

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	7 September 2020
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Revenue Budget Monitoring 2020/2021 - Lanarkshire Valuation Joint Board
----------	--

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 2020 to 17 July 2020
- ◆ provide a forecast for the year to 31 March 2021

2. Recommendation(s)

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

- (1) that an underspend of £0.192 million on Lanarkshire Valuation Joint Board's revenue budget, as detailed in Appendix A of the report, be noted; and
- (2) that it be noted that the forecast to 31 March 2021 will continue to be monitored, with the expected outturn position updated at the next meeting.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2020/2021.

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. **Canvass Reform:** The Canvass Reform in 2020 has resulted in the number of households to be canvassed being reduced significantly. This will result in a reduction to costs incurred by the Board and a reduction in the funding received from the Cabinet Office. The cost savings will be evident in Temporary Canvassers (£0.160m) and Administration costs (£0.131m) and will be offset by reduced income (£0.291m). Budget virements are shown in Appendix 1 to reflect these changes.

5.2. **Barclay Funding:** The allocation in 2020/2021 (£0.594m) is incorporated within Employee Costs shown in Appendix A. Currently, an underspend is likely in respect of these additional Barclay funds in 2020/2021, as a result of disruption to recruitment due to the current pandemic. This will be monitored as part of the ongoing Revenue Monitoring to the Board.

- 5.3. **Electoral Registration:** The Scottish Government is providing funding for the extension of the franchise for electoral registration for foreign nationals. IT systems require to be updated. Additional costs incurred to date (£0.009m) and future expenditure anticipated (£0.009m) are offset by increased income (£0.018m).
- 5.4. **Period 4 Monitoring Position:** As at 17 July 2020, the variance from phased budget is an underspend of £0.192 million.
- 5.5. In the main, the underspend is a result of the timescale for recruitment reflecting the impact of the current pandemic.
- 5.6. There are costs incurred in relation to the costs of Covid19. These include the procurement of laptop computers as part of an office wide computer lease refresh and the procurement of personal protective equipment for employees when they are working in the office.
- 5.7. **Forecast Position:** The financial forecast to 31 March 2021 will continue to be monitored, with the expected outturn position updated to the next meeting of the Board.
- 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

17 August 2020

Previous References

- ◆ Revenue Budget Monitoring 2020/2021 - Lanarkshire Valuation Joint Board - 1 June 2020

List of Background Papers

- ◆ Revenue Budget 2020/2021 – Lanarkshire Valuation Joint Board – 2 December 2019

Contact for Further Information

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

LANARKSHIRE VALUATION JOINT BOARD

Revenue Budget Monitoring Report

Period Ended 17 July 2020 (No.4)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 17/07/20	Actual 17/07/20	Variance 17/07/20		% Variance 17/07/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,446	3,446	0	938	741	197	under	21.0%	1, a
Property Costs	5	5	0	4	4	0	-	n/a	
Supplies & Services	99	99	0	50	77	(27)	over	(54.0%)	2, b
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	533	533	0	59	50	9	under	15.3%	a
Payments to Other Bodies	22	22	0	2	2	0	-	0.0%	
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	6	6	0	-	0.0%	
Total Controllable Exp.	4,119	4,119	0	1,059	880	179	under	16.9%	
Total Controllable Inc.	(46)	(46)	0	(26)	(39)	13	over recovered	(50.0%)	2,a,b
Net Controllable Exp.	4,073	4,073	0	1,033	841	192	under	18.6%	
Add Non Controllable Budgets									
Central Support Costs	492	492	0	324	324	0	-	0.0%	
Total Budget	4,565	4,565	0	1,357	1,165	192	under	14.1%	
Funded By:									
North Lanarkshire Council	(2,195)	(2,195)	0	(732)	(732)	0	-	0.0%	
South Lanarkshire Council	(2,195)	(2,195)	0	(732)	(732)	0	-	0.0%	
Transfer (From) Reserves	(175)	(175)	0	0	0	0	-	n/a	
Net Budget	0	0	0	(107)	(299)	192	under	(179.4%)	

Variance Explanations

- Employee Costs:** The underspend mainly reflects recruitment timescales as a result of the pandemic.
- Supplies and Services:** The overspend relates to the costs of computer equipment and personal protective equipment in relation to the pandemic.

Virement

- Individual Electoral Reform Spend/Funding (£nil):** Decrease the Employee Costs budget for Temporary Canvassers by £0.160m and Administration Costs by £0.131m. This is offset by a decrease in Cabinet Office Funding £0.291m (Section 5.1).
- Electoral Registration Spend/Funding (£nil):** Increase Supplies and Services budget by £0.018m which is offset by an increase in funding received £0.018m (Section 5.3).