

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	5 December 2011
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Revenue Budget 2012/2013 – 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 draft budget for the coming financial year (2012/2013).
- ◆ To obtain provisional agreement on the budget which is to be presented to both North Lanarkshire Council and South Lanarkshire Council.

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendations:-

- (1) that the budget strategy resulting in the sum of £3.778 million for 2012/2013 be approved.

3. Background

3.1. Until 2011/2012, the Valuation Board's budget has been prepared for the coming financial year based on an increased level of requisition from both Councils. Any additional pressures have been funded from efficiency savings within the Valuation Board itself. However, given the unprecedented financial circumstances facing local government, the increase in requisitions possible in previous years remains difficult to sustain and alternative strategies will need to be explored.

4. Considerations and Resources

- 4.1. The Government made its Scottish Spending Review announcement on 21 September 2011. At a national level, the Scottish Government continues to communicate an aspiration of providing local government with a flat cash settlement.
- 4.2. On this basis, it is proposed that the funding from North and South Lanarkshire Councils be retained at the same level as 2011/2012. Based on budget requirements proposed by the Assessor for 2012/2013, this leaves a funding gap of £0.153m. This position assumes no contribution from the Board's Reserves.
- 4.3. The increase in budget proposed by the Assessor was to reflect requirements in respect of the Employee Cost establishment and an increase in Administration Costs as a result of increased printing and stationery requirements and postage costs.
- 4.4. At the end of 2011/2012, the Valuation Board's Reserves are expected to be £0.127million. This is not sufficient to meet the proposed shortfall of £0.153million.

4.5. The following proposals have been put forward to reduce the funding gap of £0.153 million -

- Reduced Employee Costs - £0.051m
A saving of £0.051million could be generated by incorporating a 2% turnover saving into Employee Costs and also retaining a level of unfilled posts.
- Reduction in Transport Costs - £0.010m
A reduction in the proposed budget has been implemented to reflect anticipated spend.

4.6. The proposals above reduce the funding gap to £0.092million. It is proposed that this can be met from Reserves and thus enables the presentation of a balanced budget for 2012/2013.

4.7. Taking into account the savings noted in 4.5, the budget is noted below, with the table also showing the apportionment to both North and South Lanarkshire Councils at 50% each:

	Total 2012/13 Budget	North Lanarkshire Council	South Lanarkshire Council
	£	£	£
2011/2012	3,685,330	1,842,665	1,842,665
2012/2013	3,685,330	1,842,665	1,842,665
% Decrease	0%	0%	0%

4.8. The detailed budget is shown in Appendix A.

5. Employee Implications

5.1. There are no employee implications contained within this report.

6. Financial Implications

6.1. The proposed 2012/2013 Revenue Budget for the Valuation Board is £3.778million. The requisitions from both South Lanarkshire and North Lanarkshire Councils will remain unchanged from 2011/2012 levels.

6.2. In order to achieve a balanced budget, a continued contribution of £0.092 million has been included from Reserves for 2012/2013. This contribution is being utilised in a temporary capacity only, to allow time for other options in respect of cost reduction to be reviewed and implemented on a permanent basis as the Board moves into 2013/2014.

6.3. Both North and South Lanarkshire Councils are required, through regular monthly requisition payments, to contribute to the budget for Lanarkshire Valuation Joint Board. The total requisition details, split between North and South Lanarkshire are noted in paragraph 4.7.

7. Other Implications

7.1. While management will endeavour to continue to deliver fully the statutory and non statutory aspects of the service, there is an element of risk in factoring-in the level of employee cost turnover and unfilled posts as proposed in this report. The Assessor will review this on an ongoing basis throughout the year and advise the Board accordingly through Revenue Monitoring if the turnover is not as anticipated. It is the Assessor's view that the Board currently exhibits a significant level of efficiency

within its operation. In addition, increasing demand on the service, combined with a reduction of staffing over a period of years, has, in the past, led to situations where tasks have not been carried out and where there has been a financial consequence for the two authorities. Members of the Joint Board should consider this risk in approving this budget strategy.

7.2. There are no implications for sustainability in terms of the information contained in this report.

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
Treasurer

9 November 2011

Previous References

◆ None

List of Background Papers

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 2012/2013

Description	2011/12 Base Budget £m	2012/13 Required Budget £m	Budget Movement £m
Employee Costs	2.577	2.596	0.019
Property Costs	0.332	0.337	0.005
Supplies and Services	0.119	0.113	(0.006)
Administration Costs	0.683	0.714	0.031
Payments to Other Bodies	0.013	0.015	0.002
Financing charges	0.018	0.009	(0.009)
Gross Expenditure	3.742	3.784	0.042
Income	(0.006)	(0.006)	0.000
Net Expenditure	3.736	3.778	0.042
Net Expenditure Budget Funded by :			
Requisition from North Lanarkshire Council	1.843	1.843	0.000
Requisition from South Lanarkshire Council	1.843	1.843	0.000
Reserves carried forward from previous year	0.050	0.092	0.042
Net Budget	0	0	0