

REPORT TO: CITY GOVERNANCE COMMITTEE – 24 AUGUST 2026

REPORT ON: REVENUE MONITORING 2026/2027

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 170-2026

1 PURPOSE OF REPORT

- 1.1 To advise Elected Members of the latest projected 2026/2027 revenue outturn position for both General Fund and HRA budgets and its impact on the Council's overall reserves.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
- a) note the information in this report including the latest forecasts for the General Fund and HRA as at 30 June 2026 in sections 5 and 6;
 - b) agree the General Fund budget adjustments totalling £0.772m detailed in the second column of Appendix A and the HRA budget adjustments detailed Appendix B;
 - c) authorise the Executive Director of Corporate Services to take the necessary steps to control in year spend to reduce the projected overspends including through reductions in non-essential spend and in consultation with Corporate Leadership Team, identify further financial recovery options with an overall aim of ensuring both budgets deliver a final outturn in line with the respective approved budgets.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from the agreement of this report.

4 BACKGROUND

- 4.1 This report provides service revenue monitoring information and explanations of material variances for both General Fund and HRA budgets.

- 4.2 The forecast position is shown in more detail as follows:

Appendix A shows the variances between budget and projected outturn for each service of the Council.

Appendix B provides more detailed explanations for the key variances against adjusted budget for each strategic service area.

Appendix C lists the budget adjustments undertaken to date for General Fund services.

5 GENERAL FUND

- 5.1 The Revenue Budget approved by City Governance Committee on 5 March 2026 totals £502.932m and is detailed in Appendix A. Based on the information available to date it is projected this will overspend by £1.378m. The impact this would have on the balances is outlined below:

General Fund	Opening Balance 1 April 2026	(Surplus) / Deficit for the Year	Projected Balance 31 March 2027
	£m	£m	£m
Earmarked Carry-forwards	0.803	0.803	0.000
Organisational Change Fund	1.890	0.004	1.886
Covid cost related pressures	0.850	0.700	0.150
Service change initiatives	4.851		4.851
Roof Remedial Works	0.741	0.561	0.180
Other earmarked Funds	7.165		7.165
Service concessions flexibility	39.773		39.773
Total earmarked funds	56.073	2.068	54.005
Unallocated Balance	8.680	1.378	7.302
Total General Fund	64.753	3.446	61.307

- 5.2 The key movements together with any explanations are detailed in appendices A and B of this report. Further additional information on other variances and other key risks is provided below.

5.3 Children & Families

Increasing demand and costs associated with third-party payments in Children's Social Work and Early Years Services continue to place pressure on this budget. In line with the financial strategy approved by members, these pressures will be managed through the reduction of non-essential expenditure and the careful control of recruitment, with vacancies only being filled where this is necessary to mitigate operational and service delivery risks.

5.4 Dundee Health & Social Care Partnership (DHSCP)

Under the agreed risk sharing arrangement the Integration Joint Board (IJB) retains any underspend within its reserve balances for investment in integrated health and social care services in future years. Any overspend is met from available reserves in the first instance. DHSCP financial forecast will be reported to the Integrated Joint Board on 19 August 2026. The position will be reflected in the council's next revenue monitoring report.

5.5 City Development

Off-street car parking income has not returned to budgeted levels since the pandemic, reflecting reduced demand arising from increased home working and a shift towards alternative modes of transport. This has resulted in an annual income shortfall of approximately £0.7 million, which has been supported to date with unspent Covid-related government funding. As these balances are now largely exhausted (see reserves table at 5.1), the Executive Director of City Development is undertaking a review of the Council's car parking strategy to inform future budget planning. Further details will be reported to Elected Members in due course.

5.6 Corporate Services

Under-recovery of income, mainly as a result of neighbouring local authorities no longer using Scientific Services, together with reduced usage of the underground garage, continue to present risks for the service. A national review of options for delivering a more sustainable Public Analyst Services model is currently being undertaken. No timescale has yet been confirmed by the Scottish Government for concluding this review.

