

LANARKSHIRE VALUATION JOINT BOARD

Minutes of meeting held via Microsoft Teams and in Committee Room 1, Council Offices, Almada Street, Hamilton on 4 December 2023

Convener:

Councillor Walter Brogan, South Lanarkshire Council

Councillors Present:

North Lanarkshire Council

Councillor Bob Burgess, Councillor Margaret Hughes, Councillor Lesley Jarvie, Councillor Tom Johnston, Councillor Alex McVey, Councillor Jim Reddin (Depute)

South Lanarkshire Council

Councillor Colin Dewar, Councillor Gavin Keatt

Councillors' Apologies:

North Lanarkshire Council

Councillor Kenneth Duffy, Councillor Anne Thomas

South Lanarkshire Council

Councillor Janine Calikes, Councillor Ross Clark, Councillor Lynsey Hamilton, Councillor Martin Hose, Councillor Mark McGeever

Attending:

Assessor and Electoral Registration Service

R Pacitti, Assessor and Electoral Registration Officer; J Dell, Assistant Assessor and Electoral Registration Officer; C Maxwell, Assistant Assessor and Electoral Registration Officer

Clerk's Office

S McLeod, Administration Officer; L Wyllie, Administration Assistant, South Lanarkshire Council

Treasurer's Office

P Manning, Treasurer; L O'Hagan, Finance Manager (Strategy), South Lanarkshire Council

Also Attending:

Audit Scotland

E Montgomery, Senior Auditor; P Murray, Senior Audit Manager

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Lanarkshire Valuation Joint Board held on 4 September 2023 were submitted for approval as a correct record.

The Board decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring and Probable Outturn Position 2023/2024 - Lanarkshire Valuation Joint Board

A report dated 8 November 2023 by the Treasurer was submitted comparing the Board's actual expenditure at 3 November 2023 against the budgeted expenditure for 2023/2024 and providing a forecast for the year to 31 March 2024.

As at 3 November 2023, there was an underspend of £0.316 million on the Board's revenue budget. Following the probable outturn exercise, the position was an anticipated transfer to Reserves of £0.120 million compared to a budgeted transfer from Reserves of £0.272 million. This would leave a balance of £1.841 million to be carried into 2024/2025.

The Treasurer responded to a member's question on the risk of an overspend on the Board's revenue budget which had been assessed as low.

The Board decided:

- (1) that it be noted that, following the probable outturn exercise, there would be a transfer to Reserves of £0.120 million for the current financial year;
- (2) that it be noted that, following the transfer to Reserves of £0.120 million, £1.841 million would be carried forward to the Balance Sheet at 31 March 2024; and
- (3) that the underspend on the Board's revenue budget of £0.316 million at 3 November 2023, as detailed in Appendix A to the report, be noted.

[Reference: Minutes of 4 September 2023 (Paragraph 3)]

4 External Auditor's Annual Audit Report to the Board

A letter dated December 2023, together with the 2022/2023 Annual Audit Report (draft) for the Lanarkshire Valuation Joint Board, dated November 2023, were submitted by Audit Scotland, the Board's external auditor.

The Senior Audit Manager gave a verbal overview of the Annual Report to members for the year ended 31 March 2023, which included the following key messages:-

- ◆ the financial statements gave a true and fair view and were properly prepared in accordance with the financial reporting framework
- ◆ the audited part of the remuneration report, management commentary and the annual governance statement had been properly prepared in accordance with the applicable requirements
- ◆ a material adjustment of £0.496 million had been made to the annual accounts to correctly recognise a liability for unfunded pensions on its balance sheet
- ◆ the Joint Board had a medium-term financial strategy in place but would continue to face significant financial challenges in the future
- ◆ the Joint Board had appropriate arrangements in place for securing Best Value

The accounts had received an unqualified and unmodified external auditor's report.

The Senior Audit Manager responded to a member's question in relation to potential fraud.

The Board decided: that the report be noted.

