

# Report

Report to:	<b>Lanarkshire Valuation Joint Board</b>
Date of Meeting:	<b>27 June 2022</b>
Report by:	<b>Treasurer to Lanarkshire Valuation Joint Board</b>

Subject:	<b>Revenue Budget Monitoring 2022/2023 - Lanarkshire Valuation Joint Board</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2022 to 20 May 2022
- ◆ provide a forecast for the year to 31 March 2023

## 2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):

- (1) that an underspend of £0.059 million on Lanarkshire Valuation Joint Board's revenue budget, as detailed in Appendix A of the report, be noted; and
- (2) that the forecast to 31 March 2022 of break even, be noted.

## 3. Background

3.1. This is the first revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2022/2023.

3.2. The report details the financial position for Lanarkshire Valuation Joint Board on Appendix A.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. The Board approved a budget of £3.665 million in December 2020. Since then, the Local Government Finance Settlement has been received as well as further information on Government Grants for 2022/2023 – including Barclay Funding for the year. This has also facilitated a review of expenditure anticipated for 2022/2023. This is detailed in sections 5.2 to 5.5.

5.2. **Local Government Finance Settlement:** Following receipt of the Local Government Settlement in December 2021, the 1% reduction in the constituent authorities' contributions was reinstated for the Boards budget into 2022/2023. This means a further £0.035 million of income for the Board in that year.

- 5.3. **Barclay Funding:** The Scottish Government has allocated the Board Barclay funding of £0.698 million for 2022/2023. These funds have been allocated to councils and will be transferred to the Board via the council contribution payments. The amount from each council is £0.349 million. The annual budget has been revised and again, this is shown in Appendix A.
- 5.4. **Budget Realignment:** As a result of the Barclay Grant award, the additional contribution payments, and the preparation of the Board's medium-term strategy, the level of anticipated spend for 2022/2023 has been refined. Taking these new monies and the refinement to expenditure estimates, the budgets for Expenditure and Income have both been increased by £0.600 million. The budget realignments are detailed in Table 1 and included in the monitoring report in Appendix A.

	2022/2023 £
<b>Base Expenditure Budget (December 2021)</b>	<b>3.665</b>
<i>Plus</i> Additional Barclay Expenditure (Staff and IT Equipment)	0.698
<i>Less</i> Budgeted Turnover (at 4%)	(0.124)
<i>Plus</i> Minor increase in Employee Cost Budgets	0.026
<b>Revised Expenditure Budget</b>	<b>4.265</b>
<b>Base Income Budget (December 2021)</b>	<b>3.665</b>
Increase in Council Contribution Payments ( <i>section 5.2/5.3</i> )	0.035
Barclay Funding	0.698
<i>Less</i> Reduction in Use of Reserves	(0.133)
<b>Revised Income Budget</b>	<b>4.265</b>

- 5.5. **Summary of 2022/2023 Budget:** These adjustments take the overall budget to £4.265 million reflecting the revised level of contributions from councils (£4.205 million) and the revised use of reserves (£0.060 million). This revised budget is included in Appendix A.
- 5.6. **Period 2 Monitoring Position:** As at 20 May 2022, the variance from phased budget to date is an underspend of £0.059 million.
- 5.7. **Forecast Position:** The financial forecast to 31 March 2023 is a break-even position.
- 6. Climate Change, Sustainability and Environmental Implications**
- 6.1 There are no climate change, sustainability or environmental implications in terms of the information contained in this report.
- 7. Other Implications**
- 7.1. The main risk associated with the Board's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**  
**Treasurer**

6 June 2022

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ Revenue Budget 2020/2021 – Lanarkshire Valuation Joint Board – 7 December 2020

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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## LANARKSHIRE VALUATION JOINT BOARD

## Revenue Budget Monitoring Report

Period Ended 20 May 2022 (No.2)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 20/05/22	Actual 20/05/22	Variance 20/05/22		% Variance 20/05/22	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	3,137	3,137	0	373	315	58	under	15.5%	1,b
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	159	159	0	73	72	1	under	1.4%	b
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	561	561	0	42	42	0	-	0.0%	b
Payments to Other Bodies	31	31	0	0	0	0	-	n/a	b
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	13	13	0	1	1	0	-	0.0%	
<b>Total Controllable Exp.</b>	3,901	3,901	0	489	430	59	under	12.1%	
<b>Total Controllable Inc.</b>	(17)	(17)	0	0	0	0	-	n/a	
<b>Net Controllable Exp.</b>	3,884	3,884	0	489	430	59	under	12.1%	
<b>Add Non Controllable Budgets</b>									
Central Support Costs	381	381	0	0	0	0	-	n/a	
<b>Total Budget</b>	4,265	4,265	0	489	430	59	under	12.1%	
<b>Funded By:</b>									
North Lanarkshire Council	(2,102.5)	(2,102.5)	0	(351)	(351)	0	-	0.0%	a,b
South Lanarkshire Council	(2,102.5)	(2,102.5)	0	(351)	(351)	0	-	0.0%	a,b
Transfer (From) Reserves	(60)	(60)	0	0	0	0	-	n/a	a
<b>Net Budget</b>	0	0	0	(213)	(272)	59	under	(27.7%)	

**Variance Explanations**

1 **Employee Costs:** The underspend reflects vacant posts for which the recruitment is ongoing.

**Virement**

- a **Local Government Settlement (£nil effect)** – Increase Contribution Payments by £0.035m offset by a reduced contribution from Reserves (£0.035m). (section 5.3)
- b **Additional 2022/2023 Barclay Spend/Funding (£nil effect)** – Increase the Employee Costs budget by £0.606m; Supplies and Services by £0.077m; Administration Costs by £0.006m; Payments to Other Bodies by £0.009m; and increase the Contribution Payments from North and South Lanarkshire councils by £0.349m respectively (section 5.4).
- c **Budget Realignment (£nil effect)** – Decrease Employee Costs by £0.098m offset by a reduced contribution from Reserves (£0.098m) (section 5.5).