

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	26 June 2017
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	2016/2017 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 2017.

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 2017, be approved for submission to external auditors, Audit Scotland.

3. Background

3.1. This report will provide information on the Board's outturn position for the financial year 2016/17. Appendix 1 shows this in the normal monitoring format, while Appendix 2 shows the statutorily required Annual Report and Accounts. These include the Revenue Account and Balance Sheet to 31 March 2017 for the Board. These accounts will be passed for external audit to Audit Scotland.

3.2. The Annual Report and Accounts, as detailed at Appendix 2 to the report, comprises:

- ◆ Introduction by the Convener 2016/17 (for the period of the Accounts)
- ◆ Management Commentary 2016/17
- ◆ Statement on the Governance and Internal Control
- ◆ Expenditure and Funding Analysis Statement
- ◆ Comprehensive Income and Expenditure Statement for year ended 31 March 2017
- ◆ Balance Sheet as at 31 March 2017
- ◆ Movement in Reserves Statement for year ended 31 March 2017
- ◆ Cash Flow Statement for year ended 31 March 2017
- ◆ Remuneration Report
- ◆ Notes to the Financial Statements
- ◆ Statement of Accounting Policies
- ◆ Statement of Responsibilities for the Statement of Accounts
- ◆ Audit Arrangements

4. Employee Implications

4.1. None

5. Financial Implications

5.1. Appendix 1 attached shows the 2016/17 outturn position for the Board in the normal monitoring format, that is, excluding accounting transactions. As reported at the last Board meeting on 13 March 2017, the Board anticipated a drawdown from reserves of £0.095m.

5.2. As shown in Appendix 1, the actual position at the end of the year is a £0.080m drawdown from reserves. In the main, the reduction in the level of reserves used (£0.015m) is the net effect of additional spend of £0.039m compared to their anticipated spend, offset by additional funding income received late in the year from the Cabinet Office for IER (Individual Electoral Registration) funding (£0.054m). The additional spend mainly reflects overspends in Administration Costs. Details of the expenditure and income variances are shown in Appendix 1.

5.3. Appendix 2 shows the Annual Report and Accounts for 2016/17. The Accounts show that the Board's total revenue expenditure amounted to £4.237m in 2016/17 and was met by total income of £4.127m. This results in a net cost of £0.110m. However, after implementing statutory accounting practice in relation to pension and statutory accumulated absences adjustment, the net balance on the Board's General Fund Balance is zero.

5.4. This zero balance takes into account a creditor of £0.276m which is the sum due to both constituent authorities. This balance has decreased in-year by £0.080m and reflects the use of reserves as noted in 5.2.above.

5.5. The two constituent authorities have agreed to the creditor being carried forward into 2017/18. This is shown in the Accounts as being due to the constituent authorities rather than as a reserve.

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

12 June 2017

Previous References

- ◆ Board Meeting 13 March 2017

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2017
- ◆ Unaudited Lanarkshire Valuation Joint Board Annual Accounts 2016/17
- ◆ Lanarkshire Valuation Joint Board Revenue Budget Monitoring and Probable Outturn Position 2016/17 – 5 December 2016

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 2017 (No.14)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/3/2017	Actual 31/03/2017	Variance 31/03/2017		% Variance 31/03/17	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	2,831	2,834	(3)	2,831	2,832	(1)	over	0.0%	
Property Costs	7	7	0	7	7	0		0.0%	
Supplies & Services	85	90	(5)	85	91	(6)	over	-7.1%	1
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	587	625	(38)	587	660	(73)	over	-12.4%	2
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	11	(2)	over	-22.2%	
Total Expenditure	3,536	3,582	(46)	3,536	3,618	(82)	over	-2.3%	
Total Income	(282)	(307)	25	(282)	(361)	79	over recovery	-28.0%	3
Net Expenditure	3,254	3,275	(21)	3,254	3,257	(3)	over	-0.1%	
Add:									
Central Support Costs	499	506	(7)	499	509	(10)	over	-2.0%	4
Total Budget	3,753	3,781	(28)	3,753	3,766	(13)	over	0.3%	
Funded By:									
North Lanarkshire Council	(1,843)	(1,843)	0	(1,843)	(1,843)	0	-	n/a	
South Lanarkshire Council	(1,843)	(1,843)	0	(1,843)	(1,843)	0	-	n/a	
Transfer To / (From) monies held in reserve	(67)	(95)	28	(67)	(80)	13	over recovery	-19.4%	
Net Budget	0	0	0	0	0	-	-	n/a	

Variance Explanations

1. **Supplies and Services**

As noted at probable outturn, the increased expenditure relates to furniture and fittings offset by an underspend in computer equipment maintenance.

2. **Administration Costs**

The overspend reflects printing and stationery costs for additional IER forms required due to an amended canvass timetable, and more appeals proceeded to the Valuation Appeals Panel than anticipated.

3. **Income**

Additional funding was received late in the year from the Cabinet Office for additional IER (Electoral Registration) funding. This offsets to the additional spend incurred within Administration Costs.

4. **Central Support Costs**

The additional spend reflects the service level agreement with IT Services.