

**REPORT TO:** CITY GOVERNANCE COMMITTEE – 18 AUGUST 2025

**REPORT ON:** REVENUE MONITORING 2025/2026

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 211-2025

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2025/26 projected revenue outturn as at 31 May 2025 and the impact on the Council's overall balances position.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee:
- (a) note that as at 31 May 2025 the General Fund is projecting an overall overspend of £5.703m against the adjusted 2025/2026 Revenue Budget and the impact this has on the projected Council's General Fund Balances;
  - (b) note the budget adjustments totalling £1.895m and detailed in the second column of Appendix A and (summarised in Appendix B) as virements to the previously approved Revenue Budget;
  - (c) note that as at 31 May 2025 the Housing Revenue Account (HRA) is projecting to breakeven against the adjusted HRA 2025/26 Revenue Budget and the impact this has on the element of the projected Renewal & Repair Fund balance earmarked to HRA;
  - (d) authorise the Executive Director of Corporate Services to:
    - (i) take steps to control in year spend to reduce the projected overspends including by limiting overtime, ceasing avoidable expenditure on supplies and services;
    - (ii) further review earmarked balances and;
    - (iii) in consultation with Corporate Leadership Team identify further financial recovery options.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The unallocated portion of the General Fund as at 31 May 2025 is projecting an overspend of £5.703m against the adjusted 2025/26 Revenue Budget. The impact this would have on the Council's General Fund Balances is outlined below:

| <b>General Fund</b>            | <b>Opening<br/>Balance<br/>1 April<br/>2025<br/>£000</b> | <b>(Surplus)<br/>/ Deficit<br/>for the<br/>Year<br/>£000</b> | <b>Transfers<br/>(In) / Out</b> | <b>Projected<br/>Balance<br/>31 March 2026<br/>£000</b> |
|--------------------------------|----------------------------------------------------------|--------------------------------------------------------------|---------------------------------|---------------------------------------------------------|
| Earmarked Carry-forwards *     | 1,509                                                    |                                                              |                                 | 1,509                                                   |
| Children Services pressures    | 1,033                                                    |                                                              |                                 | 1,033                                                   |
| Organisational Change Fund     | 2,169                                                    |                                                              |                                 | 2,169                                                   |
| Covid cost related pressures * | 1,550                                                    |                                                              |                                 | 1,550                                                   |
| Service change initiatives     | 5,000                                                    |                                                              |                                 | 5,000                                                   |
| Roof Remedial Works            | 1,875                                                    | 1,281                                                        |                                 | 594                                                     |
| Other earmarked Funds          | 5,948                                                    |                                                              |                                 | 5,948                                                   |

| <b>General Fund</b>             | <b>Opening<br/>Balance<br/>1 April<br/>2025<br/>£000</b> | <b>(Surplus)<br/>/ Deficit<br/>for the<br/>Year<br/>£000</b> | <b>Transfers<br/>(In) / Out</b> | <b>Projected<br/>Balance<br/>31 March 2026<br/>£000</b> |
|---------------------------------|----------------------------------------------------------|--------------------------------------------------------------|---------------------------------|---------------------------------------------------------|
| Service concessions flexibility | 39,773                                                   |                                                              |                                 | 39,773                                                  |
| <b>Total earmarked funds</b>    | <b>58,857</b>                                            | <b>1,281</b>                                                 | <b>0</b>                        | <b>57,576</b>                                           |
| Unallocated Balance             | 8,174                                                    | 5,703                                                        |                                 | 2,471                                                   |
| <b>Total General Fund</b>       | <b>67,031</b>                                            | <b>6,984</b>                                                 | <b>0</b>                        | <b>60,047</b>                                           |

\* These balances will be drawn down as required during the year.

- 3.2 The approved budget included an allowance of 3% for the 2025/26 pay awards for both LGE and teachers. Provision for the pay award is included within contingencies and has not yet been allocated to service budgets. It should be noted that CoSLA's pay offer for LGE of 4% increase for the current financial year has been agreed although funding to support the additional 1% is yet to be determined. Negotiations regarding the teachers pay award remain ongoing and the outcome of this and any impact will be reflected in future reports.
- 3.3 Based on the financial information available as at 31 May 2025 the HRA outturn position for 2025/26 is projecting breakeven. Further details are provided in section 8 of this report.

