

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 9 FEBRUARY 2026
REPORT ON: REVENUE BUDGET 2026/27 TO 2030/31
JOINT REPORT BY: ASSESSOR AND TREASURER
REPORT NO: TVJB02-2026

1 PURPOSE OF REPORT

The purpose of this report is to submit the Joint Board's 2026/27 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 2026/27 Revenue Budget for the Tayside Valuation Joint Board as detailed in Appendix A.
- b notes that the sum of £13,000 will be taken from reserves and used in setting the 2026/27 Revenue Budget. £11,000 of this relates to offsetting Individual Electoral Regulation Costs from the Electoral Registration earmarked reserve and £2,000 is taken from the uncommitted General Reserve.
- c approves the apportionment of the 2026/27 Revenue Budget be based on the proportion of each Council's relevant 2025/26 Grant Aided Expenditure figures and approves the 2026/27 requisitions for the three constituent Councils be 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 notes the indicative Revenue Budgets for 2026/27 to 2030/31 as detailed in Appendix C.
- f approves the recommended minimum level of uncommitted balances being increased to £70,000.

3 FINANCIAL IMPLICATIONS

The three constituent Councils will be required to budget for the 2026/27 requisition from the Tayside Valuation Joint Board. It is necessary that the Joint Board decides on its 2026/27 Revenue Budget and the consequential requisitions to the Councils, in order to allow the Councils to include the appropriate requisitions when finalising their own 2026/27 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 2026/27 Provisional Revenue Budget

4.1.1 The Treasurer and Assessor have prepared the Provisional Revenue Budget for the financial year 2026/27, based on both the 2025/26 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 3.5% for 2026/2027 and 3% thereafter, and the budget includes provision for the effects of incremental progression.
- 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 changed from 6% to 7% compared to the previous year.

4.1.2 The Provisional Revenue Budget for 2026/2027 has been thoroughly reviewed by the Assessor and Treasurer. In order to maintain the current level of service the sum of £13,000 will be taken from the General Reserve and used in setting the 2026/27 Revenue Budget, as detailed in Appendix A and paragraph 4.2.3. £11,000 of this relates to offsetting Individual Electoral Regulation Costs from the Electoral Registration earmarked reserve and £2,000 is taken from the uncommitted General Reserve. The Provisional Net Revenue Budget for 2026/27 will increase to £3,295,000 which is £142,000 greater than 2025/26.

4.1.3 In setting the 2026/27 Provisional Revenue Budget, salary costs have been increased by 3.5% from 2026/27. Additionally, the variance between the assumed and actual salary cost increase in 2025/26 was 1.5%. This has been partially offset through the deletion of 1.5 vacant posts and the downgrading of two existing posts, generating savings of £81,000. Supplies and services have increased by £13,000 largely due to increases in the recharge of Central Support Services and Electoral IT Licences cost; however, £11,000 of this increase is offset by the Individual Electoral Regulation reserve. In addition, the registration recharge has been increased by 5%, while the additional electoral registration duties recharge has increased to £52,000. The £142,000 increase in requisition income is primarily attributable to the absence of one-off Levelling Up funds utilised in 2025/26 (£138,000), an increase in staff costs because of 2025/26 and 2026/27 pay awards (£190,000), partially offset by the staff savings £81,000, a £110,000 rise in income, the use of £13,000 from reserve balances, and minor but necessary increases in car allowances and supplier and service costs (£18,000).

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 recommended minimum level of uncommitted balances that the Joint Board should operate with around 2% of net expenditure. Previously this was calculated as £60,000 but given inflationary increases in recent years, there is now recommended that the minimum level of uncommitted balances be increased to £70,000.

4.2.3 The Joint Board's usable reserves are made up of the earmarked Electoral Registration Reserve and the uncommitted element of the General Reserve. In setting the 2026/27 Revenue Budget, all reserves were reviewed to assess the extent to which they could contribute towards the 2026/27 Revenue Budget. Projected usable reserve levels and budgeted contributions from reserves are as follows:

	2025/26 Projection* £000	2026/27 Budget contribution £000	2026/27 Projection £000
Electoral Registration earmarked	62	(11)	51
Uncommitted	72	(2)	70
Total General Reserve	134	(13)	121

** per September 2025 Revenue monitoring report, refer report TVJB 21-2025*

4.2.4 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 2026/27 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	3.5%	+0.5%	£18k
Price Inflation	Various	+0.5%	£3k

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 4.3.7 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 2026/27 financial year. The Assessor hopes that funding will continue beyond 2026/27, 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 2026/27 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 processing 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 reapplication 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. The changes have resulted in a tenfold increase in workload is 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.
- Convergence of absent vote arrangements. Electoral reform is expected to continue in the year ahead, including further work towards convergence of absent vote arrangements for Scotland, with associated operational, staffing and IT/system impacts.

