

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	3 June 2024
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	2023/2024 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 2024

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 2024, be approved for submission to Audit Scotland.

3. Background

3.1. This report will provide information on the Board's outturn position for the financial year 2023/2024. 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 2024 and the Balance Sheet as at 31 March 2024. 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 2023/2024
- ◆ Statement of Responsibilities
- ◆ Annual Governance Statement
- ◆ Remuneration Report
- ◆ Expenditure and Funding Analysis Statement
- ◆ Comprehensive Income and Expenditure Statement for year ended 31 March 2024
- ◆ Balance Sheet as at 31 March 2024
- ◆ Movement in Reserves Statement for year ended 31 March 2024
- ◆ Cash Flow Statement for year ended 31 March 2024
- ◆ 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 2023/2024 outturn position for the Board in the normal monitoring format, that is, excluding accounting transactions. As reported at the last Board meeting on 4 March 2024, the Board was advised of a probable outturn transfer to reserves of £0.120 million.
- 5.2. **Summary of Outturn Position:** As shown in Appendix 1, the actual position at the end of the year is a transfer to reserves of £0.254 million, an increase of £0.134 million from the probable outturn. This is the result of a number of factors namely further staff turnover and difficulties in recruitment of new staff, an underspend on the purchase of computer equipment in connection with Barclay recommendations now expected to be undertaken during 2024/2025, and lower than anticipated administration costs. Further details of the expenditure and income variances are shown in Appendix 1.
- 5.3. Appendix 2 shows the Annual Accounts for 2023/2024. The presentation of the Board's position, in accounting terms, differs from the monitoring position presented in Appendix 1, as it also contains statutory accounting entries for pensions and statutory accumulated absences.
- 5.4. The Annual Accounts in Appendix 2 show that the Board's total income on an accounting basis amounted to £4.075 million in 2023/2024. This was offset by total revenue expenditure on an accounting basis of £3.835 million, leaving a net deficit of £0.240 million (net cost of services (£0.240 million)). After implementing statutory accounting practice in relation to the pension and statutory accumulated absences figures, the net position for the Board for 2023/2024 is a surplus of £0.254 million – as presented in the monitoring statement in Appendix 1.
- 5.5. Adding this surplus to the Board's General Reserve carried forward from 2021/2022 (£1.721m), gives the Board a closing General Reserve position of £1.975 million at the end of 2023/2024. This is £0.134 million higher than anticipated as part of the probable outturn. The strategy for use of reserves in future years was approved by the Board in December 2023, and is reiterated in the Management Commentary of the Accounts (Appendix 1).

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 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.

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.

Jackie Taylor
Treasurer

21 May 2024

Previous References

- ◆ Revenue Budget 2023/2024 – Lanarkshire Valuation Joint Board – 5 December 2022
- ◆ Revenue Budget Monitoring 2023/2024 – Lanarkshire Valuation Joint Board – 4 March 2024

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2024
- ◆ Unaudited Lanarkshire Valuation Joint Board Annual Accounts 2023/2024
- ◆ Lanarkshire Valuation Joint Board Revenue Budget Monitoring and Probable Outturn Position 2023/2024 – 4 December 2023

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 2024

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/03/24	Actual 31/03/24	Variance 31/03/24		% Variance 31/03/24	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,261	2,903	358	3,261	2,887	374	under	11.5%	1
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	159	166	(7)	159	115	44	under	27.7%	2
Transport & Plant	5	5	0	5	5	0	-	n/a	
Administration Costs	490	472	18	490	420	70	under	14.3%	3
Payments to Other Bodies	31	31	0	31	30	1	under	3.2%	
Financing Charges	13	(15)	28	13	(51)	64	under	492.3%	4
Total Controllable Exp.	3,959	3,562	397	3,959	3,406	553	under	13.9%	
Total Controllable Inc.	(60)	(60)	0	(60)	(66)	6	over recovery	(10%)	5
Net Controllable Exp.	3,899	3,502	397	3,899	3,340	559	under	14.3%	
Add Non-Controllable Budgets									
Central Support Costs	381	386	(5)	381	415	(34)	over	8.92%	6
Total Budget	4,280	3,888	392	4,280	3,755	525	under	12.3%	
Funded By:									
North Lanarkshire Council	(2,004)	(2,004)	0	(2,004)	(2,004.5)	0.5	over recovery	n/a	
South Lanarkshire Council	(2,004)	(2,004)	0	(2,004)	(2,004.5)	0.5	over recovery	n/a	
Transfer (From) Reserves	272	(120)	392	272	(254)	526	over recovery	(193.4%)	
Net Budget	0	0	0	0	0	0	-	n/a	

Variance Explanations

- Employee Costs**
The underspend reflects staff turnover and recruitment undertaken during the year.
- Supplies and Services**
The underspend in 2023/24 relates to lower than anticipated spend on systems development support for Barclay recommendations.
- Administration Costs**
The underspend reflects lower than budgeted costs of Engaging Counsel in relation to valuation appeals following the transfer of the Valuation Appeal Panel to the Scottish Courts and Tribunal Services (£0.021m), underspends on printing and stationery (£0.024m) and underspends on training costs (£0.042m). These underspends are offset by an overspend in Postages (£0.013m) due to demand/cost of postage.
- Financing Charges**
The net financing charges budget reflects spend on IT equipment and interest on revenue balances. The underspend is on the interest on revenue balances line which is the level of interest received on the Boards cash balances invested in South Lanarkshire Council's Loans Fund. The underspend reflects higher than anticipated interest rates experienced in-year.
- Income**
The over recovery of income is in relation to income received for the Assessors Annual General Meeting from other Valuation Joint Boards, which is offset by expenditure included within Administration Costs.
- Central Support Costs**
The overspend is in relation to additional property costs and higher than budgeted support costs.