

# Report

Report to:	<b>Lanarkshire Valuation Joint Board</b>
Date of Meeting:	<b>1 June 2020</b>
Report by:	<b>Treasurer to Lanarkshire Valuation Joint Board</b>

Subject:	<b>2019/2020 Annual Report and Accounts - Lanarkshire Valuation Joint Board</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise members of the Lanarkshire Valuation Joint Board's final accounts position as at 31 March 2020.

## 2. Recommendation(s)

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

- (1) That the unaudited annual accounts for Lanarkshire Valuation Joint Board for year ended 31 March 2020, be approved for submission to Audit Scotland.

## 3. Background

3.1. This report provides information on the Board's outturn position for the financial year 2019/2020. Appendix 1 shows this in the normal monitoring format, while Appendix 2 shows the statutorily required Annual Accounts. These include the Comprehensive Income and Expenditure Statement for year ended 31 March 2020 and the Balance Sheet as at 31 March 2020. These Accounts will be passed to Audit Scotland for external audit.

3.2. The Annual Report and Accounts, as detailed at Appendix 2 to the report, comprises:

- ◆ Management Commentary 2019/2020
- ◆ Statement of Responsibilities
- ◆ Annual Governance Statement
- ◆ Remuneration Report
- ◆ Expenditure and Funding Analysis Statement
- ◆ Comprehensive Income and Expenditure Statement for year ended 31 March 2020
- ◆ Balance Sheet as at 31 March 2020
- ◆ Movement in Reserves Statement for year ended 31 March 2020
- ◆ Cash Flow Statement for year ended 31 March 2020
- ◆ Notes to the Financial Statements (including Accounting Policies)
- ◆ Audit Arrangements

## 4. Employee Implications

4.1. None

## **5. Financial Implications**

- 5.1. Appendix 1 attached shows the 2019/2020 outturn position for the Board in the normal monitoring format, that is, excluding accounting transactions. As reported at the last Board meeting on 2 March 2020, the Board was advised of a probable outturn transfer to reserves of £0.465m.
- 5.2. As shown in Appendix 1, the actual position at the end of the year is a transfer to reserves of £0.523m, a marginal increase of £0.058m from the probable outturn. In the main, the increase in the level of transfer to reserves since the probable outturn is due to reduced expenditure on Employee Costs. This is the result of recruitment timescales and the appointment of trainee valuation staff and trainee technicians in place of qualified staff. Further details of the expenditure and income variances are shown in Appendix 1.
- 5.3. Appendix 2 shows the Annual Accounts for 2019/2020. The presentation of the Board's position, in accounting terms, differs from the monitoring position presented in Appendix 1, as it also contains statutory accounting entries for pensions and statutory accumulated absences.
- 5.4. The Annual Accounts in Appendix 2 show that the Board's total income on an accounting basis amounted to £4.508m in 2019/2020. This was offset by total revenue expenditure on an accounting basis of £4.446m, leaving a net credit position of £0.062m (net cost of services (£0.062m)). After implementing statutory accounting practice in relation to the pension and statutory accumulated absences figures, the net position for the Board for 2019/2020 is a surplus of £0.523m – as presented in the monitoring statement in Appendix 1.
- 5.5. Adding this surplus to the Board's General Reserve carried forward from 2018/2019 (£0.424m), gives the Board a closing General Reserve position of £0.947m at the end of 2019/2020. This is £0.058m higher than anticipated as part of the probable outturn.

## **6. Other Implications**

- 6.1. 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 by the preparation of 4 weekly Budget Monitoring Reports where any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken, where appropriate.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

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

- 7.1. 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.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**  
**Treasurer**

5 May 2020

**Previous References**

Board Meeting 2 March 2020

**List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 31 March 2020
- ◆ Unaudited Lanarkshire Valuation Joint Board Annual Accounts 2019/2020
- ◆ Lanarkshire Valuation Joint Board Revenue Budget Monitoring and Probable Outturn Position 2019/2020 – 2 December 2019

**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 31 March 2020 (No.14)

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 31/3/2020 £000	Actual 31/03/2020 £000	Variance 31/03/2020 £000		% Variance 31/03/20	Note
Employee Costs	3,350	2,686	664	3,350	2,639	711	under	21.2%	1
Property Costs	5	5	0	5	5	0	-	0.0%	
Supplies & Services	147	149	(2)	147	172	(25)	over	(17.0%)	2
Transport & Plant	0	0	0	0	1	(1)	over	0.0%	
Administration Costs	657	671	(14)	657	634	23	under	3.5%	3
Payments to Other Bodies	32	32	0	32	32	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	14	14	0	14	11	3	under	21.4%	4
<b>Total Expenditure</b>	<b>4,205</b>	<b>3,557</b>	<b>648</b>	<b>4,205</b>	<b>3,494</b>	<b>711</b>	<b>under</b>	<b>16.9%</b>	
<b>Total Income</b>	<b>(318)</b>	<b>(303)</b>	<b>(15)</b>	<b>(318)</b>	<b>(302)</b>	<b>(16)</b>	<b>under recovery</b>	<b>5.0%</b>	5
<b>Net Expenditure</b>	<b>3,887</b>	<b>3,254</b>	<b>633</b>	<b>3,887</b>	<b>3,192</b>	<b>695</b>	<b>under</b>	<b>17.9%</b>	
<b>Add:</b>									
Central Support Costs	490	488	2	490	491	(1)	over	(0.2%)	
<b>Total Budget</b>	<b>4,377</b>	<b>3,742</b>	<b>635</b>	<b>4,377</b>	<b>3,683</b>	<b>694</b>	<b>under</b>	<b>15.9%</b>	
<b>Funded By:</b>									
North Lanarkshire Council	(2,104)	(2,104)	0	(2,104)	(2,103)	(1)	under recovered	0.0%	
South Lanarkshire Council	(2,103)	(2,103)	0	(2,103)	(2,103)	0	-	0.0%	
Transfer To / (From) monies held in reserve	(170)	465	(635)	(170)	523	(693)	over recovery	407.6%	6
<b>Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	

## Variance Explanations

- Employee Costs:** The underspend reflects a combination of the turnover of staff and the current level of spend in relation to the implementation of the Barclay recommendations. Recruitment is ongoing for posts made vacant through staff turnover, and posts required to undertake the workload associated with the Barclay Review.
- Supplies and Services:** The overspend relates to the cost of a required systems upgrade to enable the Barclay recommendations.
- Administration Costs:** The underspend reflects the level of spend on Printing and Stationery (£0.014m under) and Postages (£0.018m under) due to an increased use of email and savings due to online internet responses. These underspends were slightly offset by an overspend in Training Costs due to increased costs for trainee valuation staff training (£0.008m over).
- Financing Charges:** The underspend relates to an increase in the level of return received on revenue balances (£0.03m)..
- Income:** The under recovery of income of income is in respect of reduced Cabinet Office Funding for Individual Electoral Registration, and is offset by reduced spend levels.
- Transfer To/(From) Reserves:** The outturn reflects the net underspend position of the Board for the year, and shows a Transfer to Reserves of £0.523m as opposed to the budgeted Transfer from Reserves of £0.465m.