It is intended that issues relating to the underground garage will be considered as part of the wider car parking review. Members will be updated on the progress of both reviews in due course. In the meantime, these financial pressures will be managed through reductions in non-essential expenditure and careful control of recruitment, with vacancies being filled only where necessary to mitigate operational and service delivery risks.

5.7 Corporate Property

The approved budget included additional growth to manage the Council's corporate property portfolio although remains a risk, primarily due to increased cost of property maintenance, inspection contracts, and high demand for remedial repairs arising from any property inspections. The Council is managing this risk through the delivery of a property rationalisation strategy and further updates will be provided to members in due course.

5.8 Corporate Fleet (£0.580m overspend)

The cost of the Council's corporate fleet remains a budget pressure primarily due to increased external vehicle repair costs. A recruitment exercise for mechanics is in progress to reduce the reliance on external repairs. In addition, the Council is undertaking a wider review of how it procures and finances the replacement of fleet and vehicles to ensure this is undertaken in the most optimum way and further details will be provided to members in due course.

5.9 Contingencies (£1.100m overspend)

Elected Members previously approved a saving of £4.4m to be delivered over a two-year period that would result in the deletion of circa 100 posts from general fund service budgets. These savings were anticipated to be generated through a combination of voluntary retirements or redundancies and the non-filling of vacancies that arise. Good progress has been made in delivering these savings although a balance of approximately £2.2m remains outstanding to be allocated. Whilst several service reviews are ongoing and there remains a risk that some of these savings will not be delivered in full this financial year.

5.10 Housing Benefit Subsidy (£0.300m overspend)

The Council is unable to fully recover the costs associated with the use of hotels and bed and breakfast accommodation for homeless households through Department for Work and Pensions funding. Owing to continued high demand for temporary accommodation, the Council must still make use of this type of provision to meet its statutory duties towards people experiencing homelessness.

Action is being taken through the Council's Local Housing Strategy and associated Action Plan to reduce reliance on hotels and bed and breakfast accommodation. Good progress is being made, and the requirement to use this form of temporary accommodation has continued to decrease and members will continue to be appraised of any progress.

6 HOUSING REVENUE ACCOUNT

- 6.1 The HRA Revenue Budget approved by City Governance Committee on 19 January 2026 amounts to £69.241m and is detailed within Appendix B. Based on the information available to date it is projected this will underspend by £0.014m. The impact this would have on the HRA Renewal & Repair Balances is outlined below:

HRA Renewal and Repair Fund		June £m
Opening Balance as at 1 April 2026		1.861
Add: Projected underspend		0.014
Projected Balance as at 31 March 2027		1.875

- 6.2 The key movements and explanations for this are detailed in Appendix B of this report. Monitoring will continue throughout the year with the aim of delivering an outturn at or below the adjusted HRA Revenue Budget and further updates will be provided to Elected Members throughout the year.

7 POLICY IMPLICATIONS

- 7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8 CONSULTATION

- 8.1 The Council Leadership Team were consulted in the preparation of this report.

9 BACKGROUND PAPERS

- 9.1 None.

