL waste to energy plant bought by MEB (privately owned company) to build a new plant whilst running old facility in tandem. Angus Council via an inter-authority agreement with DCC have a contract with MEB regarding waste treatments but DCC is the lead Council and pays all charges and recharges on behalf of Angus Council;
- ANGUSalive is a limited company and registered Scottish Charity to which the Council transferred its culture, leisure and access office services. Libraries, museums, galleries, archives, sport & leisure facilities, country parks, community halls, access services (excluding ACCESSline) and the Webster Theatre are all now managed by ANGUSalive. The company is deemed to be significantly influenced by the Council through its contractual relationship;
- East of Scotland European Consortium (ESEC) – the consortium was formed in 1991 and disbanded on 31 March 2022. The consortium comprised 7 local authorities, each of whom paid an annual contribution. The consortium was deemed to be significantly influenced by the Council through its representation on the Board.
- Voluntary Action Angus (VAA) – a local organisation supporting and leading the third sector in Angus. It is recognised by Scottish Government, Angus Community Planning Partnership and Angus Council as fulfilling a key role in ensuring the continued development of a vibrant third sector in Angus. VAA works in partnership with Angus Council and Angus Health and Social Care Partnership.
- Citizens Advice Bureau (CAB) – Angus Council has a service level agreement arrangement with CAB to provide advice and a number of supports and services to Angus Council residents. This could include general advice on benefits, consumer rights, education and employment rights etc.

Transactions and balances are detailed in Tables 1 & 2 below.

Table 1 - Related Parties

During the year, transactions with related parties arose as follows:

2022/23 Expenditure £m	2022/23 Income £m		2023/24 Expenditure £m	2023/24 Income £m
		Other Public Bodies		
64.108	80.995	Angus Integration Joint Board	68.267	84.735
0.814	0.000	Valuation Board – Requisition	0.794	0.000
0.000	0.365	Tayside Contracts – Share of Surplus and associated interest	0.000	0.330
25.261	0.000	Tayside Contracts – Contracts undertaken	28.078	0.000
6.009	2.165	Dundee City Council – Angus Council payment for MEB waste processing	6.132	2.336
0.000	5.887	NHS Tayside - Resource transfer	0.000	5.887
16.512	0.000	SPPA – Scottish Public Pensions Agency	17.766	0.000
		Entities Controlled or Significantly Influenced by Angus Council		
		ANGUSalve		
6.094	0.403	Contributions to/from company	6.528	0.901
		East of Scotland European Consortium		
0.007	0.000	Contribution due to the Consortium	0.000	0.000
		Voluntary Action Angus (VAA)		
0.307	0.000	Contributions	0.321	0.000
		Citizens Advice Bureau		
0.136	0.000	Contributions	0.116	0.000
119.248	89.815	Total	128.002	94.189

Table 2 - Related Parties (Debtors / Creditors) Amounts at the end of the financial year, either due to or by the council, were all in accordance with normal business and there were no material issues as to the question of the amounts being properly due.

2022/23 Creditors (note 16) £m	2022/23 Debtors (note 14) £m		2023/24 Creditors (note 16) £m	2023/24 Debtors (note 14) £m
		Other Public Bodies		
9.298	0.000	Angus Integration Joint Board	10.931	0.000
0.000	0.365	Tayside Contracts – Share of Surplus and associated interest	0.000	0.330
2.132	0.000	Tayside Contracts – Contracts undertaken	0.781	0.604
0.527	2.165	Dundee City Council – Angus Council payment for MEB waste processing	0.662	0.596
2.442	0.000	SPPA – Scottish Public Pensions Agency	1.687	0.000
		Entities Controlled or Significantly Influenced by Angus Council		
		ANGUSalve		
0.000	0.102	Contribution from/to company	0.080	0.861
		Tayside Procurement Consortium		
0.000	0.000	Contribution due to the Consortium	0.000	0.000
14.399	2.632	Total	14.141	2.391

Note 23 - PFI / PPP and Similar Contracts

Angus Council has entered into five Public Private Partnerships or similar contracts as follows:-

A92 Dual Carriageway

The Council entered into a 30-year contract to facilitate dualling of the A92 which had a works value in the order of £50m with the road opening to traffic on 27 September 2005. 2023/24 was the 19th year of the contract which is due to conclude in financial year 2035/36. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the road thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2023/24.

Beech Hill House, Forfar

The Council entered into a 25-year joint arrangement with NHS Tayside for the refurbishment and provision of Beech Hill House which had a works value in the order of £1.9m and was made available to the Council on 21 March 2005. 2023/24 was effectively the 19th year of the arrangement which is due to conclude in financial year

2029/30. Under the arrangement, Beech Hill House was incorporated within a wider PFI project and contract being undertaken by NHS Tayside, whereby the contractor took on the obligation to carry out the refurbishment works and to maintain the property thereafter. The Council only has rights to terminate the arrangement if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2023/24.

Forfar / Carnoustie Schools

The Council entered into a 30-year contract to facilitate refurbishment and replacement of 7 schools in Forfar and Carnoustie which had a works value of £42.4m. These schools became operational as follows: Woodlands PS (4 October 2007); Strathmore PS (16 January 2008); Burnside PS (20 February 2008); Whitehills PS (29 February 2008); Carlogie PS (7 November 2008); Carnoustie HS (5 December 2008); and Langlands PS (23 April 2009). The operational contract period began with the provision of the first school and 2023/24 was therefore the 17th year of the contract which is due to conclude in financial year 2037/38. Under the contract, the contractor took on the obligation to carry out the construction and refurbishment works and to maintain the properties thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2023/24.

Forfar Community Campus

The Council entered into a 25-year contract to facilitate replacement of Forfar Academy along with the town's leisure facilities on a single community campus basis. The works value was some £33.5m and the facility became operational on 6 February 2017. 2023/24 was the 6th full year of the arrangement which is due to conclude in financial year 2041/42. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the property thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2023/24.

Arbroath Schools

The Council entered into a 25-year contract to facilitate replacement of Ladyloan PS and Muirfield PS in Arbroath. The total works value was some £15.1m and both facilities became operational on 17 December 2018. 2023/24 was effectively the 5th full year of the arrangement which is due to conclude in financial year 2043/44. Under the contract, the contractor took on the obligation to carry out the construction works and to maintain the property thereafter. The Council only has rights to terminate the contract if it compensates the contractor in line with the terms of the contract. There were no changes to the contractual arrangements during 2023/24.

Property, Plant and Equipment

The assets used to provide services in respect of the above facilities are recognised on the Council's balance sheet. Movements in their value over the year are contained within the analysis of the movements on the Property, Plant and Equipment balance in Note 11.

Application of PPP Service Concession Arrangement Flexibilities

In accordance with Accounting Policy U on page 63 and in line with Finance Circular 10/2022, the Council has applied the permitted PPP Service Concession Arrangement (SCA) flexibility in financial year 2022/23 on a retrospective annuity basis with a useful life of 50 years for buildings and 40 years for roads infrastructure. The flexibility being applied is consistent with current Council Loans Fund arrangements and is considered prudent, sustainable, and affordable over the life of the respective assets. This approach was approved at the Special Council meeting on 2 March 2023 (Report 55/23 refers).

The current repayment charges have been compared against an annuity repayment profile based on the estimated useful asset lives for the each of the four SCA arrangements. In these instances the most appropriate asset life is considered to be 50 years for buildings and 40 years for roads infrastructure. The calculation of the repayment charges of each Service Concession Arrangement or Public Private Partnership (PPP) scheme using the asset life annuity basis is compared to the current charges which are made over the contract period. By applying the flexibility a one-off combined pre 2023/24 retrospective saving of £23.747 million, as detailed in the table below, estimated to be achieved.

PPP debt repayment	Current repayment	Revised repayment	(Reduction)/ Cost
	£m	£m	£m
Pre 2023-24	36.384	12.637	(23.747)
Paid in 2023-24	4.384	1.399	(2.985)
Payable within two to five years	20.817	6.660	(14.157)
Payable within six to ten years	35.879	11.353	(24.526)
Payable within eleven to fifteen years	35.699	16.004	(19.695)
Payable within sixteen to twenty years	12.657	22.574	9.917

Payable within twenty-one to twenty-five years	0.721	18.909	18.188
Payable within twenty-six to fifty years	0.000	57.005	57.005
Total	146.541	146.541	0.000

In addition to the one-off retrospective element, an in-year saving occurs in scheduled debt repayments in 2023/24, of £2.985m. This will be followed by a reduction in the annual charges for a further 14 years and then the continuation of the statutory charges after the SCA contracts have been repaid. Over the full asset life of the SCAs the total repayment for the debt liability remains the same.

Impact on CIES and Balance Sheet.

The reprofiling of the debt liability repayments increases the Capital Financing Requirement (CFR) by £23.747m as at 1 April 2023. The increase in the CFR (Note 17) will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period. Being a cumulative statutory adjustment there is no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2024 has the following impact on the 2023/24 Balance sheet (Capital Adjustment Account) and Movement in Reserves statement:

	£000	£000	£000
Capital Adjustment Account (Note 17)	23.747	2.985	26.732
Movement in Reserves Statement (Note 6)	(23.747)	(2.985)	(26.732)

Liabilities and Payments

The following liabilities result from the Council's Public Private Partnerships and similar contract arrangements and are contained within the long-term liabilities on the Council's balance sheet. Fair values have been determined in line with the principles set out in Note 28 Financial Instruments.

	A A92 Dual Carriageway £m	B Beech Hill House £m	C Forfar/ Carnoustie Schools £m	D Forfar Community Campus £m	E Arbroath Schools £m	Totals £m
Liability at 31 March 2023	34.163	0.966	33.026	28.391	13.583	110.129
Additions	0	0	0	0	0	0
Repayment of liability for year	(1.711)	(0.085)	(1.097)	(1.056)	(0.448)	(4.397)
Liability at 31 March 2024	32.452	0.881	31.929	27.335	13.135	105.732
Fair value of liability at 31 March 2024	38.880	0.867	36.037	29.316	13.393	118.493

The Council makes an agreed payment each year which is adjusted annually by inflation and can be reduced if the contractor fails to meet availability and performance standards as set out in the contract. The payment made each year is otherwise fixed.