5 Audited Accounts 2022/2023

A report dated 16 November 2023 by the Treasurer was submitted on the Board's audited annual accounts for 2022/2023. The accounts, which required to be approved for signature, had been audited by the external auditor, Audit Scotland, and had received a clean audit certificate.

The accounts would be available for inspection:-

- ◆ on request from Finance Services, Council Offices, Almada Street, Hamilton
- ◆ from the office of the Assessor and Electoral Registration Officer, David Dale House, Blantyre
- ◆ on the Lanarkshire Valuation Joint Board's website

On a point raised regarding the potential use of artificial intelligence in relation to electoral registration arrangements, the Assessor and Electoral Registration Officer undertook to provide information to the members.

The Board decided:

- (1) that it be noted that the Statement of Accounts for 2022/2023 had received a clean audit certificate from the External Auditor;
- (2) that the audited Statement of Accounts for 2022/2023 be approved for signature; and
- (3) that the audited Statement of Accounts for 2022/2023 be published on the Board's website.

[Reference: Minutes of 5 September 2022 (Paragraph 5)]

Councillor Keatt joined the meeting during this item of business

6 Revenue Budget 2024/2025 – Lanarkshire Valuation Joint Board

A report dated 16 November 2023 by the Treasurer was submitted on the draft revenue budget for Lanarkshire Valuation Joint Board (LVJB) for 2024/2025.

The Board's Financial Strategy for 2023/2024 to 2025/2026 had been submitted to the meeting of the Board held on 27 June 2022 and had subsequently been updated at the meeting of the Board held on 5 December 2022. The updated Strategy reflected changes in assumptions related to the pay award and the transfer of the Valuation Appeal Panel to the Scottish Courts Service and resulted in a draft budget for 2024/2025 of £4.345 million. This included the use of £0.422 million of Reserves.

Details were given on:-

- ◆ the 2023/2024 budget assumptions which had been used in the preparation of the updated Financial Strategy for 2023/2024 to 2025/2026
- ◆ the 2024/2025 updated budget assumptions which included the impact of the pay award for 2023/2024 and 2024/2025 and changes to employer pension contributions
- ◆ a revised Reserves Forecast and Strategy which had taken account of:-
 - ◆ a reduction in North and South Lanarkshire Councils' requisitions of £0.400 million in 2024/2025 to reflect the reduced pension contributions
 - ◆ the requirement to cover the risk of the Barclay funding being reduced or removed
- ◆ the Board's revenue budget for 2024/2025, as summarised in Appendix 1 to the report

The Board's revenue budget of £4.008 million for 2024/2025 would be funded as follows:-

- ♦ £3.608 million from requisitions (apportioned to North and South Lanarkshire Councils at a level of 50% each)
- ♦ £0.400 million from Reserves

The Treasurer responded to members' questions in relation to the level of reserves being held to mitigate the risk of the Barclay funding being reduced or removed.

The Board decided:

- (1) that the budget strategy for Lanarkshire Valuation Joint Board, resulting in a budget of £4.008 million for 2024/2025, as summarised in Appendix 1 to the report, be approved; and
- (2) that the updated position of Reserves, as detailed in the report, be noted.

[Reference: Minutes of 5 December 2022 (Paragraph 4)]

7 Progress Update

A report dated 16 November 2023 by the Assessor and Electoral Registration Officer was submitted on:-

- ♦ an overview of the Service
- ♦ current issues and Service priorities
- ♦ an update on performance
- ♦ issues affecting the future direction of the Joint Board

Statistical information, illustrating progress made in terms of key areas of the work undertaken by Lanarkshire Valuation Joint Board, was provided in the appendices to the report.

The Assessor and Electoral Registration Officer responded to members' questions in relation to the number of adults who had not registered to vote and on the potential use of incentives in relation to the retention of staff.

The Board decided: that the report be noted.

[Reference: Minutes of 4 September 2023 (Paragraph 5)]

8 Urgent Business

There were no items of urgent business.