#### **4 BACKGROUND**

- 4.1 Following approval of the Council's 2025/26 Revenue Budget by the City Governance Committee on 27 February 2025, this report provides the projected revenue outturn position as at 31 May 2025, against the adjusted 2025/26 Revenue Budget.
- 4.2 The total 2025/26 Revenue Budget is £496.111m. For revenue monitoring purposes, the Council Tax Reduction Scheme budget of £14.741m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £481.370m for revenue monitoring purposes, as set out in Appendix A.
- 4.3 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a significant (underspend) or overspend against adjusted budget, additional details have been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.
- 4.4 The forecast position is shown in more detail in the appendices to this report, as follows:

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

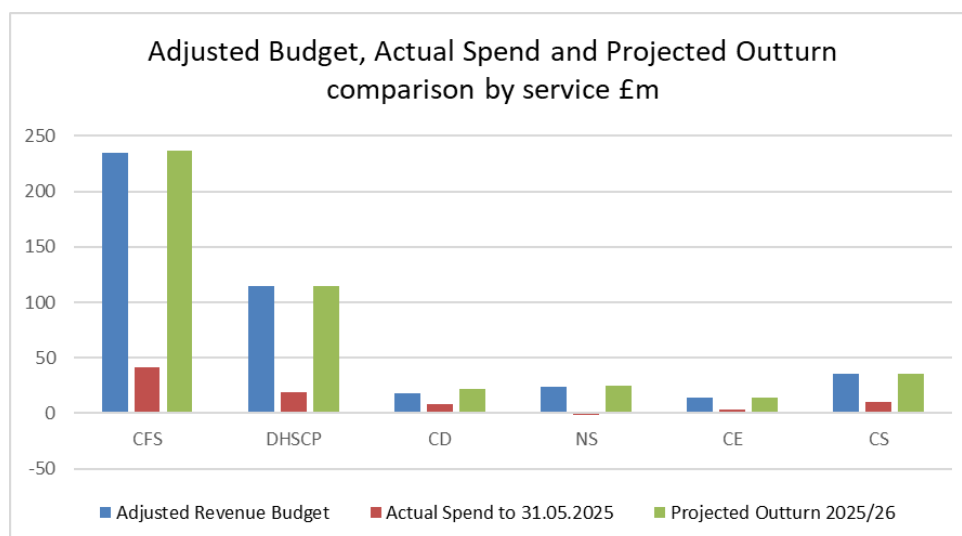
**Appendix B** lists the budget adjustments undertaken to date.

#### **5 GENERAL FUND SERVICES - MONITORING POSITION AS AT 31 MAY 2025**

- 5.1 The forecast position as at 31 May 2025 for General Fund services is summarised below.

|                                                         | <b>(Under)/Over Spend as at 31 May<br/>£m</b> |
|---------------------------------------------------------|-----------------------------------------------|
| Net Expenditure                                         | 5.851                                         |
| Sources of Income                                       | (0.147)                                       |
| <b>Net projected reduction uncommitted<br/>balances</b> | <b>5.703</b>                                  |

The graph below details the comparison between each service's actual spend and projected outturn.



## 6 DETAILED ANALYSIS

The following paragraphs summarise the **main** areas of variance by service along with appropriate explanations. These figures reflect movements for the full year to date.

### 6.1 Children & Families Services: £1.550m overspend

|                                                                                                                            | May<br>£m |
|----------------------------------------------------------------------------------------------------------------------------|-----------|
| Projected overspend in Children Services staff costs relating to LGE £0.463m and agency £0.465m                            | 0.928     |
| Projected overspend mainly within Children Services supplies & services                                                    | 0.480     |
| Projected overspend on pupil transport relating to taxis and buses ordered by service                                      | 0.315     |
| Projected underspend within Children Services third party payments                                                         | (0.420)   |
| Projected overspend within Early Years third party payments, mainly as number of hours in private nurseries have increased | 0.706     |
| Projected additional income relating to funding for unaccompanied asylum-seeking children                                  | (0.414)   |

### 6.2 Dundee Health & Social Care Partnership (DHSCP)

Under the risk sharing arrangement reflected in the Integration Scheme, 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. In accordance with the Integration Scheme, any projected overspend requires the development of a recovery plan with NHS Tayside and the DHSCP. The DHSCP is continuing to respond to changes in demand and demographics, and in particular staffing challenges, complexity of needs in community settings, and the wider impact of whole system pressures across health and social care sector. DHSCP financial forecast will be reported to the Integrated Joint Board on 20 August 2025. The position will be reflected in the council's next revenue monitoring report.