4.3.6 Council Tax Reform

A targeted Council Tax revaluation was announced by the Scottish Government on 13 January 2026. From 1 April 2028, the current top band will be supplemented by Band I (£1m–£2m) and Band J (over £2m), based on up-to-date values for those properties only, with all other properties remaining within the existing Council Tax valuation framework. Further detail is awaited, but the proposed changes will create a significant and concentrated workstream. Early commencement will be essential to mitigate delivery risk and meet the deadline.

4.3.7 Pressure on Constituent Council Revenue Budget.

Constituent Council's revenue budgets are under significant and constant pressure. Pressure to reduce expenditure 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.

%age Change	Total Revenue Requirement	Angus Council	Dundee City Council	Perth & Kinross Council
%	£	£	£	£
1	32,950	8,864	11,052	13,034
3	98,851	26,591	33,157	39,103
5	164,752	44,319	55,262	65,171
10	329,504	88,639	110,523	130,342

4.4 Requisitions to Constituent Councils

The Tayside Valuation Joint Board, at its meeting on 19 February 1996, agreed that the level of requisitions required from each constituent Council should, for the financial year 1996/97, be based on the level of notional budget. Thereafter the method of apportionment between the Councils moved to a position whereby in 1998/99 and beyond, it would be wholly based on the proportions of the Valuation

Grant Aided Expenditure (GAE) figures. The Scottish Government have not officially issued the 2026/27 GAE figures at the time of writing this report. Therefore, it is proposed that the 2025/26 GAE figures will be used for the purpose of agreeing the level of requisitions required from each constituent Council as has been done historically when setting the Tayside Valuation Joint Board budget. The apportionment of the Revenue Budget for the financial year 2026/27 is detailed in Appendix B. The 2026/27 requisitions are based on the 2025/26 Grant Aided Expenditure data for each Council.

5 CONCLUSION

The Provisional 2026/27 Revenue Budget is enclosed in order that the Tayside Valuation Joint Board may approve the budget and agree the 2026/27 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

**DARRYL RAE
ASSESSOR**

9 FEBRUARY 2026

**PAUL THOMSON
TREASURER**

9 FEBRUARY 2026

Appendix A

EXPENDITURE BY BUDGET HEAD	2025-2026 REVENUE BUDGET	PROPOSED (SAVINGS)/ INCREASE	PROPOSED 2026-2027 REVENUE BUDGET	INCREASE/ (DECREASE)
	€	€	€	%
Salary Costs	3,363,953	107,873	3,471,826	3.2%
Other Staff Costs	82,646	2,000	84,646	2.4%
Total Staff Costs	3,446,599	109,873	3,556,472	3.2%
Rates	45,216	(6,317)	38,899	-14.0%
Utilities and cleaning	45,045	1,637	46,682	3.6%
Maintenance	3,500	0	3,500	0.0%
Rent & Service Charges	108,345	4,272	112,617	3.9%
Total Property Costs	202,106	(408)	201,698	-0.2%
Postages	190,000	(20,000)	170,000	-10.5%
Recharge - Cent Support Services	42,332	23,718	66,050	
Computer Services	99,015	0	99,015	0.0%
Electoral IT Licences	44,600	11,400	56,000	25.6%
Legal Fees	27,500	0	27,500	0.0%
Other Supplies & Services	111,437	(1,815)	109,622	-1.6%
Total Supplies & Services	514,884	13,303	528,187	2.6%
Transport Costs	13,500	4,500	18,000	33.3%
Total Expenditure	4,177,089	127,269	4,304,357	3.0%
Barclays Funding	312,000	82,000	394,000	26.3%
Registration Recharge	513,364	25,938	539,302	5.1%
Requisitions	3,153,474	141,562	3,295,036	4.5%
Other Income	59,822	2,797	62,619	4.7%
Total Income	4,038,660	252,297	4,290,957	6.2%
Net Expenditure/ (Income)	138,429	(125,028)	13,400	
Use of Balances	(138,429)	125,028	(13,400)	
PROVISIONAL NET BUDGET	0	0	0	

