

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	7 March 2022
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Revenue Budget Monitoring and Probable Outturn Position 2021/2022 - Lanarkshire Valuation Joint Board
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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 2022
- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2021 to 28 January 2022

2. Recommendation(s)

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

- (1) that following the probable outturn exercise, the transfer to Reserves for the current financial year is £0.021 million (section 5.3 and Appendix A), be noted; and
- (2) that an underspend to date of £0.439 million on Lanarkshire Valuation Joint Board's revenue budget as at 28 January 2022 (section 5.4 and Appendix A), be noted.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2021/2022.

3.2. The report details the financial position for Lanarkshire Valuation Joint Board as at 28 January 2022 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. **Household Notification Letters:** Household Notification Letters have been issued advising electors of who is registered for the Local Government Elections in 2022, together with postal vote information. This will result in increased Administration Costs for the Board (£0.137m). As a condition of the Scottish Government unused funding for additional postal vote applications for the 2021 Election, unused funds were returned to South Lanarkshire Council to hold in Reserves on the Board's behalf ring fenced for Electoral Registration. The budget required for Household

Notification Letters has been transferred to the Board from South Lanarkshire Council's Reserve. Due to timing, the expenditure for this exercise is still to be reflected in the actual spend in Appendix A.

- 5.3. **Probable Outturn Position:** Appendix A shows the results of the probable outturn exercise as reported to the Board in December 2021. The financial forecast to 31 March 2022 is a Transfer to Reserves of £0.021 million taking the level of Reserves to £1.148m.
- 5.4. **Period 11 Monitoring Position:** As at 28 January 2022, the variance from phased budget to date is an underspend of £0.439 million. This is shown in Appendix A along with variance explanations.
- 5.5. **Employee Costs:** As reported to the Board in December 2021, the expected outturn for the year was £0.330m. The Board now expects a higher underspend, reflecting recruitment levels, and a lower than anticipated need for Canvassers and overtime.
- 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 endures 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)

22 February 2022

Previous References

- ◆ Revenue Budget Monitoring 2021/2022 - Lanarkshire Valuation Joint Board (7 June 2021)
- ◆ Revenue Budget Monitoring 2021/2022 - Lanarkshire Valuation Joint Board (6 September 2021)
- ◆ Revenue Budget Monitoring 2021/2022 - Lanarkshire Valuation Joint Board (6 December 2021)

List of Background Papers

- ◆ Revenue Budget 2021/2022 – 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 28 January 2022 (No.11)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 28/01/22	Actual 28/01/22	Variance 28/01/22		% Variance 28/01/22	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,396	3,066	330	2,759	2,333	426	under	15.4%	1
Property Costs	5	0	5	5	0	5	under	100%	2
Supplies & Services	208	222	(14)	125	139	(14)	over	(11.2%)	3
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	652	654	(2)	391	363	28	under	7.2%	4,a
Payments to Other Bodies	31	32	(1)	19	20	(1)	over	(5.3%)	
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	15	26	(11)	over	(73.3%)	5
Total Controllable Exp.	4,306	3,988	318	3,314	2,881	433	under	13.1%	
Total Controllable Inc.	(7)	(18)	11	(7)	(13)	6	over recovery	85.7%	6
Net Controllable Exp.	4,299	3,970	329	3,307	2,868	439	under	13.3%	
Add Non Controllable Budgets									
Central Support Costs	378	379	(1)	9	9	0	-	0.0%	
Total Budget	4,677	4,349	328	3,316	2,877	439	under	13.2%	
Funded By:									
North Lanarkshire Council	(2,106)	(2,106)	0	(1,755)	(1,755)	0	-	0.0%	
South Lanarkshire Council	(2,264)	(2,264)	0	(1,776)	(1,776)	0	-	0.0%	a
Transfer (From) Reserves	(307)	21	(328)	0	0	0	-	n/a	
Net Budget	0	0	0	(215)	(654)	439	under	(204.2%)	

Variance Explanations

- Employee Costs:** The underspend reflects turnover of staff and vacant posts for which recruitment is ongoing, and lower than anticipated Canvassers Payments being required.
- Property Costs:** The underspend reflects budget no longer required for Scottish Water charges.
- Supplies and Services:** The overspend is due to spend in compliance with the Equality Act 2010 Public Sector Duty to make reasonable adjustments, as well as some other minor spend on office equipment, and additional costs of leasing lap tops to facilitate home working.
- Administration Costs:** The underspend reflects reduced number of appeals proceeding to a Committee of the Valuation Appeals Panel in the first 6 months of 21/22, and lower than anticipated printing and stationery costs to date.
- Financing Charges:** The overspend is in relation to slightly higher than budgeted IT leasing charges.
- Income:** The over recovery of income is due to increased sale costs of Electoral Registers.

Virement

- a **Scottish Government Funding for Household Notification Letters (£nil effect):** Administration Costs £0.137m and SLC Requisitions £0.137m.