Payments remaining to be made under the 5 PPP and similar contracts as at 31 March 2024 (excluding any allowance for availability or performance reductions but including application of an assumed 2.5% inflation per annum) are as follows:

	A A92 Dual Carriageway £m	B Beech Hill House £m	C Forfar/ Carnoustie Schools £m	D Forfar Community Campus £m	E Arbroath Schools £m	Totals £m
Payments due within 1 year (2024/25)						
Repayment of liability	1.546	0.093	1.372	0.909	0.475	4.395
Finance costs	4.951	0.241	2.893	1.831	0.748	10.664

	A A92 Dual Carriageway £m	B Beech Hill House £m	C Forfar/ Carnoustie Schools £m	D Forfar Community Campus £m	E Arbroath Schools £m	Totals £m
Service charges (inc. life cycle replacement costs)	2.513	0.216	3.230	0.791	0.282	7.032
Total payments due within 1 year	9.010	0.550	7.495	3.531	1.505	22.091
Payments due within 2 to 5 years (2025/26 to 2028/29)						
Repayment of liability	9.428	0.597	6.754	4.154	1.978	22.911
Finance costs	21.896	1.081	10.432	6.629	2.702	42.740
Service charges (inc. life cycle replacement costs)	7.026	0.661	13.981	3.572	1.447	26.687
Total payments due within 2 to 5 years	38.350	2.339	31.167	14.355	6.127	92.338
Payments due within 6 to 10 years (2029/30 to 2033/34)						
Repayment of liability	17.120	0.192	11.342	6.682	2.954	38.290
Finance costs	28.305	0.270	8.915	6.442	2.725	46.657
Service charges (inc. life cycle replacement costs)	8.161	0.160	21.502	5.386	2.245	37.454
Total payments due within 6 to 10 years	53.586	0.622	41.759	18.510	7.924	122.401
Payments due within 11 to 15 years (2034/35 to 2038/39)						
Repayment of liability	4.359	0.000	12.463	9.108	3.605	29.535
Finance costs	5.973	0.000	3.797	3.882	1.852	15.504
Service charges (inc. life cycle replacement costs)	7.110	0.000	16.801	6.226	2.800	32.937
Total payments due within 11 to 15 years	17.442	0	33.061	19.216	8.257	77.976
Payments due within 16 to 20 years (2039/40 to 2043/44)						
Repayment of liability	0.000	0.000	0.000	6.481	4.120	10.601
Finance costs	0.000	0.000	0.000	0.732	0.646	1.378
Service charges (inc. life cycle replacement costs)	0.000	0.000	0.000	4.110	3.326	7.436
Total payments due within 16 to 20 years	0	0	0	11.323	8.092	19.415
Repayment of liability	32.453	0.882	31.931	27.334	13.132	105.732
Finance Costs	61.125	1.592	26.037	19.516	8.673	116.943
Service charges (incl. life cycle replacement costs)	24.810	1.037	55.514	20.085	10.100	111.546
Total Payments Due	118.388	3.511	113.482	66.935	31.905	334.221

Note 24 - Leases

Council as Lessee - Finance Leases

The Council has acquired 2 buildings under finance leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net book value:

31 March 2023 £m		31 March 2024 £m
38.940	Other Land and Buildings	37.376

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31 March 2023 £m		31 March 2024 £m
	Finance lease liabilities:	
2.106	Current	2.045
35.706	Non-current	33.661
17.910	Finance costs payable in future years	17.552
55.722	Minimum lease payments	53.258

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments	Finance Lease Liabilities		Minimum Lease Payments	Finance Lease Liabilities
31 March 2023 £m	31 March 2023 £m		31 March 2024 £m	31 March 2024 £m
2.464	2.107	No later than one year	2.452	2.046
9.616	7.737	Later than one year and not later than five years	9.615	7.545
40.354	24.688	Later than five years	37.902	26.116
52.434	34.532	Totals	49.969	35.707

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. As at the balance sheet date, no contingent rents are, or are expected to be, payable by the Council.

Council as Lessee - Operating Leases

The Council is currently not entered into any operating leases.

Council as Lessor - Finance Leases

The building associated with the Council's one remaining finance lease has been the subject of a community asset transfer and is therefore no longer considered to be an investment property. Angus Council continues to own the building, with the community asset transfer involving a 25 year (below market value) lease, the terms of which remove repair and maintenance liabilities for the Council.

Council as Lessor - Operating Leases

The Council does not lease out any assets under operating leases.

Note 25 - Capital Commitments

As at 31 March 2024, the Council has entered into a number of contracts for the construction / enhancement / purchase of property, plant and equipment in 2023/24 and future years, budgeted to cost £78.519 million (gross). Similar commitments at 31 March 2023 were £7.667 million (gross). The major commitments (on a gross basis) include:

- Monifieth Learning Campus (£52.534 million);
- Arbroath Places for Everyone (Roads & Transportation project) (£11.751 million);
- Affordable Housing (£10.791 million)

Note 26 - Construction Contracts

At 31 March 2024 the Council had no construction contracts in progress on behalf of any other party. Accordingly, no entries were due to be accrued or disclosed in the Council's accounts. The same position existed at 31 March 2023.

Note 27 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the first part of this note.

2022/23 £m	Movement in Year	2023/24 £m
302.151	Opening Capital Financing Requirement	313.179
(1.579)	Adjustment to Opening Capital Financing Requirements	0.883
300.572	Adjusted Opening Capital Financing Requirement	314.062
	Capital Investment:	
34.779	Property, Plant and Equipment	48.652
	Sources of Finance:	
(1.148)	Capital Receipts	(0.168)
(20.947)	Government Grants and other Contributions	(19.389)
	Sums set aside from revenue:	
(7.406)	Direct revenue contributions	(10.973)
(9.266)	Loans Fund Principal	(8.809)
16.595	Repayment of Liability – Finance Lease / PFI & PPP	(3.505)
313.179	Closing Capital Financing Requirement	319.870
	Explanation of Movements in year	
(3.662)	Increase / (decrease) in underlying need to borrow (supported by government financial assistance)	9.049
(0.326)	Increase / (decrease) in underlying need to borrow (unsupported by government financial assistance)	0.264
(2.155)	Movement in liability of assets acquired under finance leases	(2.106)
18.750	Movement in liability of assets acquired under PFI/PPP contracts	(1.399)
12.607	Increase/(Decrease) in Capital Financing Requirement	5.808

Gross Capital Expenditure on Services

2022/23 Actual £m		2023/24 Actual £m	2023/24 Budget £m
	CAPITAL EXPENDITURE ON SERVICES		
0.271	Economic Development	0.210	0.798
11.770	Housing Revenue Account	12.993	14.732
0.085	Planning & Sustainable Growth	0.073	0.456
3.062	Environmental Services	3.579	4.355
1.709	Property Asset	0.850	1.299
11.941	Roads & Transportation	13.706	12.457
3.179	Education & Lifelong Learning	13.765	13.772
0.668	Digital Enablement & Information Technology	0.820	0.973
0.295	Angus Health & Social Care Partnership	0.306	0.361
0.724	ANGUSalive	0.641	0.739
0.225	Tay Cities Deal	0.276	1.000
33.929	Total Capital Expenditure	47.219	50.942
	Financing of Capital Expenditure		
1.221	Sale of Assets	0.168	0.530
20.874	Government Grants & Other Contributions	19.389	19.115
6.546	Contribution from Revenue	9.467	7.279
0.010	Local Capital Fund	0.073	0.074
5.278	Advances from Loans Fund	18.122	23.944
33.929	Total Capital Financing	47.219	50.942

The Council did not capitalise any borrowing costs during 2023/24.

Note 28 - Financial Instruments

International Financial Reporting Standards (IFRS) require the Council to make disclosures in respect of its financial instruments, which in the main comprise the borrowing, lending, investments, creditors, and debtors of the Council. The purpose of these disclosures is to provide information regarding:

- the significance of financial instruments for the Council's financial position and performance; and
- the nature and extent of risks arising from financial instruments to which the Council is exposed and how the Council manages those risks.

Analysis of Financial Instruments

Under IFRS9 (implemented with effect from 1 April 2018) financial assets are now classified based on an approach that reflects the business model for holding the financial assets and their cashflow characteristics. Financial assets are classified at amortised cost on the basis that the Council's business model is to collect contractual cashflows and are solely principal and interest (SPPI). Financial assets measured at amortised cost are initially measured at

fair value and then carried at amortised cost. Financial liabilities are initially measured at fair value and then carried at their amortised cost.

The following categories of Financial Assets and Liabilities are carried in the Balance Sheet:

Financial Assets

	Non-current				Current				Total
	Investments		Debtors		Investments		Debtors		
	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	
Amortised Cost	0.475	0.466	2.022	1.870	75.449	47.634	28.309	40.552	90.522
Total Financial Assets	0.475	0.466	2.022	1.870	75.449	47.634	28.309	40.552	90.522

Financial Liabilities

	Non-current				Current				Total
	Borrowings		Creditors		Borrowings		Creditors		
	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	31 March 2023 £m	31 March 2024 £m	
Amortised Cost	134.640	129.600	0.000	00.000	8.148	5.933	74.325	82.410	217.943
Total Financial Liabilities	134.64	129.600	0.000	0.000	8.148	5.933	63.650	82.410	217.943

LOBOs (Lender Option, Borrower Option loans) with a call date in the next 12 months amounting to £12 million (£16 million in the previous year) are included in non-current borrowing. The non-current figures above assume that in arriving at the amortised cost for a LOBO, the maturity period of a LOBO is taken as the contractual period to maturity. Please note that the LOBO relating to Commerzbank for £4 million was repaid early during financial year 2023/24.

Expected Credit Loss Model

The introduction of the Expected Credit Loss Model under IFRS9 Financial Instruments requires financial assets to be reviewed for impairment losses to reflect the expectation that the future cashflows might not take place because the borrower could default on their obligations. Credit risk plays a major part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk remains low or has not significantly increased, losses are assessed on the basis of a 12-month expected loss.

The council has reviewed its financial assets in this regard and determined that there is no significant increase in credit risk, no significant impairments or no impairment due. The Council considers that due diligence is exercised through its Investment Strategy in the Treasury Management Strategy Statement in which minimisation of risk is a key priority along with the security and liquidity of the investment (note 29 also refers).

