

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 27 JANUARY 2025
REPORT ON: REVENUE BUDGET 2025/26 TO 2029/30
JOINT REPORT BY: ASSESSOR AND TREASURER
REPORT NO: TVJB03-2025

1 PURPOSE OF REPORT

The purpose of this report is to submit the Joint Board's 2025/26 Revenue Budget for approval and set the level requisitions payable by the constituent authorities.

2 RECOMMENDATIONS

It is recommended that the Joint Board:-

- a approves the 2025/26 Revenue Budget for the Tayside Valuation Joint Board as detailed in Appendix A.
- b notes that in order to balance the 2025/26 Revenue Budget, a sum of £138,000 will be required from a general reserve earmarked for this purpose.
- c approves the apportionment of the 2025/26 Revenue Budget be based on the proportion of each Council's relevant 2024/25 Grant Aided Expenditure figures as detailed in Appendix B,
- d note that Scottish Government income is based on current indications and the effect of any in year adjustments will be monitored and reported as required,
- e approves the 2025/26 requisitions for the three constituent Councils be as detailed in Appendix B,
- f notes the indicative Revenue Budgets for 2026/27 to 2029/30 as detailed in Appendix C.

3 FINANCIAL IMPLICATIONS

The three constituent Councils will be required to budget for the 2025/26 requisition from the Tayside Valuation Joint Board. It is necessary that the Joint Board decides on its 2025/26 Revenue Budget and the consequential requisitions to the Councils, in order to allow the Councils to include the appropriate requisitions when finalising their own 2025/26 Revenue Budgets. Future years Revenue Budgets are included to provide an indication of budget levels required in future years and it is emphasised these figures should be considered as indicative.

4 MAIN TEXT

4.1 2025/26 Provisional Revenue Budget

4.1.1 The Treasurer and Assessor have prepared the Provisional Revenue Budget for the financial year 2025/26, based on both the 2024/25 Revenue Budget and current financial year revenue monitoring position, and after taking cognisance of the following factors: -

- The Local Government Employees Pay Award has been based estimated at 2.5% for 2025/2026 and 2% thereafter, and the budget includes provision for the effects of incremental progression.
- The employer's National Insurance contribution rates for 2025/26 will be raised to 15% and the threshold lowered to £5,000.
- No provision has been allowed for general inflation, however some items of specific inflation have been allowed.
- In general, cost pressures and savings that have been identified during the current financial year have been incorporated in the Provisional Revenue Budget.
- The assumption for staff slippage has been reduced from 7.5% to 6% for 2025/26.

4.1.2 The Provisional Revenue Budget for 2025/2026 has been reviewed thoroughly by the Assessor and Treasurer. It is anticipated the cost of providing the service will increase by £307,000. A breakdown of this increase together with how this will be funded is detailed below:

Staff Costs (Increase of £194,000)

Mainly due to the 2024/25 pay award together with an assumed pay award of 2.5% in respect of 2025/26. These increases have been partially offset by the removal of 2.5 vacant posts (£86k). Other Staff Costs include allowances for increased workload anticipated for the 2026 Non-Domestic Revaluation.

Property Costs (Increase of £11,000)

Mainly due to anticipated office rent and service charge increases and realigning the budget closer to the expected outturn for 2024/25.

Supplies & Services (Increase of £100,000)

Mainly due to anticipated postage reflecting new requirements introduced in the Elections Act 2022 and realigning computer service costs closer to outturn expected this financial year.

Transport Costs (Increase of £2,500)

This relates to anticipated increases in car allowances. The level of travel undertaken by officers reduced significantly in previous years although has gradually increased since. This remains a slight risk and will continue to be monitored throughout the year.

Income (Increase of £194,000)

Mainly due to required increases to requisitions of £175,000, as well as expected increases to Registration Recharges and Barclays Funding.

The remaining increased costs of £113,000 as well as the on-going budget pressure of £25,000 relating to 2024/25 i.e. a total of £138,000, have been drawn from reserves earmarked for this purpose.