PAUL THOMSON
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

24 AUGUST 2026

DUNDEE CITY COUNCIL

2026/2027 REVENUE OUTTURN MONITORING

PERIOD 1 APRIL 2026 - 30 JUNE 2026

	Approved Revenue Budget 2026/27	Total Budget Adjustments (see Appx C)	Adjusted Revenue Budget 2026/27	Projected Outturn 2026/27	Projected Variance Over/(under) spend
	£m	£m	£m	£m	£m
General Fund Services					
Children & Families	248.281	0.000	248.281	248.281	0.000
Dundee Health & Social Care Partnership	121.964	0.000	121.964	121.964	0.000
City Development	16.026	0.000	16.026	16.026	0.000
Neighbourhood Services	26.816	0.000	26.816	26.286	(0.530)
Chief Executive	14.665		14.665	14.671	0.006
Corporate Services	35.022	0.000	35.022	35.022	0.000
Construction Services	0.000	0.000	0.000	0.000	0.000
	462.774	0.000	462.774	462.250	(0.524)
Capital Financing Costs / Interest on Revenue Balances	31.203		31.203	31.203	0.000
Contingencies:					
- General	0.500		0.500	0.500	0.000
- Budget growth/Pay Pressures	0.363	0.000	0.363	0.363	0.000
- Unallocated Corporate Savings	(2.463)		(2.463)	(1.363)	1.100
- New monies	0.042	0.000	0.042	0.042	0.000
Tayside Contracts surplus	(0.232)		(0.232)	(0.232)	0.000
Corporate Fleet	4.811		4.811	5.391	0.580
Corporate Property	6.749		6.749	6.749	0.000
Housing Benefit Subsidy	2.271		2.271	2.571	0.300
Miscellaneous Items	(8.609)		(8.609)	(8.609)	0.000
Discretionary Non Domestic Rates (NDR) Relief	0.392		0.392	0.379	(0.013)
Supplementary Superannuation Costs	2.867		2.867	2.802	(0.065)
Tayside Valuation Joint Board	1.216		1.216	1.216	0.000
Empty Property Relief Devolution	1.048		1.048	1.048	0.000
Total Expenditure	502.932	0.000	502.932	504.310	1.378
Sources of Income					
General Revenue Funding	(349.326)	0.000	(349.326)	(349.326)	
Contribution from National Non Domestic Rates (NNDR) Pool	(72.776)		(72.776)	(72.776)	
Council Tax	(76.647)		(76.647)	(76.647)	0.000
Use of Balances -					
Committed Balances c/f	0.000	0.000	0.000	0.000	
Earmarked funds	0.000	0.000	0.000	0.000	
Service concessions	(4.183)		(4.183)	(4.183)	
Change Fund	0.000	0.000	0.000	0.000	
R&R Fund	0.000		0.000	0.000	
(Surplus)/Deficit for the year	0.000	0.000	0.000	1.378	1.378
(Surplus)/Deficit for Housing Revenue Acct	0.000	0.000	0.000	(0.014)	(0.014)

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DUNDEE CITY COUNCIL			Service: Children & Families		
2026/2027 REVENUE OUTTURN MONITORING					
PERIOD 1 APRIL 2026 - 30 JUNE 2026					
	Approved Revenue Budget 2026/27 £m	Total Budget Adjustments (see Appx C) £m	Adjusted Revenue Budget 2026/27 £m	Projected Outturn 2026/27 £m	Projected Variance (Note 1) £m
Staff	178.775	(2.539)	176.236	176.236	0.000
Property Costs	15.780	(0.443)	15.337	15.337	0.000
Supplies & Services	15.852	4.570	20.422	20.422	0.000
Transport	1.072	0.000	1.072	1.072	0.000
Transfer Payments	0.333	0.000	0.333	0.333	0.000
Third Party Payments	56.512	0.377	56.889	56.889	0.000
Income	(20.043)	(2.330)	(22.373)	(22.373)	0.000
Surplus)/Deficit for the year	248.281	(0.364)	247.917	247.917	0.000
Note 1 - Key reasons for variance from adjusted budget to projected outturn:					
None.					

DUNDEE CITY COUNCIL			Service: City Development		
2026/2027 REVENUE OUTTURN MONITORING			(excluding Corporate Fleet and Corporate Property)		
PERIOD 1 APRIL 2026 - 30 JUNE 2026					
	Approved Revenue Budget 2026/27 £m	Total Budget Adjustments (see Appx C) £m	Adjusted Revenue Budget 2026/27 £m	Projected Outturn 2026/27 £m	Projected Variance (Note 1) £m
Staff	19.119	(0.421)	18.698	18.698	0.000
Property Costs	1.457	(0.309)	1.148	1.148	0.000
Supplies & Services	3.144	(0.185)	2.959	2.959	0.000
Transport	0.089	(0.011)	0.078	0.078	0.000
Third Party Payments	6.170	0.071	6.241	6.241	0.000
Support Services	(0.092)	0.152	0.060	0.060	0.000
Income	(13.861)	0.153	(13.708)	(13.708)	0.000
Surplus)/Deficit for the year	16.026	(0.550)	15.476	15.476	0.000
Note 1 - Key reasons for variance from adjusted budget to projected outturn:					
None.					