Analysis of Gains / Losses in respect of Financial Instruments

The gains and losses recognised in the CIES and movements in reserves in relation to financial instruments are disclosed below.

2022/23		2023/24		
Total £m		Financial Liabilities Measured at amortised cost £m	Financial Assets Measured at amortised cost £m	Total £m
(6.646)	Interest expense	(6.212)	0.000	(6.212)
(0.089)	Losses on derecognition	(0.055)	0.000	(0.055)
(6.735)	Interest payable and similar charges	(6.267)	0.000	(6.267)
2.264	Interest income	0.000	4.675	4.675
0.001	Gains on derecognition	0.000	0.001	0.001
2.265	Interest and investment income	0.000	4.676	4.676
(4.470)	Net gain /(loss) for the year	(6.267)	4.676	(1.591)

Fair Value of Financial Assets and Liabilities Carried at Amortised Cost

Financial assets and liabilities are carried on the Balance Sheet at amortised cost. The fair value of financial assets and liabilities is required to be disclosed to enable a comparison to the carrying amounts in the Balance Sheet. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, emphasising that fair value is a market-based measurement, not an authority specific measurement.

In measuring fair value, Angus Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within a fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset of liability.

All of Angus Council's fair value calculations have been carried out using level 2 inputs as the valuation basis.

Fair values have been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The discount rate utilised should equal the current rate in relation to the same or similar instrument from a comparable lender. This has been assumed to be the rate applicable in the market on the date of valuation, for an instrument of the same duration as the outstanding period from valuation date to maturity. Discount rates have therefore been determined by applying the following principles:

- For PWLB debt, the discount rate used is the rate for new borrowing (maturity basis and after allowing for the certainty rate deduction) as per the rate sheet number 127/23 as this excludes the margin included in the premature repayment rate, which represents the lender's profit as a result of debt rescheduling, as any motivation other than securing a fair price should be ignored;
- In respect of LOBO debt and market lending, discount rates equal the rates available for an equivalent instrument, with equivalent terms from a comparable lender;

- In respect of the long term debtors, the discount rates used are those applicable to PWLB new borrowing (maturity basis and prior to the certainty rate deduction) for a period equal to the remaining period of the long term debtor, as taken from PWLB rate sheet number 127/23;
- Accrued interest has been included in the fair value;
- No early repayment or impairment has been allowed within the fair value calculations;
- No adjustments have been made where any relevant dates fall on a non-working day; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Applying these principles, the fair value of financial liabilities carried at amortised cost are disclosed below.

31 March 2023						31 March 2024	
Carrying Amount £m	Fair Value £m		Principal Amount Outstanding £m	Less LOBO Accounting Adjustments £m	Add Accrued Interest £m	Carrying Amount £m	Fair Value £m
105.004	98.815	PWLB	(103.279)	0.000	(1.181)	(104.460)	(87.347)
14.093	13.492	Market Debt	(14.000)	0.000	(0.092)	(14.092)	(11.971)
16.027	15.673	LOBOs	(12.323)	0.323	(0.026)	(12.026)	(10.751)
74.325	74.325	Creditors	(82.410)	0.000	0.000	(82.410)	(82.410)
7.192	7.166	Short term borrowing	(4.588)	0.000	(0.039)	(4.627)	(4.630)
216.641	209.471	Total financial liabilities	(216.600)	0.323	(1.338)	(217.615)	(197.109)

All the Council's PWLB and LOBO loan portfolio are fixed rate, fixed term loans. The fair value of PWLB loans is lower than the carrying amount as the Council's PWLB loan portfolio contains a significant number of older loans with fixed rates which are now slightly lower than the rates now available for similar PWLB loans at the Balance Sheet date. The fair value of LOBOs are slightly lower than the carrying value as the LOBO loans predominantly comprise fixed rates that are lower than those available in the market for similar loans at the balance sheet date. Please note that the LOBO relating to Commerzbank for £4 million was repaid early during financial year 2023/24.

Again, applying the above principles, the fair value of financial assets carried at amortised cost are disclosed below.

31 March 2023			31 March 2024	
Carrying Amount £m	Fair Value £m		Carrying Amount £m	Fair Value £m
67.807	67.807	Deposits with banks and building societies	37.554	37.554
5.052	5.052	Deposits with other local authorities	10.036	10.036
2.501	2.501	Money Market Fund deposits	0.000	0.000
0.475	0.475	Other Structured deposits	0.466	0.466
2.022	1.444	Long term debtors	1.870	1.306
28.309	28.309	Debtors	40.552	40.552
106.166	105.588	Total financial assets	90.478	89.914

All the Council's bank, building society and local authority deposits are fixed rate, fixed term deposits of 1 year or less. The overall fair value of these deposits is the same as the carrying amount as the Council's deposit portfolio contains deposits with fixed rates which are comparable to the rates available for similar deposits at the Balance Sheet date. In respect of long-term debtors, the fair value is less than the carrying value as the present value of the future cash flows from these debtors are worth less to the Council due to the effects of inflation.

Soft Loans

The council had no soft loans at the 31st March 2024.

Note 29 - Nature and Extent of Risks Arising from Financial Instruments

Angus Council's activities expose it to a variety of financial risks in respect of financial instruments and in particular the following:

- credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments; and
- market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The management of the Council's treasury position is focused on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Management of the treasury position is carried out centrally within the Finance service and the Council has fully adopted the CIPFA Code of Treasury Management Practice in this regard. In line with this Code, the Council strategy for the management of financial risks is supported by written policies and procedures covering areas such as credit, liquidity and market risks. These areas are expanded upon below.

Credit Risk

Credit risk arises primarily from deposits with banks and other financial institutions, but also arises from credit exposures to the Council's customers. Deposits during 2023/24 were only made with banks or other financial institutions which were assessed independently by the Council's Treasury Management advisers as being sufficiently secure and which had a minimum Fitch long term rating of A minus and a minimum Fitch short term rating of F1 or were classed as a part or fully nationalised bank at the time the deposit was made. Deposits could also be made with other local authorities and whilst such bodies are not specifically rated, they are deemed to hold at least the rating level of the UK government. The exception to these criteria was overnight deposits placed with the Council's own bank (Clydesdale Bank) as noted below.

The Council, in accordance with CIPFA's Treasury Management in the Public Services Code of Practice (2017 edition), has an Annual Treasury Management Strategy in place and as part of this strategy the determination of the levels of investments placed with permitted counterparties is set.

In respect of the financial year 2023/24 the following limits were in place and were applied at the time each deposit was made:

- a maximum of £5.0 million could be placed with each UK domiciled A minus institution subject to a total of no more than 35% of the Council's investments being placed with suitable A minus rated counterparties;
- a maximum of £15.0 million could be placed with each UK domiciled A or A plus rated institution, subject to a total of no more than 60% of the Council's investments being placed with these counterparties;
- a maximum of £2.5 million could be placed with each non-UK domiciled A minus rated institution;
- a maximum of £5.0 million could be placed with each non-UK domiciled A or A plus rated institution;
- a maximum of £20.0 million could be placed with each UK domiciled AA minus (or higher) rated institution, with 100% of the Council's investments in this category being able to be placed with these counterparties;
- a maximum of £15.0 million could be placed with each non-UK domiciled AA minus (or higher) rated institution subject to a maximum of £30.0m being placed overall and a total of no more than 50% of the Council's investments being placed with these counterparties;
- a maximum of £20.0 million could be placed with each of the Nationalised or part Nationalised Banks, however 100% of the Council's investments could be placed with these counterparties;
- a maximum of £30.0 million could be placed overall in Money Market Funds, with the maximum limit of £15.0 million able to be placed with any single fund. 100% of the Council's investments could be placed in Money Market Funds;

- a maximum of £10.0 million could be placed overall in Ultra Short Dated Bond Funds, with a maximum limit of £5.0m able to be placed with any single fund and no more than 25% of the Council's investments being placed with these counterparties; and
- No limits were in place in respect of deposits with other Local Authorities and 100% of the Council's investments could be placed with this category.

The one exception to the above-mentioned limits is the Council's own bank - currently Clydesdale Bank – for which an overall investment limit of £25.0 million is maintained for operational reasons. The bank did not meet the Council's minimum investment criteria during 2023/24 and in line with the approved Treasury Management Strategy, therefore, the placement of funds with Clydesdale Bank was limited throughout the financial year to overnight only.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience of default / ability to collect and experience and advice in respect of current market conditions.

	Amounts at 31 March 2024	Estimated maximum exposure – default etc
	£m	£m
Deposits with other banks	37.554	0.000
Deposits with other local authorities	10.036	0.000
Money Market Fund deposits	0.000	0.000
Collateralised deposits	0.000	0.000
Customers	2.893	0.359
Totals	50.483	0.359

There were no instances of exceeding investment limits which arose during 2023/24. The Council does not expect any losses from non-performance of any of its investment counterparties in relation to deposits and bonds.

The Council does not generally give credit for customers and, in this regard, it can be reported that £2.143 million of the £2.893 million customer debt balance is past its due date for payment. The past due date amount can be analysed by age as follows:

	31 March 2024
	£m
Less than 3 months	0.693
3 to 6 months	0.306
6 months to 1 year	0.538
More than 1 year	1.356
Total	2.893

Liquidity Risk

The Council has ready access to borrowings from the financial markets to cover any day to day cash flow needs and has ready access to borrow funds from the Public Works Loans Board (PWL) for longer term commitments. There is, therefore, no significant risk that the Council will be unable to raise funds to meet its commitments under financial instruments. The risk instead is that the Council may have to replenish a significant proportion of its borrowing at a time when interest rates may not be favourable. In accordance with the CIPFA Treasury Management Code of Practice, the Council has a policy in respect of upper and lower limits with regard to the maturity structure of fixed rate borrowing. The limits are set with the amount of fixed rate borrowing maturing in each period expressed as a percentage of total fixed rate borrowing as set out in the following table below.