4.2 Reserves and Balances

4.2.1 Section 12(1) of the Local Government Scotland Act 2003 states that "it is the duty of a local authority to observe proper accounting practices". In terms of proper accounting practice, CIPFA have issued guidance on Local Authority Reserves and Balances. The key requirements of the guidance, as they affect the Joint Board, are twofold: -

- i the setting out of a clear protocol covering the purpose, utilisation, management, control and review of reserves and balances,
- ii the inclusion in the annual budget report of a statement on reserves and balances, detailing the proposed strategy over the budget period, after taking into account the strategic, operational and financial risks facing the Joint Board.

4.2.2 Taking account of the relatively low risk profile of the Joint Board, it remains the professional opinion of the Treasurer that the minimum level of uncommitted balances that the Joint Board should operate with is £60,000 (around 2% of net expenditure). As at 31 March 2024, the Joint Board's uncommitted reserves is projected to be £78,000 at 31 March 2024.

4.2.3 In arriving at the proposals outlined above, the Treasurer has taken into account the key strategic, operational and financial risks facing the Joint Board over the 2025/26 financial year. The main factors considered by the Treasurer were: -

- the possibility of new cost pressures or responsibilities emerging during the course of the financial year;
- the inherent uncertainty in the nature and/or volume of Scottish Courts and Tribunals Service appeals;
- the stability of service provision and certainty of income streams;
- the costs exceeding revenue and reserves
- the inherent uncertainty surrounding matters such as pay awards, interest rates, price inflation.
- the possibility of major items of unforeseen expenditure;
- the achievability of the staff slippage provision and the possibility of identifying further budget savings and efficiencies, if required;
- the adequacy of the Joint Board's insurance arrangements

By way of exemplification, the following table shows the potential financial impact of any variations against the current key budget assumptions:

Budget Area	Current Assumption	Example Variation	Financial Impact
Pay Awards	2.5%	+0.5%	£16k
Price Inflation	Various	+0.5%	£1k

4.3 Medium and Long Term Financial Planning

4.3.1 Effective financial planning for the medium and longer term is very difficult to complete while the constituent Councils only have, at most, indicative revenue budgets, for the years beyond the first year of a multi-year budget planning cycle. However, at Appendix C, a 5-year revenue budget is included to provide an indication of future year's revenue budget requirements. Several issues have been identified concerning the potential future budget requirements for the Joint Board and consequently the funding requirements for constituent Councils. These issues are set out in sections 4.3.2 to 4.3.8 below.

4.3.2 Statutory Basis of Service Provision

The statutory basis for the workload of the Joint Board implies reduced opportunity for budget efficiencies where there are restricted choices regarding how the service levels have to be maintained. Changes in the statutory level of service will have budget implications which are largely beyond the control of the Joint Board.

4.3.3 Non-Domestic Rating Reform

The Scottish Government accepted a number of the recommendations of the Barclay Review of Non-Domestic Rates and subsequently introduced the Non-Domestic Rates (Scotland) Act 2020. The provisions of the Act have had significant implications for the Valuation Joint Board's Revenue Budgets to date and it is anticipated that this will continue to be the case for future Budgets. These include:

- Three Year Revaluation Cycle for Non Domestic Rates. The move to a three yearly cycle has required a significant increase in staffing requirements to cope with the additional workload.
- Increased consistency in service delivery across Joint Boards. This requirement has involved digital upgrade costs involving IT infrastructure and process related costs, and further costs are anticipated.
- An audit of self-catering accommodation now requires to be carried out annually. This comprises a substantial increase in staff workload and process/postage related costs.
- New Information collection arrangements resulting in increased workloads and postage costs.

