

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	4 June 2018
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	2017/2018 Annual Report and Accounts - Lanarkshire Valuation Joint Board
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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 2018.

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 2018, 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 2017/18. 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 2018 and the Balance Sheet as at 31 March 2018. 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 2017/2018
- ◆ Statement of Responsibilities
- ◆ Annual Governance Statement
- ◆ Remuneration Report
- ◆ Expenditure and Funding Analysis Statement
- ◆ Comprehensive Income and Expenditure Statement for year ended 31 March 2018
- ◆ Balance Sheet as at 31 March 2018
- ◆ Movement in Reserves Statement for year ended 31 March 2018
- ◆ Cash Flow Statement for year ended 31 March 2018
- ◆ 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 2017/2018 outturn position for the Board in the normal monitoring format, that is, excluding accounting transactions. As reported at the last Board meeting on 5 March 2018, the Board was advised of a probable outturn drawdown from reserves of £0.061m.
- 5.2. As shown in Appendix 1, the actual position at the end of the year is a £0.022m transfer to reserves. In the main, the reduction in the level of reserves required to be used by the Board since the probable outturn, (£0.083m) reflects reduced expenditure on Employee Costs due to recruitment timescales and the appointment of trainee valuation staff and 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 2017/2018. In accounting terms, the Accounts show that the Board's total revenue expenditure amounted to £4.212m in 2017/2018 and was met by total income of £3.948m, leaving a net cost of service of £0.264m. However, after implementing statutory accounting practice in relation to pension and statutory accumulated absences adjustment, the net position for the Board for 2017/18 is a surplus of £0.022m.
- 5.4. Adding this surplus to the Board's General Reserve carried forward from 2016/2017 (£0.276m), gives the Board a closing General Reserve position of £0.298m at the end of 2017/2018.

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

8 May 2018

Previous References

Board Meeting 26 February 2018

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2018
- ◆ Unaudited Lanarkshire Valuation Joint Board Annual Accounts 2017/18
- ◆ Lanarkshire Valuation Joint Board Revenue Budget Monitoring and Probable Outturn Position 2017/18 – 4 December 2017

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 2018 (No.14)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/3/2018	Actual 31/03/2018	Variance 31/03/2018		% Variance 31/03/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,859	2,763	96	2,859	2,693	166	under	5.8%	1
Property Costs	7	7	0	7	9	(2)	over	(28.6%)	
Supplies & Services	77	95	(18)	77	85	(8)	over	(10.4%)	2
Transport & Plant	0	0	0	0	1	(1)	over	n/a	
Administration Costs	619	632	(13)	619	626	(7)	over	(1.1%)	3
Payments to Other Bodies	17	18	(1)	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	10	10	0	10	13	(3)	over	(30.0%)	
Total Expenditure	3,589	3,525	64	3,589	3,444	145	under	4.0%	
Total Income	(281)	(323)	42	(281)	(322)	41	over recovery	(14.6%)	4
Net Expenditure	3,308	3,202	106	3,308	3,122	186	under	5.6%	
Add:									
Central Support Costs	506	485	21	506	482	24	over	4.7%	5
Total Budget	3,814	3,687	127	3,814	3,604	210	over	5.5%	
Funded By:									
North Lanarkshire Council	(1,813)	(1,813)	0	(1,813)	(1,813)	0	-	0.0%	
South Lanarkshire Council	(1,813)	(1,813)	0	(1,813)	(1,813)	0	-	0.0%	
Transfer To / (From) monies held in reserve	(188)	(61)	(127)	(188)	22	(210)	under recovery	(111.7%)	6
Net Budget	0	0	0	0	0	-	-	n/a	

Variance Explanations

- Employee Costs:** The underspend reflects the timing of recruitment during the year and the recruitment of trainee valuation staff / technicians in place of qualified staff.
- Supplies and Services:** The overspend relates to the cost of computer equipment purchase and maintenance.
- Administration Costs:** The overspend within Administration Costs reflects the level of spend on the Valuation Appeal Panel expenses.
- Income:** As noted at probable outturn, the increased income is from the Cabinet Office for IER (Electoral Registration).
- Central Support Costs:** The underspend within Central Support Costs relates to Office Accommodation in relation to a review of rates.
- Transfer To/(From) Reserves:** The outturn reflects the net underspend position of the Board for the year, and shows a Transfer to Reserves of £0.022m as oppose to the budgeted Transfer from Reserves of £0.188m.