	Upper Limit %	Lower Limit %
Under 1 year	25%	0%
1 year and within 2 years	25%	0%
2 years and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	50%

In conjunction with the Council's Treasury Management advisers, the Director of Finance adopts a pro-active management of the Council's borrowings to ensure that the above limits are observed. This is achieved through the careful planning of the timing of new loans taken out and the early repayment of existing borrowings where conditions are favourable.

The maturity structure of the Council's external loan financial liabilities is as follows, stated using carrying values.

Loan Value 31 March 23 £m		Carrying Amount £m	Less Lobo Accounting £m	Loan Value 31 March 24 £m
	Loans Outstanding			
107.757	PWLB	104.168	0.000	104.168
16.000	LOBOs - European Banks	12.323	(0.323)	12.000
14.000	Market Debt - UK Banks	14.000	0.000	14.000
137.757	Total	130.491	(0.323)	130.168
	Maturity Structure			
3.589	Less than 1 year	0.889	0.000	0.889
0.889	Between 1 and 2 years	2.296	0.000	2.296
3.927	Between 2 and 5 years	2.520	0.000	2.520
3.113	Between 5 and 10 years	3.113	0.000	3.113
126.239	Over 10 years	121.673	(0.323)	121.35
137.757	Total	130.491	(0.323)	130.168

The 2022/23 figures are shown for comparison. In the over 10 years category there are LOBOs with a Loan Value totalling £12 million which have a call date in the next 12 months. Note that the Commerzbank LOBO for £4 million was repaid early during financial year 2023/24.

All trade and other payables are due to be paid in less than 1 year and are not included in the above table.

Market Risk

Interest Rate Risk

The Council could be exposed to interest rate movement risk in respect of its borrowings and investments.

For example, a rise in interest rates could have the following effects:

- borrowings at variable rates - interest expenses charged to the CIES would increase;
- borrowings at fixed rates - no change in interest expenses but fair values would decrease;
- investments at variable rates - interest income credited to the CIES would increase; and
- investments at fixed rates - no change in interest income but fair values would decrease.

For illustrative purposes, a 1% increase in the interest rate would decrease the fair value of fixed rate borrowings by some £14.671 million (13.3%).

The Council currently has no variable rate borrowings or investments and consequently is not currently exposed to interest rate risk. Additionally, all borrowings and investments are carried at amortised cost and not fair value. There are consequently no impacts on either the Comprehensive Income & Expenditure Statement, the notes to the accounts or Movements in Reserves Statement in respect of interest rate risk.

Price Risk

The Council has no financial assets in the form of equity shares and is not therefore currently exposed to loss arising from movements in market rates.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in foreign exchange rates.

Financial Guarantees

In addition to credit, liquidity and market risks, the Council can be exposed to risks from any financial guarantees that it agrees to put in place.

Angus Council is a signatory to the Local Government Pension Scheme (LGPS) admission agreement for ANGUSalive. Under that agreement Angus Council has undertaken to accept liability for any unfunded costs or unpaid sums due that may arise in relation to ANGUSalive's membership of the LGPS should ANGUSalive cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded costs or liabilities.

Note 30 - Loans Fund Revenue Account

This table sets out the revenue transactions of the Loans Fund. The Loans Fund provides a central pool of finance for all council expenditure. All external loans, borrowed to finance capital spending, are paid into the fund. Interest due on these borrowings and debt management expenses are charged to the account and recovered annually from the service revenue accounts based on their outstanding loan debts.

2022/23 £m		2023/24 £m
	Expenditure	
	Interest Paid on Loans:-	
4.920	Public Works Loan Board	4.581
1.330	Other mortgages and bonds	1.247
0.099	Internal loans	0.179
1.636	Interest paid on revenue balances	4.700
0.146	Expenses of borrowing	0.135
8.131	TOTAL EXPENDITURE	10.842
	Income	
2.034	Interest received	4.395
5.951	Interest charged to borrowing accounts	6.312
0.146	Expenses recovered from borrowing accounts	0.135
8.131	TOTAL INCOME	10.842

Loans Fund Interest

The average rate of interest charged on borrowing from the Loans Fund was 4.104% in 2023/24. The 2022/23 rate was 3.93%.

Debt Management Expenses

The equivalent rate for debt management expenses was 0.088%. The 2022/23 rate was 0.10%.

Debt per Head of Population

The amount of debt outstanding at 31 March 2024 was £154.045 million or £1,331.26 per head of population. The figures at 31 March 2023 were £144.732 million or £1,246.40 respectively.

Note 31 – Other Long Term Liabilities

Other long term liabilities (£135.322 million) are considered throughout the notes to the accounts. They essentially consist of two main factors; deferred income & deferred liabilities.

2022/23 £m		2023/24 £m
	Other Long Term Liabilities	
	Deferred Income:	
0.268	Prepaid Income	0.235
0.268	TOTAL DEFERRED INCOME	0.235
	Deferred Liabilities:	
35.706	Finance Leases	33.661
0.048	Government Funding	0.000
105.813	Outstanding Debt associated with PPP projects	101.426
141.567	TOTAL DEFERRED LIABILITIES	135.087
141.835	TOTAL OTHER LONG TERM LIABILITIES	135.322

Note 32 – Contingent Liability/Asset

Contingent Liability

Litigation Cases:

The Council is involved in 1 legal case which have the potential for a settlement to be required of up to £0.425 million. Due to the ongoing nature of the cases it is not appropriate to include further details of the matter. The determination of whether settlement will be required is uncertain, and the contingent liability is recognised against the possibility of the Council being required to settle these matters.

The Council has just recently been made aware of a legal case which could have the potential for a settlement. Due to the ongoing nature of the case it is not appropriate to include further details of the matter. At this point on time we have no information to enable an assessment of provision to be undertaken or creditor so we are including it as a contingent liability on the basis there is an obligation however we are unable to assess the extent of the cost of this.

Contingent Asset

Litigation Cases:

The Council is not involved in any legal cases which would have the potential for a settlement to be paid to the Council.

Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial statements of the Council and its subsidiary and associated companies.

Associate and Joint Venture companies are consolidated in accordance with paragraph 9.1.2.43 of the Code of Practice using the equity method. The Council's investment in these companies is incorporated at cost and adjusted each year by the Council's share of the companies' results as recognised in the Group Comprehensive Income and Expenditure Statement and its share of other gains and losses.

Subsidiary companies are consolidated in accordance with paragraph 9.1.2.27 of the Code of Practice with the income, expenditure, assets and liabilities consolidated on a line-by-line basis.

Intra-group balances and transactions are eliminated on consolidation.

The results of the following organisations have been consolidated within the Group Accounts:

Name of Combining Entity	Consolidation Method
ANGUSalive	Subsidiary
Charitable Trusts: <ul style="list-style-type: none"> • Robert & William Strang Mortification (SC018687) • Angus Council Charitable Trusts (SC044695) • Endowment Funds 	Subsidiary
Common Good	Subsidiary
Tayside Joint Valuation Board	Associate
Tayside Contracts Joint Committee	Associate
Angus Integration Joint Board	Joint Venture

Group Movement in Reserves Statement as at 31 March 2024

	Council Usable Reserves £m	Council Unusable Reserves £m	Total Council Reserves £m	Share of Reserves of Associates, Joint Venture & Subsidiaries £m	Total Group Reserves £m
Balance at 31 March 2022	67.783	695.588	763.371	42.357	805.728
Movement in reserves during 22/23					
Surplus or (deficit) on provision of services	(45.074)	0.000	(45.074)	(10.130)	(55.204)
Other Comprehensive Expenditure and Income	0.000	106.355	106.355	22.086	128.441
Total Comprehensive Expenditure and Income	(45.074)	106.355	61.281	11.956	73.237
Opening balance / Group share adjustments	8.838	(8.838)	0.000	(0.100)	(0.100)
Adjustments between accounting basis and funding basis under regulations	49.623	(49.462)	0.161	0.000	0.161
Net Increase / Decrease before Transfers to Earmarked Reserves	13.387	48.055	61.442	11.856	73.298
Transfers to / from Earmarked Reserves	0.000	0.000	0.000	0.000	0.000
Increase / Decrease in Year	13.387	48.055	61.442	11.856	73.298
Balance at 31 March 2023 carried forward	81.170	743.643	824.813	54.213	879.026
Movement in reserves during 23/24					
Surplus or (deficit) on provision of services	(21.695)	0.000	(21.695)	(0.936)	(22.631)
Other Comprehensive Expenditure and Income	0.000	(10.045)	(10.045)	(8.504)	(18.549)
Total Comprehensive Expenditure and Income	(21.695)	(10.045)	(31.740)	(9.440)	(41.180)
Opening balance / Group share adjustments	23.263	(23.263)	0.000	(0.148)	(0.148)
Adjustments between accounting basis and funding basis under regulations	(13.968)	14.274	0.306	(1.039)	(0.733)
Net Increase / Decrease before Transfers to Earmarked Reserves	(12.400)	(19.034)	(31.434)	(10.627)	(42.061)
Transfers to / from Earmarked Reserves	0.000	0.000	0.000	0.000	0.000
Increase / Decrease in Year	(12.400)	(19.034)	(31.434)	(10.627)	(42.061)
Balance at 31 March 2024 carried forward	68.770	724.609	793.379	43.586	836.965