DUNDEE CITY COUNCIL

Service: Neighbourhood Services

2026/2027 REVENUE OUTTURN MONITORING

PERIOD 1 APRIL 2026 - 30 JUNE 2026

	Approved Revenue Budget 2026/27 £m	Total Budget Adjustments (see Appx C) £m	Adjusted Revenue Budget 2026/27 £m	Projected Outturn 2026/27 £m	Projected Variance (Note 1) £m
Staff	27.687	0.379	28.066	26.987	(1.079)
Property Costs	1.116	0.000	1.116	1.284	0.168
Supplies & Services	2.668	0.048	2.716	2.911	0.195
Transport	0.044	0.078	0.122	0.078	(0.044)
Transfer Payments	0.000	0.037	0.037	0.035	(0.002)
Third Party Payments	13.574	(0.036)	13.538	13.209	(0.329)
Income	(18.273)	(0.077)	(18.350)	(17.789)	0.561
Surplus)/Deficit for the year	26.816	0.429	27.245	26.715	(0.530)

Note 1 - Key reasons for variance from adjusted budget to projected outturn:

Overall, the service is forecasting a favourable position driven primarily by a staff underspend of £1.079m. The staff underspend reflects a number of vacant posts across the service. Recruitment to fill these positions is ongoing, with roles being aligned to future service delivery requirements and operational priorities. In addition, internal promotions have resulted in workforce movement and created consequential vacancies that require backfilling. The service remains committed to filling vacancies where appropriate and continues to progress recruitment activity in line with workforce planning requirements.

Within third party payments, whilst it's early in the financial year, the projection is gate fees for the waste to energy plant may underspend but caution is advised as this can vary month to month.

These underspends are partly offset by projected income shortfalls within Waste Management and Streetscene & Land Management (SLM). The SLM variance mainly relates to lower than anticipated landscape contract income, based on actual income levels achieved in the previous year. The Waste Management shortfall is largely attributable to reduced trade waste income and lower income from recyclates, reflecting ongoing pressures on commercial waste activity and market conditions. These adverse variances are partly offset by additional income from service charges for temporary accommodation as demand is greater than the budgeted level.

DUNDEE CITY COUNCIL			Service: Corporate Services		
2026/2027 REVENUE OUTTURN MONITORING					
PERIOD 1 APRIL 2026 - 30 JUNE 2026					
	Approved Revenue Budget 2026/27	Total Budget Adjustments (see Appx C)	Adjusted Revenue Budget 2026/27	Projected Outturn 2026/27	Projected Variance (Note 1)
	£m	£m	£m	£m	£m
Staff	33.101	(0.073)	33.028	33.028	0.000
Property Costs	0.137	0.000	0.137	0.137	0.000
Supplies & Services	6.267	0.024	6.291	6.291	0.000
Transport	0.023	0.000	0.023	0.023	0.000
Transfer Payments	2.672	0.000	2.672	2.672	0.000
Third Party Payments	0.517	0.030	0.547	0.547	0.000
Income	(7.695)	(0.031)	(7.726)	(7.726)	0.000
Surplus)/Deficit for the year	35.022	(0.050)	34.972	34.972	0.000
Note 1 - Key reasons for variance from adjusted budget to projected outturn:					
None.					