Council	Grant Aided Expenditure 2025/26			2025/26 Total GAE and Requisition Apportionment %	2024/25 Total GAE and Requisition Apportionment %
	Council Tax Valuation £m	Non-Domestic Rates Valuation £m	Total Grant Aided Expenditure £m		
Angus	894	479	1,373	26.90%	26.96%
Dundee City	1,175	537	1,712	33.54%	33.62%
Perth & Kinross	1,175	844	2,019	39.56%	39.42%
	3,244	1,860	5,104	100.00%	100.00%

PROPOSED REVENUE BUDGET 2026/27 REQUISITIONS

Council	Registration Recharge £	Additional ER Duties Recharge £	Barclay Funding £	Remaining Requisition Apportionment %	Remaining Requisition Apportionment £	Total Sum due to Tayside Valuation Joint Board £
Angus	232,513	22,565	103,000	26.90%	886,380	1,244,458
Dundee City	0	0	112,000	33.54%	1,105,232	1,217,232
Perth & Kinross	306,789	29,774	179,000	39.56%	1,303,424	1,818,987
	539,302	52,339	394,000	100.00%	3,295,036	4,280,677

A registration recharge and an additional ER Duties recharge apply to both Angus Council and Perth & Kinross Council, reflecting the Electoral Registration services received by each authority. Barclay funding is provided by the Scottish Government to support the additional administrative and operational burdens arising from Non-Domestic Rates reform and was first introduced in 2019/20. The remaining requisitions are apportioned as set out below, in accordance section 4.4 of the Report.

REMAINING REQUISITIONS

Council	2025/26 £	2026/27 £	Change £	%
Angus	850,177	886,380	36,203	4.26%
Dundee City	1,060,198	1,105,232	45,034	4.25%
Perth & Kinross	1,243,099	1,303,424	60,325	4.85%
	3,153,474	3,295,036	141,562	

REGISTRATION AND ADDITIONAL ER DUTIES RECHARGES

Council	2025/26 £	2026/27 £	Change £	%
Angus	243,767	255,079	11,312	4.64%
Perth & Kinross	319,419	338,562	17,143	5.37%
	563,186	593,641	28,455	

BARCLAY FUNDING

Council	2025/26 £	2026/27 £	Change £	%
Angus	81,000	103,000	22,000	27.16%
Dundee City	89,000	112,000	23,000	25.84%
Perth & Kinross	142,000	179,000	37,000	26.06%
	312,000	394,000	82,000	

REVENUE BUDGET 2026-2031

APPENDIX C

	2026-2027 Indicative Revenue Budget £000	2027-2028 Indicative Revenue Budget £000	2028-2029 Indicative Revenue Budget £000	2029-2030 Indicative Revenue Budget £000	2030-2031 Indicative Revenue Budget £000
Gross Pay, Supn, NI	3,472	3,576	3,684	3,794	3,908
Other Staff Costs	84	84	84	84	84
Staff Costs	3,556	3,660	3,768	3,878	3,992
Property Costs	202	207	213	219	224
Supplies and Services	528	528	528	528	528
Transport Costs	18	18	18	18	18
Third Party Payments	0	0	0	0	0
Gross Expenditure	4,304	4,413	4,527	4,643	4,762
Income					
Registration Recharge	(539)	(555)	(572)	(589)	(607)
Council Barclay Funding	(394)	(394)	(394)	(394)	(394)
Additional Electoral Registration Duties	(52)	(54)	(55)	(57)	(59)
Other	(11)	(11)	(11)	(11)	(11)
Total Income	(996)	(1,014)	(1,032)	(1,051)	(1,071)
Net Expenditure	3,308	3,399	3,495	3,592	3,691
Use of Balances	(13)	0	0	0	0
Provisional Net Budget - Requisition	3,295	3,399	3,495	3,592	3,691
Annual Percentage Increase	4.4%	3.2%	2.8%	2.8%	2.8%