Discussions by Assessors across the country have identified future resource requirements arising from the Barclay Review and funding support from the Scottish Government has been confirmed until the end of the 2025/26 financial year. The Assessor hopes that funding will continue beyond 2025/26, but no guarantee for continued funding has been made by the Scottish Government. As the Valuation Joint Boards are restricted in sources of income, any shortfall in central funding beyond the 2025/26 financial year will require to be made up from constituent Councils. The estimated resource requirements are reflected in the 5 year revenue budget included at Appendix C.

4.3.4 New Proposals and Appeals System

The new system administered by the Scottish Courts and Tribunals Service is now in force and it is anticipated that this will result in an increase in legal costs associated with disposal of the proposals and appeals, at least until the new system beds in.

4.3.5 Electoral Registration

The Elections Act 2022 has been introduced by the UK Government. And whilst the UK Government has agreed to provide funding to cover associated costs resulting from the provisions of the Act, in the event that this is insufficient to cover all costs, these may also yet have significant implications for the Valuation Joint Board's future Revenue Budgets. These include:

- Requirement to show photo ID when voting at polling stations. This applies to UK Parliamentary Elections/By-Elections. Electoral Registration Officers now require to process applications for the provision of Voter Authority Certificates from individuals without photo ID wishing to vote in such elections.
- Changes to Absent Vote Signature Refresh Period. The change to a three yearly refresh period in relation to UK Parliamentary Elections, whilst maintaining the five yearly refresh period for Scottish Elections, has resulted in added complexity and additional ongoing process related costs, and has substantially impacted IT systems, as has the introduction of the new online

absent vote application service. A tenfold increase in workload is anticipated at reapplication cycles.

- Changes to Overseas Voting. The removal of the 15-year limit on voting rights for British citizens living overseas has created additional workload and impact on staffing requirements, particularly in the lead up to an election.

4.3.6 Pressure on Constituent Council's Revenue Budget.

Constituent Council's revenue budgets are under significant and constant pressure. Pressure to balance budgets could have implications for the future requisition resources available to the Valuation Joint Board.

The table below highlights the impact of changes in the annual requisition value for each council.

% Change	Total Revenue Requirement	Angus Council	Dundee City Council	Perth & Kinross Council
%	£	£	£	£
1	31,535	8,502	10,602	12,431
3	94,604	25,505	31,806	37,293
5	157,674	42,509	53,010	62,155
10	315,347	85,018	106,020	124,310

4.4 Requisitions to Constituent Councils

It is proposed that the level of requisitions be based on the Constituent Councils' proportions of Grant Aided Expenditure (GAE) figures for valuation and collection of Council Tax and Non-Domestic Rates. Recharges for Electoral Registration is based on the Constituent Councils' proportions of Grant Aided Expenditure (GAE) figures for Electoral Registration.

Since the Scottish Government have not officially issued the 2025/26 GAE figures at the time of writing this report, it is proposed that the 2024/25 GAE figures be used for the purpose of agreeing the level of 2025/26 requisitions required from each constituent Council, in accordance with previous practice.

The apportionment of the requisitions for the financial year 2025/26 is detailed in Appendix B. Please note the GAE figures can be found in the "2024/25 Green Book" as published on the [Scottish Government website](#).

5 CONCLUSION

The Provisional 2025/26 Revenue Budget is enclosed in order that the Tayside Valuation Joint Board may approve the budget and agree the 2025/26 requisitions required from the three constituent Councils.

6 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7 CONSULTATIONS

The Clerk to the Joint Board has been consulted on the content of this report.