6.3 City Development: £3.600m overspend

|                                                                                                    | May<br>£m |
|----------------------------------------------------------------------------------------------------|-----------|
| Projected overspend in corporate property mainly due to costs of health and safety related repairs | 3.600     |

A working group is being formed to review the position with regard to property cost pressures. The outcome of this review will be reflected in future revenue monitoring reports.

6.4 Neighbourhood Services: £0.809m overspend

|                                                                                                                                                                                                                                                           | May<br>£m |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Projected overspend in waste management third party payments, mainly relating to increased MEB Gates Fees, increased tonnage and forecasted lower electricity income expected to be gained from the excess revenue share for the waste to energy contract | 0.464     |
| Streetscene & Land Management: income mainly from projects, fees & charges and ground maintenance activities are forecasted to be lower than budgeted                                                                                                     | 0.421     |
| Reduction in expected income from waste plant (lines 1 & 2) due to operational issues                                                                                                                                                                     | 0.627     |
| Projected underspend in staff costs due to vacancies                                                                                                                                                                                                      | (0.585)   |

6.5 Corporate Services: £0.096m overspend

|                                                                                                                                                              | May<br>£m |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Projected underspend in staff costs due to various vacancies                                                                                                 | (0.244)   |
| Projected shortfall in Scientific Services cost recoveries. In addition, fees and charges are lower than budget due to reduced income for underground garage | 0.540     |

6.6 Corporate Fleet: £0.348m overspend

Reflects the projected net overspend associated with the corporate fleet. The cost of the Council's fleet remains a budget pressure mainly due to rising expenditure in relation to the external hire of vehicles used by services together with the cost of parts and materials for vehicle repairs. The fleet review is ongoing to ensure the overall fleet utilised by services is in line with the budget provision available and that the true cost of fleet managed on behalf of external bodies is recovered accordingly and the outcome will be reported to members as part of future monitoring reports.

6.7 Supplementary Superannuation: (£0.313m) underspend

Projected underspend in Supplementary Superannuation costs.

6.8 Miscellaneous Items: £0.325m overspend

Reduction in grant income reflecting lower than expected allocation from Extended Producer Responsibilities.

6.9 Capital Financing Costs: (£0.599m) underspend

Projected underspend mainly due to higher than expected interest on revenue balances.

## EXTERNAL ORGANISATIONS

- 6.9 Our budget includes the assumption that Tayside Contracts will return a surplus in 2025/26, our share of which will be £0.232m. Any expected variances against this will be reflected as known. Please note we have set aside an allowance for Tayside Contracts pay awards within our pay contingency that will be allocated to service budgets in due course.

## 7 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 31 MAY 2025

- 7.1 The forecast position as at 31 May 2025 for the HRA is summarised below:

|                               | (Under)/Over Spend as at 31 May<br>£m |
|-------------------------------|---------------------------------------|
| Net Expenditure               | 0.000                                 |
| Sources of Income             | 0.000                                 |
| <b>Net over/ (underspend)</b> | <b>0.000</b>                          |

- 7.2 There are a number of known risks within HRA Budget including pay award, employers NI contributions, garden maintenance charges and energy costs. A detailed review is ongoing to identify how to contain these within the overall budget. Any necessary changes to the outturn following this review will be reflected to the next committee report.

A system of ongoing monitoring will continue to take place up to 31 March 2026 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2025/26 HRA Revenue Budget. Any final variance will be adjusted against the Renewal & Repair Fund, the housing element of which amounted to £3.193m as at 31 March 2025.

## 8 POLICY IMPLICATIONS

- 8.1 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.

## 9 CONSULTATIONS

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

## 10 BACKGROUND PAPERS

- 10.1 None.