Group Comprehensive Income and Expenditure Statement for the year 31 March 2024

2022/23				2023/24		
Gross Expenditure £m	Gross Income £m	Net Expenditure £m		Gross Expenditure £m	Gross Income £m	Net Expenditure £m
171.305	(20.851)	150.454	Education & Lifelong Learning	183.020	(20.179)	162.841
57.027	(11.581)	45.446	Infrastructure & Environment	61.311	(16.065)	45.246
30.043	(3.138)	26.905	Children, Families & Justice	31.871	(3.866)	28.005
11.689	(0.187)	11.502	Human Resources, OD, Digital Enablement, IT & Business Support	11.680	(0.499)	11.181
6.337	(0.925)	5.412	Legal, Governance & Change	6.514	(1.542)	4.972
30.894	(23.856)	7.038	Vibrant Communities & Sustainable Growth	30.995	(24.544)	6.451
5.281	(1.358)	3.923	Finance	4.628	(1.658)	2.970
3.269	(1.671)	1.598	Chief Executives	1.864	(0.688)	1.176
16.220	(5.675)	10.545	Other Services	19.938	(9.860)	10.078
0.904	0.000	0.904	Corporate Items	1.419	0.000	1.419
0.496	(3.218)	(2.722)	Ukraine Support	0.000	0.000	0.000
0.825	(0.008)	0.817	Joint Boards	0.802	(0.008)	0.794
165.163	(95.962)	69.201	Adult Services	170.647	(101.899)	68.748
499.453	(168.430)	331.023	General Fund Net Expenditure	524.689	(180.808)	343.881
37.738	(31.393)	6.345	Housing Revenue Account	35.858	(31.631)	4.227
537.191	(199.823)	337.368	Cost of Services - Council	560.547	(212.439)	348.108
9.082	(2.799)	6.283	Interest in Subsidiary – Angus Alive	11.258	(5.507)	5.751
0.077	(0.104)	(0.027)	Interest in Subsidiary – Charitable Trusts	0.053	(0.095)	(0.042)
1.368	(0.389)	0.979	Interest in Subsidiary – Common Good	1.475	(0.469)	1.006
547.718	(203.115)	344.603	Group Cost Of Services	573.333	(218.510)	354.823
		(0.181)	Other Operating (Income)/ Expenditure - Council			(0.095)
		8.354	Other Operating (income)/ Expenditure –Associates & JV			(0.230)
		15.201	Financing & Investment (Income)/ Expenditure – Council			(1.323)
		(312.932)	Taxation and Non-Specific Grant Income - Council			(330.544)
		55.045	Group Deficit on Provision of Services			22.631
		(72.202)	(Surplus) or deficit on revaluation of non-current assets – Council			(4.034)
		(3.949)	(Surplus) or deficit on revaluation of non-current assets - Subsidiaries			(1.038)
		(34.153)	Re-measurement of net pension liability - Council			14.079
		(12.979)	Re-measurement of net pension liability – Subsidiaries			(7.694)

2022/23				2023/24		
Gross Expenditure £m	Gross Income £m	Net Expenditure £m		Gross Expenditure £m	Gross Income £m	Net Expenditure £m
		(22.823)	Re-measurement of net pension liability – Associates & JV			0.228
		(146.106)	Other Group Comprehensive (Income) /Expenditure			1.541
		(91.061)	Total Group Comprehensive (Income)/Expenditure			24.172

Group Balance Sheet as at 31 March 2024

31/03/2023 £m		Group Notes	31/03/2024 £m
1,085.402	Property, Plant & Equipment		1,071.337
8.070	Heritage Assets		8.070
3.252	Investment Property		3.252
1.904	Assets Held for Sale		1.904
7.362	Pension Asset		0.000
2.023	Long Term Investments		2.131
1.887	Long Term Debtors		1.778
1,109.900	Long Term Assets		1,088.472
75.587	Short Term Investments	10	47.713
0.362	Inventories		0.355
28.978	Short Term Debtors	9	41.067
17.158	Cash and Cash Equivalents	8	8.279
122.085	Current Assets		97.414
(4.574)	Short Term Borrowing		(2.228)
(75.585)	Short Term Creditors	11	(84.556)
(80.159)	Current Liabilities		(86.784)
(134.640)	Long Term Borrowing		(129.600)
(8.852)	Pension Liability	12	(8.764)
(141.835)	Other Long Term Liabilities		(135.322)
12.527	Liability in Associates & Joint Ventures		11.549
(272.800)	Long Term Liabilities		(262.137)
879.026	Net Assets		836.965
88.026	Usable Reserves		75.531
768.737	Unusable Reserves		747.452
22.263	Group Reserves		13.982
879.026	Total Reserves		836.965

The unaudited financial statements were issued on 28 June 2024 and the audited financial statements were authorised for issue by the Director of Finance on 24 September 2024.

Ian Lorimer CPFA
Director of Finance

Group Cash Flow Statement as at 31 March 2024

2022/23 £m		2023/24 £m
(55.106)	Net surplus or (deficit) on the provision of services	(22.631)
91.913	Adjustment to surplus or deficit on the provision of services for non-cash movements	49.876
(19.769)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(25.116)
8.356	(Surplus) or deficit attributable to Associates / Joint Ventures	0.000
25.394	Net Cash Inflows from Operating Activities *	2.129
(36.129)	Purchase of property, plant and equipment, investment property and intangible assets	(48.105)
(2.500)	Purchase of short-term and long-term investments	28.003
0.893	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2.765)
18.695	Other receipts / payments from investing activities	24.113
(19.041)	Net Cash Outflows from Investing Activities	1.246
0.000	Cash payments for the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	0.000
(5.082)	Cash receipts of short and long term borrowing	(7.539)
(6.299)	Repayments of short and long-term borrowing	(6.503)
1.083	Other receipts / payments for financing activities	1.787
(10.298)	Net Cash Inflows from Financing Activities	(12.255)
(3.945)	Net increase or (decrease) in cash and cash equivalents	(8.880)
21.104	Cash and cash equivalents at the beginning of the reporting period	17.159
17.159	Cash and Cash equivalents at the end of the reporting period (Note 8)	8.279

* The cash flows from operating activities in 2023/24 includes interest received of £4.670 million (2022/23 £2.122million) and interest paid of £16.997 million (2022/23 £17.114 million).

Note 1 - Statement of Accounting Policies

The majority of the accounting policies adopted to produce the Group Accounts complement those used to prepare the Council's own accounts and are therefore not replicated here.

Note 2 - Changes in Accounting Policy

There are no changes in accounting policy requiring to be disclosed as part of the Group Accounts in addition to those detailed in the single entity accounts.

Note 3 - Consolidation

Transactions between the Council and its subsidiaries are eliminated on consolidation.

Note 4 - Combining Entities

Subsidiaries

ANGUSalive

From 1 December 2015, Angus Council transferred all of its culture, leisure and access office services (including the associated staff) to a charitable trust called ANGUSalive. Libraries, museums, galleries, archives, sport and leisure facilities, country parks, community halls, access offices and the Webster Theatre are all now managed by ANGUSalive.

Whilst the Council does not have operational control of ANGUSalive, it is wholly owned by the Council. The Council is also exposed to certain risks and rewards at a strategic level. Under the definitions within the Accounting Code of Practice, the Council therefore effectively has control over ANGUSalive and the income, expenditure, assets and liabilities of ANGUSalive have therefore been consolidated on a subsidiary line by line basis.

After accounting for IAS 19 Employee Benefits, the net assets of ANGUSalive were £3.732 million at 31 March 2024, compared to net assets of £11.301 million at 31 March 2023. The total Statement of Financial Activities including Income and Expenditure for the year to 31 March 2024 was net income of £0.124 million, compared to net expenditure of £0.749 million for the period to 31 March 2023.

ANGUSalive's 2023/24 accounts may be obtained from: ANGUSalive Head Office, William Wallace House, Orchardbank Business Park, Forfar, DD8 1WH.

Charitable Trusts and Endowments

Angus Council administers 2 Charitable Trusts (Robert & William Strang Mortification and Angus Council Charitable Trust) and a number of Endowments and whilst the Council does not have control over these funds, they have been considered for inclusion in the Group Accounts on the basis of applying the principle that the substance of the relationship indicates control by the Council. The income, expenditure, assets and liabilities of the Charitable Trusts have therefore been consolidated on a subsidiary line by line basis. Separate detail of the aggregate Income & Expenditure and Balance Sheet position of the Charitable Trusts is included as a separate statement in Angus Council's accounts.

The financial performance of the Charitable Trusts and Endowments is reported within this accounts document at page 122.

Common Good Funds

Angus Council administers the Common Good Funds of the area and whilst the Council does not have legal title over the assets of these Funds, they are legally vested in the Council and have therefore been considered for inclusion in the Group Accounts on the basis of applying the principle that the substance of the relationship indicates control by the Council. The income, expenditure, assets and liabilities of the Common Good Funds have therefore been consolidated on a subsidiary line by line basis. Separate detail of the aggregate Income & Expenditure and Balance Sheet position of the Common Good Funds is included as a separate statement in Angus Council's accounts.

The financial performance of the Common Good Funds is reported within this accounts document at page 124.

Associates

Two entities have been consolidated as associates into Angus Council's Group Accounts in 2023/24 – Tayside Valuation Joint Board and Tayside Contracts Joint Committee. The accounting period for both entities is the year to 31 March and is therefore aligned with Angus Council's accounting period. The accounts of each associate entity are published separately.

Whilst Angus Council does not have control of these entities, Angus Council's share of the results of each have been included in the Group Accounts as Angus Council has voting rights and the ability to exercise significant influence over each entity. Each entity has therefore been incorporated in the Group Accounts under the equity method of accounting for associates. Angus Council's interest in each entity is deemed to have been obtained on an acquisition basis, however no consideration was given and therefore no goodwill requires to be accounted for.

Tayside Valuation Joint Board

Tayside Valuation Joint Board, which is jointly administered along with Dundee City and Perth & Kinross Councils, was created in 1996 to take over from the local authorities in the area for specified duties in relation to valuation for rating and Council Tax.

Recognition has been made within the Group Accounts of the Council's interest which is based on its share of the contribution made to Tayside Valuation Joint Board of 25.59% (the share in 2022/23 was 26.42%).

After accounting for IAS 19 Employee Benefits, the net assets of the Board were £1.750 million at 31 March 2024, compared to net liabilities of £0.094 million at 31 March 2023. The total Comprehensive Income and Expenditure for the year to 31 March 2024 was net expenditure of £0.249million, compared to net expenditure of £0.551 million for the period to 31 March 2023.

A copy of Tayside Valuation Joint Board's 2023/24 accounts may be obtained from: Director of Corporate Services, Dundee City Council, Floor 4, Dundee House, 50 North Lindsay Street, Dundee, DD1 1NZ.

Tayside Contracts Joint Committee

Tayside Contracts Joint Committee was set up in its present form in 1996 by Angus, Dundee and Perth & Kinross Councils to provide specialist services in areas such as construction, catering and facilities management.

Recognition has been made within the Group Accounts of the Council's interest which is based on its agreed share of the investment in Tayside Contracts for 2023/24, which is 29.04% (the share in 2022/23 was 32.0%).