DUNDEE CITY COUNCIL			Service: Housing Revenue Account		
2026/2027 REVENUE OUTTURN MONITORING					
PERIOD 1 APRIL 2026 - 30 JUNE 2026					
	Approved Revenue Budget 2026/27	Total Budget Adjustments	Adjusted Revenue Budget 2026/27	Projected Outturn 2026/27	Projected Variance (Note 1)
	£m	£m	£m	£m	£m
Staff	7.136	(0.465)	6.671	6.498	(0.173)
Property Costs	32.558	0.342	32.900	33.036	0.136
Supplies & Services	5.156	0.325	5.481	5.481	0.000
Transport	0.044	0.000	0.044	0.038	(0.006)
Third Party Payments	0.034	(0.001)	0.033	0.033	0.000
Support Services	3.920	(0.300)	3.620	3.620	0.000
Capital Financing Costs	20.393	0.000	20.393	20.393	0.000
Income	(69.241)	0.099	(69.142)	(69.113)	0.029
Surplus)/Deficit for the year	0.000	0.000	0.000	(0.014)	(0.014)
Note 1 - Key reasons for variance from adjusted budget to projected outturn:					
None.					

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Revenue Monitoring to 31st March 2027 - Budget Adjustments to date

	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>Alloc To/From Conts: New Monies</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts</u>	<u>Dept Totals</u>
<u>General Fund Services</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Children & Families									(364)
Transfer from Children & Families to Contingencies - budget adjustment following updated funding for Early Learning and Childcare Living Wage			(3)						
Corporate Services to Children & Families - staff budget transfer								55	
Children Services Budgets - Budget adjustment to reflect revised funding allocation Educational Psychologists posts redetermination for 2025-26		(118)		17					
Uplift to Scottish Recommended Allowance for kinship and foster carers per funding letter (permanent)				190					
Transfer of energy saving funding to corporate contingencies		(443)							
Children & Families to Dundee Health & Social Care Partnership - staff budget transfer								(64)	
Change Fund to Children & Families - funding allocated for Microsoft Copilot licences						2			
Dundee Health & Social Care Partnership									64
Children & Families to Dundee Health & Social Care Partnership - staff budget transfer								64	
City Development									(550)
Transfer of budget from City Development to Corporate Services for Supplier Development Programme annual membership								(5)	
Transfer of Sustainability and Climate Change budget responsibility to Neighbourhood Services								(400)	
Transfer of energy saving funding to corporate contingencies		(181)							
Transfer from Contingencies to City Development - Business Gateway		36							
Neighbourhood Services									429
Transfer of Sustainability and Climate Change budget responsibility to Neighbourhood Services								400	
Transfer to Neighbourhood Services from Contingencies - maintenance budget for Caird Park		27							

Revenue Monitoring to 31st March 2027 - Budget Adjustments to date

	<u>Alloc To/From General Conts</u>	<u>Alloc To/From Conts: Cost Pressures</u>	<u>Alloc To/From Conts: New Monies</u>	<u>Funding Transfers</u>	<u>Alloc from Earmarked Funds</u>	<u>Alloc from Change Fund</u>	<u>Alloc from R&R Fund</u>	<u>T/Fs Between Depts</u>	<u>Dept Totals</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
General Fund Services									
Change Fund to Neighbourhood Services - funding allocated for Microsoft Copilot licences						2			
Corporate Services									(50)
Transfer of budget from City Development to Corporate Services for Supplier Development Programme annual membership								5	
Corporate Services to Children & Families - staff budget transfer								(55)	
Construction									561
Allocation from earmarked reserves for roof improvement works					561				
Contingencies									682
Transfer from Children & Families to Contingencies - budget adjustment following updated funding for Early Learning and Childcare Living Wage			3						
Children Services Budgets - Budget adjustment to reflect revised funding allocation		118							
Transfer energy saving funding from Children & Families to Contingencies		443							
Transfer energy saving funding from City Development to Contingencies		181							
Transfer to Neighbourhood Services from Contingencies - maintenance budget for Caird Park		(27)							
Transfer from Contingencies to City Development - Business Gateway		(36)							
Total Adjustments (General Fund)	0	0	0	207	561	4	0	0	772