**PAUL THOMSON**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**05 AUGUST 2025**

This page is intentionally left blank

|                                                           |                 |                     |                 |                  |                     |
|-----------------------------------------------------------|-----------------|---------------------|-----------------|------------------|---------------------|
| <b>DUNDEE CITY COUNCIL</b>                                |                 |                     |                 |                  |                     |
| <b>2025/2026 REVENUE OUTTURN MONITORING</b>               |                 |                     |                 |                  |                     |
| <b>PERIOD 1 APRIL 2025 - 31 MAY 2025</b>                  |                 |                     |                 |                  |                     |
|                                                           | <b>Approved</b> | <b>Total</b>        | <b>Adjusted</b> |                  | <b>Projected</b>    |
|                                                           | <b>Revenue</b>  | <b>Budget</b>       | <b>Revenue</b>  | <b>Projected</b> | <b>Variance</b>     |
|                                                           | <b>Budget</b>   | <b>Adjustments</b>  | <b>Budget</b>   | <b>Outturn</b>   | <b>Over/(under)</b> |
|                                                           | <b>2025/26</b>  | <b>(see Appx B)</b> | <b>2025/26</b>  | <b>2025/26</b>   | <b>spend</b>        |
|                                                           | <b>£m</b>       | <b>£m</b>           | <b>£m</b>       | <b>£m</b>        | <b>£m</b>           |
| <b>General Fund Services</b>                              |                 |                     |                 |                  |                     |
| Children & Families                                       | 233.620         | 1.001               | 234.621         | 236.171          | <b>1.550</b>        |
| Dundee Health & Social Care Partnership                   | 114.842         | 0.000               | 114.842         | 114.842          | <b>0.000</b>        |
| City Development                                          | 18.250          | 0.134               | 18.384          | 21.984           | <b>3.600</b>        |
| Neighbourhood Services                                    | 23.603          | 0.292               | 23.895          | 24.704           | <b>0.809</b>        |
| Chief Executive                                           | 14.320          | 0.000               | 14.320          | 14.285           | <b>(0.035)</b>      |
| Corporate Services                                        | 35.318          | 0.000               | 35.318          | 35.414           | <b>0.096</b>        |
| Construction Services                                     | 0.000           | 1.281               | 1.281           | 1.265            | <b>(0.016)</b>      |
|                                                           | 439.953         | 2.708               | 442.661         | 448.666          | <b>6.005</b>        |
| Capital Financing Costs / Interest on Revenue Balances    | 30.863          |                     | 30.863          | 30.264           | <b>(0.599)</b>      |
| Contingencies:                                            |                 |                     |                 |                  |                     |
| - General                                                 | 0.500           | (0.100)             | 0.400           | 0.400            | <b>0.000</b>        |
| - Budget growth/Pay Pressures                             | 8.324           |                     | 8.324           | 8.324            | <b>0.000</b>        |
| - Unallocated Corporate Savings                           | (0.944)         | (0.246)             | (1.190)         | (1.190)          | <b>0.000</b>        |
| - New monies                                              | 0.922           | (0.467)             | 0.455           | 0.455            | <b>0.000</b>        |
| Tayside Contracts surplus                                 | (0.232)         |                     | (0.232)         | (0.232)          | <b>0.000</b>        |
| Corporate Fleet                                           | 3.982           |                     | 3.982           | 4.341            | <b>0.359</b>        |
| Miscellaneous Items                                       | (7.628)         |                     | (7.628)         | (7.303)          | <b>0.325</b>        |
| Discretionary Non Domestic Rates (NDR) Relief             | 0.392           |                     | 0.392           | 0.505            | <b>0.113</b>        |
| Supplementary Superannuation Costs                        | 3.041           |                     | 3.041           | 2.728            | <b>(0.313)</b>      |
| Tayside Valuation Joint Board                             | 1.149           |                     | 1.149           | 1.149            |                     |
| Empty Property Relief Devolution                          | 1.048           |                     | 1.048           | 1.010            | <b>(0.038)</b>      |
| <b>Total Expenditure</b>                                  | <b>481.370</b>  | <b>1.895</b>        | <b>483.265</b>  | <b>489.116</b>   | <b>5.851</b>        |
| <b>Sources of Income</b>                                  |                 |                     |                 |                  |                     |
| General Revenue Funding                                   | (335.339)       | (0.534)             | (335.873)       | (335.873)        |                     |
| Contribution from National Non Domestic Rates (NNDR) Pool | (71.406)        |                     | (71.406)        | (71.406)         |                     |
| Council Tax                                               | (70.249)        |                     | (70.249)        | (70.396)         | <b>(0.147)</b>      |
| Use of Balances -                                         |                 |                     |                 |                  |                     |
| Committed Balances c/f                                    | 0.000           |                     | 0.000           | 0.000            |                     |
| Earmarked funds                                           | 0.000           | (1.281)             | (1.281)         | (1.281)          |                     |
| Service concessions                                       | (4.376)         |                     | (4.376)         | (4.376)          |                     |
| Change Fund                                               | 0.000           |                     | 0.000           | 0.000            |                     |
| R&R Fund                                                  | 0.000           | (0.080)             | (0.080)         | (0.080)          |                     |
| <b>(Surplus)/Deficit for the year</b>                     | <b>0.000</b>    | <b>0.000</b>        | <b>0.000</b>    | <b>5.704</b>     | <b>5.703</b>        |
| <b>(Surplus)/Deficit for Housing Revenue Acct</b>         | <b>0.000</b>    | <b>0.000</b>        | <b>0.000</b>    | <b>0.000</b>     | <b>0.000</b>        |
|                                                           |                 |                     |                 |                  |                     |