After accounting for IAS 19 Employee Benefits, the net assets of the Joint Committee were £1.214 million at 31 March 2024, compared to net assets of £1.140 million at 31 March 2023. The total Comprehensive Income and Expenditure for the year to 31 March 2024 was net income of £1.133 million, compared to net expenditure of £3.887 million for the period to 31 March 2023.

A copy of Tayside Contracts' 2023/24 accounts may be obtained from: 1 Soutar Street, Dundee, DD3 8SS.

Joint Venture*Angus Integration Joint Board*

Angus Integration Joint Board (AIJB) was established as a body corporate by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014 on 3rd October 2015. It is a formal partnership between NHS Tayside and Angus Council to deliver health and social care from 1st April 2016.

In accordance with LASAAC/TAG guidance, the AIJB has been consolidated into the Group Accounts as a Joint Venture using the equity method. This is on the basis of the existence of a separate vehicle to deliver services (the AIJB) and the council having rights to share net assets rather than rights / obligations in relation to particular assets / liabilities.

Recognition has been made within the Group Accounts of the Council's interest which is based on LASAAC/TAG Guidance in as much as partners do not have an automatic right of return of unused funds (available reserves), rather the partners have 50%/50% control over the utilisation, with the IJB remit, of any carried forward reserves.

The net assets of the Board were £21.495 million at 31 March 2024, compared to net assets of £21.564 million at 31 March 2023. The cost of services (before allowance for grant income) for the year to 31 March 2024 was £225.707 million, compared to a cost of services of £207.711 million for the period to 31 March 2023. After allowing for grant income (funding from Angus Council and NHS Tayside), the total Comprehensive Income and Expenditure for the year to 31 March 2024 was net expenditure of £0.069 million, compared to net expenditure of £13.890 million for the period to 31 March 2023.

A copy of AIJB's 2023/24 accounts may be obtained from: Chief Finance Officer, Angus Health & Social Care Partnership, Angus House, Orchardbank Business Park, Forfar, DD8 1AN.

Note 5 - Financial Impact of Consolidation and Going Concern

The net effect of inclusion of Angus Integration Joint Board (joint venture), Tayside Valuation Joint Board (associate), Tayside Contracts (associate), ANGUSalive (subsidiary), Charitable Trusts (subsidiary) and Common Good Funds (subsidiary) is to decrease both reserves and net assets by £42.061 million (2022/23 showed an increase of £54.213 million). The main reason for the reduction in the increase in both reserves and net assets between 2022/23 and 2023/24 was the actuarial gains on defined benefit pension schemes particularly Angus Alive in 2022/23. These pension assets were based on figures provided by the council's actuary and some of the assumptions used were inconsistent with the understanding of the correct treatment. Angus Alive's pension asset figure within the Group Accounts in 2022/23 reflected the alternative approach. All entities have prepared their accounts on a "going concern" basis and in common with these bodies, Angus Council's Group Accounts have also been prepared on a "going concern" basis.

Note 6 - Non-Adjusting Events After the Reporting Period

There were no non-adjusting events.

Note 7 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts of the various group entities contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates have been made taking into account historical experience, current trends and other relevant factors. As balances cannot be determined with certainty however, actual results could be materially different from the assumptions and estimates.

The item for which there is the most significant risk of material adjustment in the forthcoming year continues to be the estimation of the net liability to pay pensions as this depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Turbulence in world markets has created medium-term uncertainty about scheme assets. The effect on the net pension liability of the Group of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption would result in a decrease in the Group pension liability of £12.309 million.

Note 8 – Group Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2022/23 £m		2023/24 £m
4.238	Cash in Bank and in Hand held by the Group	5.423
(0.814)	Bank Overdraft	(3.967)
13.427	Cash Investments	6.823
16.851	Total Cash and Cash Equivalents	8.279

Note 9 – Short Term Debtors (Net of Provisions)

2022/23 £m		2023/24 £m
28.309	Angus Council Debtors	41.579
0.016	Charitable Trusts Debtors	0.017
0.023	Common Good Fund Debtors	0.003
0.733	Angus Alive Debtors	0.409
(0.103)	Exclude Intra Company Debtors	(0.941)
28.978	Total Group Debtors	41.067

Note 10 - Short Term Investments

2022/23 £m		2023/24 £m
75.449	Angus Council Short Term Investments	47.634
0.138	Charitable Trusts Short Term Investments	0.079
75.587	Total Group Short Term Investments	47.713

Note 11 – Short Term Creditors

2022/23 £m		2023/24 £m
74.325	Angus Council Creditors	83.390
0.007	Charitable Trust Creditors	0.006
0.042	Common Good Fund Creditors	0.045
1.314	Angus Alive Creditors	2.056
(0.103)	Exclude Intra Company Creditors	(0.941)
75.585	Total Group Creditors	84.556

Note 12 – Liability / (Assets) Related to Defined Benefit Pension Scheme

2022/23 £m		2023/24 £m
8.852	Angus Council – Pensions Liability / (Assets)	8.764
(7.362)	Angus Alive – Pensions Liability / (Assets)	0.000
1.490	Total Group Pension Liability	8.764

Note 13 – Additional Disclosure

The percentage of gross liability to the Group gross liability for each combining entity is:

2022/23 %		2023/24 %
0.03	Tayside Valuation Joint Board	0.03
2.84	Tayside Contracts	2.83
0.26	Angus Alive	0.59

As noted in the table below, the main liability relates to the obligations of the above in respect of defined benefit pension schemes. The pension accounting requirements of Financial Reporting Standards (FRS 102) and International Accounting Standards (IAS 19) have been applied to the accounting statements. There is no pension scheme associated with Angus Integration Joint Board as AIJB do not directly employ staff.

2022/23 Pension Scheme Obligations £m	2022/23 Total Gross Liabilities £m		2023/24 Pension Scheme Obligations £m	2023/24 Total Gross Liabilities £m
0.060	0.097	Tayside Valuation Joint Board	0	0.106
0.597	10.009	Tayside Contracts	0.664	9.876
0.000	0.903	Angus Alive	0.000	2.056

Note 14 – Group Reserves

The Group Reserves on the Group Balance Sheet contain reserves in respect of Charitable Trusts amounting to £2.294 million. This reserve is not freely available for general use as it is subject to restrictions for specified charitable purposes and, is therefore, ring-fenced within the Group Reserves.

Further details in respect of the Charitable Trusts, including the reserve, can be found in the separate statement and notes on pages 122.

Note 15 – Entities Not Consolidated

Following a review of the Group boundary, a number of satellite organisations have been excluded from Angus Council's group accounts, either on the basis of materiality or no group relationship being deemed to exist.

Tayside and Central Scotland Transport Partnership has been excluded from the consolidated accounts on the basis that Angus Council's share of the organisation equates to both the following criteria:

- a) the share of net assets is less than 1% of Angus Council's net assets; and
- b) the share of net revenue expenditure is less than 1% of Angus Council's net revenue budget.

In addition the following organisations were not consolidated on the basis that they are deemed to have no group relationship with Angus Council:

- i) MVV Baldovie Environment Ltd (formerly Dundee Energy Recycling Ltd (DERL)) – Angus Council has no rights to assets or responsibility for liabilities of MVV (formerly DERL).
- ii) Business Gateway Tayside (BGT) – BGT act as a supplier of services, with Angus Council having no rights to assets or responsibility for liabilities.
- iii) Tay Road Bridge (TRB) – whilst 1 Councillor sits on the TRB Board, Angus Council does not have a statutory funding requirement and does not receive a share of any surpluses.
- iv) Scotland Excel (SE) – whilst Angus Council provides a minimal percentage of the SE's requisition requirements and has 1 member representation on its Executive Board, it cannot be said to have significant influence.
- v) SEEMIS – funded by the 32 participating local authorities, the principal activity is the provision of information technology solutions to education services. Angus Council provides a minimal percentage of SEEMIS' funding.

Note 16 – Audit of Group Entities

The outcome for the entities consolidated into Angus Council's Group Accounts is as follows:

Subsidiaries

Charitable Trusts – separate statement within Angus Council's accounts – true and fair view.

Common Good – separate statement within Angus Council's accounts – true and fair view.

ANGUSalive – true and fair view (Azets Audit Services).

Associates

Tayside Valuation Joint Board – true and fair view (Audit Scotland).

Tayside Contracts – true and fair view (Audit Scotland).

Joint Venture

Angus Integration Joint Board – true and fair view (Audit Scotland).

In all of the above cases the audit opinion determines whether the financial statements give a true and fair view in accordance with applicable laws, regulations and Codes of Practice, the financial position of the bodies concerned as at 31 March 2024 and their income and expenditure for the year ended: and that the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973, the Companies Act 2006 or the Charities and Trustee Investment (Scotland) Act 2005.

HRA Income and Expenditure Statement for the Year Ended 31 March 2024

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations which may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2022/23 Actual £m		2023/24 Actual £m	2023/24 Budget £m
	Expenditure		
10.963	Repairs and Maintenance	12.010	11.691
8.902	Supervision and Management	8.876	9.096
1.653	Void Rents	1.451	1.957
15.077	Depreciation and impairment of non-current assets	12.883	12.883
0.392	Movement in the allowance for bad debts	0.765	0.500
0.656	Other expenditure	0.653	0.717
37.643	Total Expenditure	36.638	36.844
	Income		
(29.656)	Dwelling Rents	(30.932)	(30.544)
(0.708)	Non-Dwelling Rents	(0.710)	(0.723)
(1.208)	Other Income	(1.054)	(1.154)
(31.572)	Total Income	(32.696)	(32.421)
6.071	Net cost of HRA services as included in the Comprehensive Income and Expenditure Statement	3.942	4.423
0.274	HRA share of Corporate and Democratic Core	0.285	0.275
6.345	Net cost of HRA Services	4.227	4.698
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
0.018	(Gain) or loss on sale of HRA non-current asset	(0.045)	(0.045)
1.428	Interest payable and similar charges	1.406	1.969
0.017	Pension interest cost and expected return on pension assets	(0.574)	(0.574)
(3.928)	Non-specific Grant Income	(4.296)	(4.296)
3.880	(Surplus) or Deficit for the year on HRA services	0.718	1.752

Movement on the HRA Statement for the Year Ended 31 March 2024

This statement shows how the HRA Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the Housing Revenue Account balance for the year.