8 BACKGROUND PAPERS

None

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ASSESSOR

20 JANUARY 2025

ROBERT EMMOTT
TREASURER

20 JANUARY 2025

TVJB REVENUE BUDGET 2025/2026
APPENDIX A

EXPENDITURE BY BUDGET HEAD	2024-2025 REVENUE BUDGET	PROPOSED (SAVINGS)/ INCREASE	PROPOSED 2025-2026 REVENUE BUDGET	INCREASE/ (DECREASE)
	£	£	£	%
Salary Costs	3,179,199	184,754	3,363,953	5.8%
Other Staff Costs	73,573	9,073	82,646	12.3%
Total Staff Costs	3,252,772	193,827	3,446,599	6.0%
Rates	44,329	887	45,216	2.0%
Utilities and cleaning	44,836	209	45,045	0.5%
Maintenance	3,500	0	3,500	0.0%
Rent & Service Charges	98,286	10,059	108,345	10.2%
Total Property Costs	190,952	11,155	202,107	5.8%
Postages	130,000	60,000	190,000	46.2%
Computer Services	63,441	35,574	99,015	56.1%
Electoral IT Licences	44,600	0	44,600	0.0%
Legal Fees	27,500	0	27,500	0.0%
Other Supplies & Services	149,783	3,986	153,769	2.7%
Total Supplies & Services	415,324	99,560	514,884	24.0%
Transport Costs	11,000	2,500	13,500	22.7%
Total Expenditure	3,870,047	307,041	4,177,089	7.9%
Barclays Funding	303,000	9,000	312,000	3.0%
Registration Recharge	503,298	10,066	513,364	2.0%
Requisitions	2,978,042	175,432	3,153,474	5.9%
Other Income	60,122	(300)	59,822	-0.5%
Total Income	3,844,462	194,197	4,038,660	5.1%
Net Expenditure/ (Income)	25,585	112,844	138,429	
Use of Balances	(25,585)	(112,844)	(138,429)	
PROVISIONAL NET BUDGET	0	0	0	

APPENDIX B

TAYSIDE VALUATION JOINT BOARD

REVENUE BUDGET 2025/2026

REQUISITION APPORTIONMENTS FOR CONSTITUENT COUNCILS

Council	Grant Aided Expenditure 2024/25			2025/26 Requisition Apportionment %
	Valuation and collection of Council Tax £m	Valuation and collection of Non-Domestic Rates £m	Total Grant Aided Expenditure £m	
Angus	898	482	1,380	26.96%
Dundee City	1,176	545	1,721	33.62%
Perth & Kinross	1,174	844	2,018	39.42%
			5,119	100.00%

PROPOSED REVENUE BUDGET 2025/26 REQUISITIONS

Council	Valuation Apportionment %	Requisition £	Registration Recharge £	Additional ER Duties Recharge £	Total Sum due to Tayside Valuation Joint Board £
Angus	26.96%	850,177	222,202	21,565	1,093,944
Dundee City	33.62%	1,060,198	0	0	1,060,198
Perth & Kinross	39.42%	1,243,099	291,162	28,257	1,562,518
	100.00%	3,153,474	513,364	49,822	3,716,660

REVENUE BUDGET 2025-2030

APPENDIX C

	2025-2026 Indicative Revenue Budget £000	2026-2027 Indicative Revenue Budget £000	2027-2028 Indicative Revenue Budget £000	2028-2029 Indicative Revenue Budget £000	2029-2030 Indicative Revenue Budget £000
Gross Pay, Supn, NI	3,210	3,289	3,367	3,443	3,521
Other Staff Costs	237	241	244	247	243
Staff Costs	3,447	3,530	3,611	3,690	3,764
Property Costs	202	204	205	206	207
Supplies and Services	515	515	515	515	515
Transport Costs	13	14	14	14	14
Third Party Payments	0	0	0	0	0
Gross Expenditure	4,177	4,263	4,345	4,425	4,500
Income					
Registration Recharge	(513)	(524)	(534)	(545)	(556)
Council Barclay Funding	(312)	0	0	0	0
Additional Electoral Registration Duties	(50)	(50)	(50)	(50)	(50)
Other	(10)	(10)	(10)	(10)	(10)
Total Income	(885)	(584)	(594)	(605)	(616)
Net Expenditure	3,292	3,679	3,751	3,820	3,884
Use of Balances	(138)	(15)	0	0	0
Provisional Net Budget - Requisition	3,154	3,664	3,751	3,820	3,884
Annual Percentage Increase	4.6%	16.2%	2.4%	1.8%	1.7%