|                                                                                   |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|------------------------------------|
| <b>Dundee City Council</b>                                                        |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
| <b>Revenue Monitoring to 31st March 2026 - Budget Adjustments to date</b>         |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
|                                                                                   | <b><u>Alloc<br/>To/From<br/>General<br/>Conts<br/>£000</u></b> | <b><u>Alloc<br/>To/From<br/>Conts: New<br/>Monies<br/>£000</u></b> | <b><u>Alloc<br/>To/From<br/>Conts:<br/>Savings<br/>£000</u></b> | <b><u>Funding<br/>Transfers<br/>£000</u></b> | <b><u>Alloc from<br/>Earmarked<br/>Funds<br/>£000</u></b> | <b><u>Alloc<br/>from<br/>R&amp;R<br/>Fund<br/>£000</u></b> | <b><u>Dept Totals<br/>£000</u></b> |
| <b><u>General Fund Services</u></b>                                               |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
| <b><u>Children &amp; Families</u></b>                                             |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>1,001</u></b>                |
| Social Care Uplift 2024-25 and 2025-26                                            |                                                                | 467                                                                |                                                                 | 230                                          |                                                           |                                                            |                                    |
| Revenue Support Grant to Children & Families - Early Learning Care uplift 2025/26 |                                                                |                                                                    |                                                                 | 273                                          |                                                           |                                                            |                                    |
| Revenue Support Grant to Children & Families - Holiday playschemes and activities |                                                                |                                                                    |                                                                 | 31                                           |                                                           |                                                            |                                    |
| <b><u>City Development</u></b>                                                    |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>134</u></b>                  |
| Contingencies to City Development - budget for post 130714 (permanent)            |                                                                |                                                                    | 34                                                              |                                              |                                                           |                                                            |                                    |
| Contingencies to City Development - Bus Shelters/Street Lighting                  | 100                                                            |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
| <b><u>Neighbourhood Services</u></b>                                              |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>292</u></b>                  |
| Renewal & Repair fund to Neighbourhood Services - Kirkton overspend £80k          |                                                                |                                                                    |                                                                 |                                              |                                                           | 80                                                         |                                    |
| Contingencies to Neighbourhood Services - Communities Staff Budget                |                                                                |                                                                    | 212                                                             |                                              |                                                           |                                                            |                                    |
| <b><u>Construction</u></b>                                                        |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>1,281</u></b>                |
| Earmarked Reserves to Construction service re Roofs                               |                                                                |                                                                    |                                                                 |                                              | 1,281                                                     |                                                            |                                    |
| <b><u>General Contingency</u></b>                                                 |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>(100)</u></b>                |
| Contingencies to City Development - Bus Shelters/Street Lighting                  | (100)                                                          |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
| <b><u>Contingency: New monies</u></b>                                             |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>(467)</u></b>                |
| Social Care Uplift 2024-25 and 2025-26                                            |                                                                | (467)                                                              |                                                                 |                                              |                                                           |                                                            |                                    |
| <b><u>Contingency: Unallocated Savings</u></b>                                    |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            | <b><u>(246)</u></b>                |
| Contingencies to City Development - budget for post 130714 (permanent)            |                                                                |                                                                    | (34)                                                            |                                              |                                                           |                                                            |                                    |
| Contingencies to Neighbourhood Services - Communities Staff Budget                |                                                                |                                                                    | (212)                                                           |                                              |                                                           |                                                            |                                    |
| <b>Total Adjustments (General Fund)</b>                                           | <b>0</b>                                                       | <b>0</b>                                                           | <b>0</b>                                                        | <b>534</b>                                   | <b>1,281</b>                                              | <b>80</b>                                                  | <b>1,895</b>                       |
|                                                                                   |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |
|                                                                                   |                                                                |                                                                    |                                                                 |                                              |                                                           |                                                            |                                    |