2022/23 £m		2023/24 £m
(4.370)	Balance on the HRA at the end of the previous year	(4.186)
3.880	(Surplus) or deficit for the year on the HRA Income and Expenditure Account	0.718
(5.914)	Adjustments between accounting basis and funding basis under statute	(1.937)
(2.034)	Net (Increase) or decrease before transfers to or from reserves	(1.219)
	Transfers to / (from) earmarked reserves:	
(0.300)	Affordable Housing Account	(0.500)
2.518	Transfer to General Fund – Pay Award Funding	1.460
0.000	Appropriation of General Fund Property	0.000
2.218	Net transfer to / from earmarked reserves	0.960
0.184	(Increase) or decrease in year on the HRA	(0.259)
(4.186)	Housing Revenue Account surplus carried forward	(4.445)
	Summary of HRA Balance Commitments:	
1.000	Minimum Policy Level	1.000
3.186	Scottish Housing Quality Standard / New Build / Zero Carbon	3.000
0.000	Storm Impact	0.445
4.186	Total HRA Balance Commitments	4.445

Notes to the HRA Income and Expenditure Statement

Note of reconciling items for the Movement on HRA Statement

2022/23 £m		2023/24 £m
	Items included in the HRA Net Costs of Services but excluded from the Movement on the HRA Statement	
(15.077)	Depreciation	(12.883)
(0.004)	Employee Benefits	(0.005)
(0.748)	IAS 19 Pension Adjustment	0.001
(15.829)		(12.887)
1.549	Loans fund principal repayments	1.913
4.173	Capital expenditure funded by the HRA	3.622
0.300	Capital expenditure funded by Affordable Housing Reserve	0.500
0.000	Appropriation of General Fund Property	0.000
3.928	Non Specific Grant Income	4.296
(0.017)	HRA Share of contributions to or from the Pensions Reserve	0.574
9.933		10.905
	Gain/Loss on Sale of HRA non-current assets	
1.076	Non-current assets sales proceeds (net of cost of sales)	0.185
(1.094)	Net Book Value of non-current assets sold	(0.140)
(0.018)		0.045
(5.914)	Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	(1.937)

Housing Stock

The stock relating to the Housing Revenue Account was as follows:

2022/23		2023/24
42% / 58%	Houses / Maisonettes	42% / 58%
	Stock changes can be summarised as follows:-	
7,719	Stock at 1 April	7,737
	Add:	
24	New Build	10
19	Acquisitions / Conversions	17
	Less:	
(3)	Open Market Sales	(3)
(22)	Closures / Demolitions/Conversions	(2)
7,737	Stock at 31 March	7,759

Rent Arrears

Rent arrears as at 31 March 2024 were £3.351 million, and the comparable figure for 31 March 2023 was £3.130 million.

The provision for bad or doubtful debt has increased to £2.017 million at 31 March 2024 from £1.755 million at 31 March 2023.

Prior Year Items

There are no exceptional or prior year items disclosed in the 2023/24 HRA Income and Expenditure Statement.

Council Tax Income Account and Notes

Income Account

The Council Tax Income Account shows the gross income raised from council taxes levied and deductions made under Statute. The resultant net income is transferred to the Comprehensive Income & Expenditure Statement of the Council.

2022/23 £m		2023/24 £m
69.452	Gross Council Tax Levied & Contributions in Lieu	73.942
(5.580)	Council Tax Reduction Scheme (CTRS)	(6.043)
(8.252)	Other Discounts & Reductions	(8.746)
(1.265)	Provision for Uncollected Debts & Allowances for Impairments	(1.275)
54.355	Net Council Tax Income	57.878
(0.051)	Adjustment to previous years' Council Tax	(0.046)
54.304	Transfers to the Comprehensive Income & Expenditure Statement (CIES)	57.832

Council Tax Income

The Council Tax charge is based on the value of a domestic property together with a personal element which takes into account the number and circumstances of the occupants of the property.

Each property is placed in one of eight valuation bands (A-H) in accordance with their value as at 1 April 1991. The Council Tax charge levied for each property is calculated in proportion to the Council Tax charge for a Band D property by applying fractions. A discount of 25% on the Council Tax charge is made where there are fewer than two adult residents of a property. Discounts are made for unoccupied property. Persons who are in detention, qualifying students and people with learning disabilities are disregarded for Council Tax purposes. Reductions in Council Tax payable are also available for people with other qualifying disabilities. The range of values and the fractions used in calculating the Council Tax payable for each valuation band are set out below. The fractions of Band D were amended on 1 April 2017 to increase the Council Tax due for Bands E to H properties.

Valuation Band	Property Valuation Range	Fraction of Band D
A	£0 - £27,000	240/360
B	£27,001 - £35,000	280/360
C	£35,001 - £45,000	320/360
D	£45,001 - £58,000	360/360
E	£58,001 - £80,000	473/360
F	£80,001 - £106,000	585/360
G	£106,001 - £212,000	705/360
H	Over £212,000	882/360

Calculation of the Council Tax Charge Base 2023/24

2022/23		Valuation Band								2023/24
TOTAL		A	B	C	D	E	F	G	H	TOTAL
57,754	Total Number of Properties	15,305	12,983	7,407	9,085	8,157	3,268	1,759	164	58,128
2,174	Less Exemptions/ Deductions	1,087	445	214	145	112	35	24	18	2,080
5,432	Less Adjustment for Single Discounts	2,239	1,291	697	657	429	119	51	3	5,486
811	Less Adjustment for Double Discounts	373	177	112	78	53	25	14	8	840
49,337	Effective Number of Properties	11,606	11,070	6,384	8,205	7,563	3,089	1,670	135	49,722
	Band D Equivalent Factor (Ratio)	240/360	280/360	320/360	360/360	473/360	585/360	705/360	882/360	
48,288	Band D Equivalent Number of Properties	7,773	8,610	5,684	8,234	9,863	4,982	3,237	331	48,714
845	Less Provision for Non-Collection 1.75%	136	151	99	144	173	87	57	6	853
47,443	Base as per Budget Setting	7,637	8,459	5,585	8,090	9,690	4,895	3,180	325	47,861
4,694	Less CTRS Band D Equivalent	2,253	1,083	520	369	179	63	33	2	4,502
42,749		5,384	7,376	5,065	7,721	9,511	4,832	3,147	323	43,359

The product of the Council Tax base and the equivalent Council Tax charge gave a budget for 2023/24 Council Tax income of £63.144. Inclusion of £0.250m for income from long term empty properties, Surplus Local Tax income of £0.134m, income from MOD properties of £0.100m and the Council Tax Reduction Scheme payments of £5.750m, results in a net budget for Council Tax income of £57.878m.

Council Tax Properties and Council Tax Charges

2022/23 Effective Number of Properties	2022/23 Total Council Tax Charge £		2023/24 Effective Number of Properties	2023/24 Total Council Tax Charge £
11,574	828.09	A	11,606	877.79
11,023	966.11	B	11,070	1,024.08
6,337	1,104.12	C	6,384	1,170.38
8,091	1,242.14	D	8,205	1,316.68
7,469	1,632.03	E	7,563	1,729.97
3,058	2,018.47	F	3,089	2,139.61
1,650	2,432.51	G	1,670	2,578.50
135	3,043.23	H	135	3,225.87
49,337			49,722	

Non-Domestic Rates Income Account and Notes

The Non-Domestic Rate Account is a statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2022/23 £m		2023/24 £m
40.211	Gross Rates Levied & Contributions in Lieu	43.402
(13.148)	Reliefs & Other Deductions	(14.351)
(0.187)	Write-offs of uncollectable debts & allowances for impairment	(0.364)
26.876	Net Non-Domestic Rate Income	28.687
(0.799)	Adjustment to previous years' National Non-Domestic Rates	(0.394)
0.000	Non-Domestic Rate Income Retained by Council from Incentivisation Scheme (BRIS)	0.000
26.077	Contribution to Non-Domestic Rate Pool	28.293

Non-Domestic Rate Income as reported under Taxation and Non-Specific Grant Income comprises income assigned by the Scottish Government from the national non-domestic rates pool, as well as non-domestic rate income which is not submitted to the pool but is retained by the Council.

2022/23 £m		2023/24 £m
26.160	Distribution from Non-Domestic Rate Pool	27.934
0.000	Non-Domestic Rate Income Retained by Council from Incentivisation Scheme (BRIS)	0.000
26.160	Non-Domestic Rate Income credited to the Comprehensive Income and Expenditure Statement	27.934

The 2023/24 rate poundage which is set nationally was 49.8p with an intermediate property rate under the Non-Domestic Rates (Levying and Miscellaneous Amendments) (Scotland) Regulations 2021 of 1.3p for properties with a rateable value of £51,001 to £100,000, and a higher property rate of 2.6p for properties with a rateable value over £100,000.

Rateable Subjects and Values (1 April 2023)

No of properties	Rateable Value as at 1 April 2022 £m	Non-Domestic Rateable Subjects	No of properties	Rateable Value as at 1 April 2023 £m
1,177	16.478	Shops	1,181	15.348
85	1.298	Public Houses	86	1.238
468	4.726	Offices including banks	438	4.180
59	1.743	Hotels etc	55	1.519
1,281	17.240	Industrial Subjects etc	1,290	17.916
532	6.367	Leisure, Entertainment, Caravans etc	538	7.442
103	1.401	Garages and Petrol Stations	102	1.619
59	0.689	Cultural	58	0.714
791	1.159	Sporting Subjects	830	1.463
82	8.875	Education and Training	82	9.882
315	6.953	Public Service Subjects	312	7.501
7	0.085	Communications (Non-Formula)	7	0.119
20	0.508	Quarries, Mines, etc.	20	0.569
173	0.859	Religious	173	0.999
136	7.517	Health & Medical Care	135	5.665
388	3.246	Other	415	6.245
5,676	79.144	Total	5,722	82.419

Charitable Trusts

The Council acts as sole trustee for a total of 59 Charitable Trusts. 2 are registered with OSCR (Strangs Mortification and ACCT), 55 are Educational Endowments and 2 are classed as other Trusts. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2024.

