

# Report

Report to:	<b>Lanarkshire Valuation Joint Board</b>
Date of Meeting:	<b>1 March 2021</b>
Report by:	<b>Treasurer to Lanarkshire Valuation Joint Board</b>

Subject:	<b>Revenue Budget Monitoring and Probable Outturn Position 2020/2021 - Lanarkshire Valuation Joint Board</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide a forecast for the year to 31 March 2021
- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2020 to 29 January 2021

## 2. Recommendation(s)

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

- (1) that an underspend to date of £0.547 million on Lanarkshire Valuation Joint Board's revenue budget (section 5.5), be noted;
- (2) that following the probable outturn exercise, the anticipated underspend of £0.510 million resulting in a Transfer to Reserves of £0.140 million (section 5.3), be noted; and
- (3) that it be noted that, following the transfer to Reserves of £0.140 million, the Reserves balance at the end of March 2021 will be £1.087 million (section 5.4).

## 3. Background

- 3.1. This is the fourth 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 as at 29 January 2021 on Appendix A, for both the current period, and the probable outturn for the year.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. **Period 11 Budget Virements:** there is one budget virement detailed in section 5.2. This is shown Appendix 1.

## 5.2. Scottish Government Funding for Anticipated Increase in Postal Votes

**Applications:** An amount of £0.362m has been allocated by the Scottish Government to South Lanarkshire Council to be passed to the Board to support the Electoral Registration Officer's capacity to process the expected increase in postal vote applications in the run up to the Scottish Parliament Election 2021. The

additional budget has been allocated to: Employee Costs (£0.154m); Supplies and Services (£0.023m); and Administration Costs (£0.185m). This budget will be monitored against the actual expenditure incurred. At this stage, for this report, it is assumed that all spend will be made this year. Any funds not spent by the end of the year will be carried forward into next year.

- 5.3. **Probable Outturn Position:** Appendix A shows the results of the probable outturn exercise as reported to the Board in December 2020. The financial forecast to 31 March 2021 is a Transfer to Reserves of £0.140 million. It is anticipated that the additional funds (Section 5.2) will be utilised as necessary in the run up to the Scottish Parliamentary election (SPE) on 6 May 2021. Funds not spent by 31 March 2021 will be carried forward into 2021/2022.
- 5.4. At the end of 2019/2020, the Board carried forward £0.947 million into 2020/2021. Based on the probable outturn noted in 5.3. above, a transfer to Reserves of £0.140 million will leave a balance of £1.087 million to be carried into 2021/2022.
- 5.5. **Period 11 Monitoring Position:** As at 29 January 2021, the variance from phased budget to date is an underspend of £0.547 million. This is shown in Appendix A.
- 5.6. This is a continuation of the previously reported position.
- 5.7. Covid restrictions impacted on undertaking household visits as part of the annual canvass of electors. However, all other aspects of the annual canvass were undertaken, and the updated electoral registers were published on 1 December 2020. This will result in an increased underspend in Employee Costs (£0.074m) for temporary canvassers. Phased budget of £0.059m is reflected in the reported underspend of £0.547 million.
- 5.8. A Household Notification Letter is being issued throughout Scotland advising electors of who has a postal vote in place for the forthcoming SPE. This will result in increased Administration Costs (£0.125m), which is to be funded by the Scottish Government. This funding has still be notified to the Board, therefore, the costs and funding has yet to be reflected in the figures presented.

## **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**  
**Executive Director (Finance and Corporate Resources)**

1 February 2021

**Previous References**

- ◆ Revenue Budget Monitoring 2020/2021 - Lanarkshire Valuation Joint Board - 1 June 2020
- ◆ Revenue Budget Monitoring 2020/2021 - Lanarkshire Valuation Joint Board – 7 September 2020
- ◆ Revenue Budget Monitoring 2020/2021 - Lanarkshire Valuation Joint Board – 7 December 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:-

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## LANARKSHIRE VALUATION JOINT BOARD

## Revenue Budget Monitoring Report

Period Ended 29 January 2021 (No.11)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 29/01/21	Actual 29/01/21	Variance 29/01/21		% Variance 29/01/21	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	3,606	2,985	621	2,803	2,185	618	under	22.0%	1,a
Property Costs	200	200	0	76	75	1	under	1.3%	
Supplies & Services	135	159	(24)	111	134	(23)	over	(20.7%)	2,a
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	700	778	(78)	363	415	(52)	over	(14.3%)	3,a
Payments to Other Bodies	33	33	0	17	17	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	23	(9)	6	11	(5)	over	83.3%	4
<b>Total Expenditure</b>	4,688	4,178	510	3,376	2,837	539	under	16.0%	
<b>Total Income</b>	(58)	(58)	0	(58)	(66)	8	over recovered	(13.8%)	
<b>Net Expenditure</b>	4,630	4,120	510	3,318	2,771	547	under	16.5%	
<b>Add:</b>									
Central Support Costs	492	492	0	339	339	0	-	0.0 %	
<b>Total Budget</b>	5,122	4,612	510	3,657	3,110	547	under	15.0%	
<b>Funded By:</b>									
North Lanarkshire Council	(2,195)	(2,195)	0	(1,829)	(1,829)	0	-	0.0%	
South Lanarkshire Council	(2,557)	(2,557)	0	(2,191)	(2,191)	0	-	0.0%	a
Transfer To / (From) monies held in reserve	(370)	140	510	0	0	0	-	n/a	
<b>Net Budget</b>	0	0	0	(363)	(910)	547	under	(150.7%)	

**Variance Explanations**

- Employee Costs:** The underspend mainly reflects recruitment timescales as a result of the pandemic. In addition, there is an underspend on Temporary Canvassers, due to Covid restrictions impacting on undertaking household visits as part of the Annual Canvass.
- Supplies and Services:** The overspend relates to the costs of computer equipment and personal protective equipment in relation to the pandemic.
- Administration Costs:** The overspend is in relation to scanning costs in relation to Non-Domestic Rates.
- Financing Charges:** The overspend is in relation to the leasing costs of new computer equipment (lap tops).

**Virement**

- a **Scottish Government Funding for anticipated additional Postal Vote Applications (£nil effect):** Increase the: Employee Costs budget by £0.154m; Supplies and Services £0.023m; and Administration Costs £0.185m.