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| Report to:       | <b>Lanarkshire Valuation Joint Board</b>              |
| Date of Meeting: | <b>13 March 2017</b>                                  |
| Report by:       | <b>Treasurer to Lanarkshire Valuation Joint Board</b> |

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| Subject: | <b>Revenue Budget Monitoring 2016/2017 - Lanarkshire Valuation Joint Board</b> |
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## 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 2016 to 3 February 2017.
- ◆ provide a forecast for the year to 31 March 2017.

## 2. Recommendation(s)

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

- (1) that an overspend, to date, of £0.043m 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, following the probable outturn exercise, the transfer from Reserves for the current financial year is £0.095m (£0.028m greater than originally estimated), as detailed in Appendix A.

## 3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2016/2017.

3.2. The report details the financial position for Lanarkshire Valuation Joint Board at Appendix A.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. As at 3 February 2017, the variance from phased budget to date is a £0.043m overspend. This overspend is expected to reduce as we move towards financial year end, due to additional income anticipated, a reduction in the employee costs overspend and the use of reserves.

5.2. As noted in the previous Board report, following the probable outturn exercise, the financial forecast to 31 March 2017 is a transfer from Reserves of £0.095 million, £0.028 million greater than budgeted.

## **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 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.
- 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**

9 February 2017

### **Previous References**

Lanarkshire Valuation Joint Board, 5 December 2016

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 3 February 2017

### **Contact for Further Information**

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

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Appendix A

LANARKSHIRE VALUATION JOINT BOARD

Revenue Budget Monitoring Report

Period Ended 3 February 2017 (No.12)

| <b>Budget Category</b>                      | <b>Annual Budget</b> | <b>Forecast for Year</b> | <b>Annual Forecast Variance</b> | <b>Budget Proportion 3/2/2017</b> | <b>Actual 3/2/2017</b> | <b>Variance 3/2/2017</b> |             | <b>% Variance 3/2/2017</b> | <b>Note</b> |
|---|----------------------|--------------------------|---------------------------------|-----------------------------------|------------------------|--------------------------|-------------|----------------------------|-------------|
|   | <b>£000</b>          | <b>£000</b>              | <b>£000</b>                     | <b>£000</b>                       | <b>£000</b>            | <b>£000</b>              |             |                            |             |
| Employee Costs                              | 2,831                | 2,834                    | (3)                             | 2,371                             | 2,389                  | (18)                     | over        | -0.8%                      | 1           |
| Property Costs                              | 7                    | 7                        | 0                               | 6                                 | 6                      | 0                        | -           | 0.0%                       |             |
| Supplies & Services                         | 85                   | 90                       | (5)                             | 84                                | 90                     | (6)                      | -           | -15.4%                     | 2           |
| Transport & Plant                           | 0                    | 0                        | 0                               | 0                                 | 0                      | 0                        | -           | n/a                        |             |
| Administration Costs                        | 587                  | 625                      | (38)                            | 556                               | 574                    | (18)                     | over        | -3.2%                      | 3           |
| Payments to Other Bodies                    | 17                   | 17                       | 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                           | 9                    | 9                        | 0                               | 9                                 | 10                     | (1)                      | over        | -11.1%                     |             |
| <b>Total Expenditure</b>                    | <b>3,536</b>         | <b>3,582</b>             | <b>(46)</b>                     | <b>3,043</b>                      | <b>3,086</b>           | <b>(43)</b>              | <b>over</b> | <b>-1.6%</b>               |             |
| <b>Total Income</b>                         | <b>(282)</b>         | <b>(307)</b>             | <b>25</b>                       | <b>(270)</b>                      | <b>(270)</b>           | <b>0</b>                 | <b>-</b>    | <b>0.0%</b>                |             |
| <b>Net Expenditure</b>                      | <b>3,254</b>         | <b>3,275</b>             | <b>(21)</b>                     | <b>2,773</b>                      | <b>2,816</b>           | <b>(43)</b>              | <b>over</b> | <b>-1.8%</b>               |             |
| <b>Add:</b>                                 |                      |                          |                                 |                                   |                        |                          |             |                            |             |
| Central Support Costs                       | 499                  | 506                      | (7)                             | 341                               | 341                    | 0                        | -           | 0.0%                       |             |
| <b>Total Budget</b>                         | <b>3,753</b>         | <b>3,781</b>             | <b>(28)</b>                     | <b>3,114</b>                      | <b>3,157</b>           | <b>(43)</b>              | <b>over</b> | <b>-1.6%</b>               |             |
| <b>Funded By:</b>                           |                      |                          |                                 |                                   |                        |                          |             |                            |             |
| North Lanarkshire Council                   | (1,843)              | (1,843)                  | 0                               | (1,536)                           | (1,536)                | 0                        | -           | 0.0%                       |             |
| South Lanarkshire Council                   | (1,843)              | (1,843)                  | 0                               | (1,536)                           | (1,536)                | 0                        | -           | 0.0%                       |             |
| Transfer To / (From) monies held in reserve | (67)                 | (95)                     | 28                              | 0                                 | 0                      | 0                        | -           | n/a                        |             |
| <b>Net Budget</b>                           | <b>0</b>             | <b>0</b>                 | <b>0</b>                        | <b>42</b>                         | <b>85</b>              | <b>(43)</b>              | <b>over</b> |                            |             |

Variance Explanations

1 Employee Costs

The Period 12 overspend within Employee Costs reflects current staffing levels and related costs. Moving forward, as a result of recent employee turnover, a lesser overspend position is anticipated by the end of the financial year.

2 Supplies and Services

The Period 12 overspend within Supplies and Services reflects a minor overspend on computer maintenance.

3 Administration Costs

The Period 12 overspend within Administration Costs reflects the additional spend on the Valuation Appeal Panel, in line with the probable outcome expectations.