Income and Expenditure Account for the year ended 31 March 2024

2022/23		2023/24		
Total £m		OSCR Registered £m	Other £m	Total £m
0.077	Expenditure			
0.041	Beneficiaries	0.051	0.002	0.053
	Administration	0.044	0.000	0.044
0.118	Total Expenditure	0.095	0.002	0.097
(0.061)	Income			
(0.043)	Rents, feu duties, dividends and interest	(0.069)	(0.000)	(0.069)
(0.000)	Loans Fund interest	(0.015)	(0.011)	(0.026)
	Transfer from Capital Account/Endowment Funds	(0.000)	(0.000)	(0.000)
(0.104)	Total Income	(0.084)	(0.011)	(0.095)
0.014	(Surplus)/Deficit	0.011	(0.009)	0.002

Balance Sheet as at 31 March 2024

31/3/23		31 March 2024		
Total £m		OSCR Registered £m	Other £m	Total £m
0.002	Non-Current Assets			
1.548	Heritable Property	0.000	0.002	0.002
	Long Term Investments	1.665	0.000	1.665
1.550	Total Non-Current Assets	1.665	0.002	1.667
0.016	Current Assets			
0.138	Debtors	0.017	0.000	0.017
0.529	Short Term Investments	0.079	0.000	0.079
	Revenue Advances to Loans Fund	0.317	0.220	0.537
0.683	Total Current Assets	0.413	0.220	0.633
(0.007)	Current Liabilities			
	Creditors and accruals	(0.006)	(0.000)	(0.006)
(0.007)	Total Current Liabilities	(0.006)	(0.000)	(0.006)
0.676	Working Capital	0.407	0.220	0.627
2.226	Total Net Assets	2.072	0.222	2.294
1.970	Reserves			
0.256	Capital Account/Endowment Funds	2.033	0.007	2.040
	Reserve Account/Unrestricted Funds	0.039	0.215	0.254
2.226	Total Reserves	2.072	0.222	2.294

The unaudited financial statements were issued on 28 June 2024 and the audited financial statements were authorised for issue by the Director of Finance on 24 September 2024.

Ian Lorimer CPFA
Director of Finance

Notes - Principal Trust Funds

Charity	Area Covered	Balance at 31/03/24 Capital £m	Balance at 31/03/24 Revenue £m
ACCT – Angus Wide	Angus Wide	0.570	0.011
Robert & William Strang Mortification	Forfar	1.463	0.028
TOTAL		2.033	0.039

Capital Reserves/Endowment Funds

The movement on the Charitable Trusts Capital Reserve/Endowment Funds is summarised below:-

	Balance at 01/04/23 £m	Movement in Valuation £m	Capital Income £m	Capital Expenditure £m	Balance at 31/03/24 £m
Movement during year	1.970	0.118	0.843	(0.891)	2.040

Registered Charities

Of the 57 Charitable Trusts and Endowments the Council is Trustee for, 2 are registered charities and require to be administered in line with the requirements of the Office of the Scottish Charities Regulator (OSCR). These are Angus Council Charitable Trust (ACCT) (SC044695) and Robert & William Strang Mortification (SC018687).

OSCR registered Trusts are governed by the Charities Accounts (Scotland) Regulations 2006, whilst those Trusts not registered with OSCR are governed by the same International Financial Reporting Standards as Angus Council's accounts. In this regard the Income and Expenditure and the Balance Sheet shown above detail separately the positions for the OSCR registered Trusts and those not OSCR registered as well as the overall total.

Financial Instruments

In respect of financial instruments held by the Charitable Trusts, these all relate to investments and minor creditors and debtors due within 1 year. As the creditors and debtors are for relatively insignificant sums and the investments are all carried at fair value in the Balance Sheet, no further disclosures are necessary in respect of Charitable Trusts financial instruments.

Charities Reorganisation

The Council consolidated 97 registered Charities and 42 non-registered Trusts into a new single charity. OSCR approved this consolidation and the transfer took effect on 1 August 2014. The only registered charity not encompassed by the consolidation was Robert & William Strang Mortification which remains as a separate charity. The remaining 55 non-registered Trusts are primarily Educational Endowments and remain unchanged.

Audit Arrangements

Under Regulation 7 (Connected Charities) of the Charities Accounts (Scotland) Regulations 2006, a single collated set of statements has been prepared covering the 2 OSCR registered Charities. This collated set of statements is subject to independent external audit as a single audit and this is being carried out by the Council's external auditors (Audit Scotland). The audit fee of £0.006m was borne by the 2 charities.

Common Good

The Common Good is administered by local authorities in Scotland. It is vested in the local Council. In Angus the Council administers the Common Good Account for five towns within the district. The policy in relation to the use of Common Good assets and resources can be found at Appendix 3a and Appendix 3b of the Council's Financial Regulations (Financial Regulations Appendix 3). The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2024.

Income and Expenditure Account for the year ended 31 March 2024

Actual 2022/23 £m		Budget 2023/24 £m	Actual 2023/24 £m
	Expenditure		
0.052	Property Costs	0.038	0.033
0.002	Supplies and Services	0.001	0.007
0.032	Central Support Services Charges	0.033	0.034
0.243	Projects	0.518	0.242
0.048	Loan Interest & Principal Repayable	0.047	0.050
0.993	Depreciation & Impairment	1.143	1.143
1.37	Total Expenditure	1.780	1.509
	Income		
(0.327)	Fees, Charges etc	(0.309)	(0.312)
(0.056)	Interest on Revenue Balances	(0.115)	(0.153)
(0.006)	Other Income	(0.003)	(0.004)
(0.389)	Total Income	(0.427)	(0.469)
0.981	Net (Surplus)/Deficit	1.353	1.040

Balance Sheet as at 31 March 2024

As at 31 st March 2023 £m		As at 31 st March 2024 £m
	Non-Current Assets	
25.244	Heritable Property (less Depreciation)	22.953
0.024	Other Assets	0.024
0.018	Long Term Debtors	0.015
25.286	Total Non-Current Assets	22.992
	Current Assets	
0.023	Debtors	0.003
3.045	Revenue Advances to Loans Fund	3.168
3.068	Total Current Assets	3.171
	Current Liabilities	
(0.042)	Creditors and Accruals	(0.045)
(0.042)	Total Current Liabilities	(0.045)
3.026	Working Capital	3.126
(0.153)	Long Term Creditor	(0.107)
28.159	Total Net Assets	26.011
	Usable Reserves	
2.224	Revenue Cash	2.328
0.840	Capital Cash	0.840
9.220	Funds tied up in fixed assets	8.209
	Unusable Reserves	
15.875	Revaluation Reserve Account	14.634
28.159	Total Reserves	26.011

The unaudited financial statements were issued on 28 June 2024 and the audited financial statements were authorised for issue by the Director of Finance on 24 September 2024.

Ian Lorimer CPFA
Director of Finance

USABLE RESERVES

1. Movement in Individual Common Good Reserve Funds:
Revenue

	Revenue Cash at 31/03/23 £m	Income £m	Expenditure £m	Revenue Cash at 31/03/24 £m
Arbroath	0.519	0.120	(0.097)	0.542
Brechin	0.511	0.101	(0.079)	0.533
Forfar	0.784	0.149	(0.113)	0.820
Kirriemuir	0.008	0.001	(0.001)	0.008
Montrose	0.402	0.098	(0.075)	0.425
TOTAL	2.224	0.469	(0.365)	2.328

Capital

	Capital Cash at 31/03/23 £m	Income £m	Expenditure £m	Capital Cash at 31/03/24 £m
Arbroath	0.281	0.000	0.000	0.281
Brechin	0.206	0.000	0.000	0.206
Forfar	0.202	0.000	0.000	0.202
Kirriemuir	0.000	0.000	0.000	0.000
Montrose	0.151	0.000	0.000	0.151
TOTAL	0.840	0.000	0.000	0.840

Funds tied up in fixed assets

	Reserve Account Balance at 31/03/23 £m	Movement 2023/24 £m	Reserve Account Balance at 31/03/24 £m
TOTAL	9.220	(1.011)	8.209

UNUSABLE RESERVES

Revaluation Reserve Account

	Reserve Account Balance at 31/03/23 £m	Movement 2023/24 £m	Reserve Account Balance at 31/03/24 £m
TOTAL	15.875	(1.241)	14.634

2. Movement between Income & Expenditure Account and Advance to Loans Fund in 2023/24

	(Surplus) Deficit on Inc. & Exp. Account £m	Adjust for Non Cash Transactions (See Note 3) £m	Adjust for Cash Transactions £m	Balance Advanced (To)/From Loans Fund £m
Arbroath	0.044	(0.066)	(0.020)	(0.042)
Brechin	0.245	(0.268)	0.000	(0.023)
Forfar	(0.025)	(0.010)	0.000	(0.035)
Kirriemuir	0.00	0.000	0.000	0.000
Montrose	0.776	(0.799)	0.000	(0.023)
TOTAL MOVEMENT IN YEAR	1.040	(1.143)	(0.020)	(0.123)

2022/23 Bal b/fwd cash due from Loans Fund				(3.045)
Increase in advance to Loans Fund				(0.123)
Cash due from Loans Fund as at 31/03/24				(3.168)

3. Non Cash Transactions Adjusted in Note 2 Above

	£m
Depreciation & Impairment	1.143
Total	1.143

The above Common Good accounts for 2023/24 and Balance Sheet as at 31/03/2024, have applied, where relevant, the same accounting policies as those for Angus Council's 2023/24 Annual Accounts as stated in "Note 1 – Summary of Significant Accounting Policies" and are presented in line with the latest LASAAC guidance "Accounting for the Common Good Fund" dated May 2023.

Independent auditor's report to the members of Angus Council and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Angus Council and its group for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Account, and the Non-domestic Rate Account, the Charitable Trusts Income and Expenditure Account and Balance Sheet, the Common Good Income and Expenditure Account and Balance Sheet and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2024 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the **Code of Audit Practice** approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting.

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, I report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the **Audit Scotland website**.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Director of Finance and Scrutiny and Audit Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Director of Finance is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The Scrutiny and Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Director of Finance as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Director of Finance concerning the policies and procedures of the councils and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Director of Finance is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the

work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pauline Gillen
Audit Director
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT