

LANARKSHIRE VALUATION JOINT BOARD

Minutes of meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 5 December 2022

Convener:

Councillor Walter Brogan, South Lanarkshire Council

Councillors Present:

North Lanarkshire Council

Councillor Bob Burgess, Councillor Lesley Jarvie, Councillor Tom Johnston, Councillor Alex McVey, Councillor Jim Reddin (Depute), Councillor William Shields, Councillor Anne Thomas

South Lanarkshire Council

Councillor Ross Clark, Councillor Colin Dewar, Councillor Lynsey Hamilton, Councillor Gavin Keatt

Councillors' Apologies:

North Lanarkshire Council

Councillor Fergus MacGregor

South Lanarkshire Council

Councillor Janine Calikes, Councillor Martin Hose, Councillor Mark McGeever

Attending:

Assessor and Electoral Registration Service

G Bennett, Assessor and Electoral Registration Officer; R Pacitti, Assistant Assessor and Electoral Registration Officer

Clerk's Office

C Sneddon, Clerk; S Jessup, Administration Assistant; S McLeod, Administration Officer; L Wyllie, Administration Assistant, South Lanarkshire Council

Treasurer's Office

L O'Hagan, Finance Manager (Strategy), South Lanarkshire Council

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Lanarkshire Valuation Joint Board held on 5 September 2022 were submitted for approval as a correct record.

The Board decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring and Probable Outturn Position 2022/2023 – Lanarkshire Valuation Joint Board

A report dated 22 November 2022 by the Treasurer was submitted comparing the Board's actual expenditure at 4 November 2022 against the budgeted expenditure for 2022/2023 and providing a forecast for the year to 31 March 2023.

As at 4 November 2022, there was an underspend of £0.162 million on the Board's revenue budget. Following the probable outturn exercise, the position was an anticipated transfer to Reserves of £0.061 million compared to a budgeted transfer from Reserves of £0.060 million. This would leave a balance of £1.540 million to be carried into 2023/2024, an increase of £0.121 million compared to the anticipated balance.

The Board decided:

- (1) that it be noted that, following the probable outturn exercise, there would be a transfer to Reserves of £0.061 million for the current financial year;
- (2) that it be noted that, following the transfer to Reserves of £0.061 million, £1.540 million would be carried forward to the Balance Sheet at 31 March 2023; and
- (3) that the underspend on the Board's revenue budget of £0.162 million at 4 November 2022, as detailed in Appendix A to the report, be noted.

[Reference: Minutes of 5 September 2022 (Paragraph 3)]

4 Revenue Budget 2023/2024 – Lanarkshire Valuation Joint Board

A report dated 22 November 2022 by the Treasurer was submitted on the draft revenue budget for Lanarkshire Valuation Joint Board (LVJB) for 2023/2024.

The Board's Financial Strategy 2023/2024 to 2025/2026 had an approved expenditure budget of £4.302 million for 2023/2024 which had formed the basis of the budget preparations for 2023/2024 and included the use of £0.182 million of Reserves.

Details were given on the assumptions in proposing the budget for 2023/2024, which had included that:-

- ◆ the employee cost budget reflected the progression of staff through pay grades, in line with agreed pay structures
- ◆ price increases, pay awards and an estimated 1% reduction in contributions were managed by efficiencies generated by the Board in each year
- ◆ the budget included a staff turnover target of 4% per annum (this had been considered realistic based on prior years' experience)
- ◆ the pay award was budgeted at 2% for 2023/2024, and then was assumed at 1% for the following 3 years (the pay award had been noted as an area of risk)
- ◆ the transfer of Valuation Appeal Panel activities to the Scottish Courts and Tribunal Service would have no financial impact
- ◆ the Barclay funding was assumed at the same level as 2022/2023, as no information had been known beyond that year
- ◆ the position might be affected by further in-year underspends that had not yet been foreseen

Since the Financial Strategy had been approved by the Board, at its meeting held on 27 June 2022, the pay award for 2022/2023 had been confirmed at a level higher than the 2% budgeted. This would mean an additional annual cost of £0.090 million, revising the budget for 2023/2024, as summarised at Appendix 1 to the report, to £4.392 million. It was proposed that this additional cost be funded by Reserves in 2023/2024 and beyond, however, as this was not a recurring funding solution, efficiencies would be considered into 2024/2025 to manage this cost on a permanent basis.

The transfer of Valuation Appeal Panel activities to the Scottish Courts and Tribunal Service had been due to transfer on 1 January 2023, however, this had now been delayed until 1 April 2023. The transfer was not expected to have an overall financial impact as it was anticipated that the expenditure budget would be removed from the councils' settlements and from the income the Board received from North and South Lanarkshire Councils.

Table 1 of the report showed the anticipated transfer to Reserves when the Financial Strategy was approved by the Board, with a balance of Reserves of £0.502 million at the end of 2025/2026. However, the Reserves position had been updated to reflect the probable outturn exercise and a base assumption that the 2022/2023 increased pay award would be funded from Reserves in all years. The updated anticipated transfer to Reserves, including a balance of Reserves of £0.353 million at the end of 2025/2026, was shown at Table 2 of the report. This position reflected a reduction in the councils' contributions of £0.050 million in 2023/2024 and 2024/2025.

It was considered appropriate to work towards holding this balance of Reserves as there was a risk that the Scottish Government Barclay funding would be reduced or removed. In 2025/2026, there was a reliance on Reserves of £0.493 million, however, this would be reviewed in due course and would be reported to a future meeting of the Board.

An officer responded to members' questions on the financial impact of the transfer of Valuation Appeal Panel activity to the Scottish Courts and Tribunal Service and the identification of efficiencies.

The Board decided:

- (1) that the budget strategy for Lanarkshire Valuation Joint Board, resulting in a budget of £4.392 million for 2023/2024, as summarised in Appendix 1 to the report, be approved; and
- (2) that the updated position of Reserves, as detailed in the report, be noted.

[Reference: Minutes of 27 June 2022 (Paragraph 10)]

5 Progress Update

A report dated 22 November 2022 by the Assessor and Electoral Registration Officer was submitted on:-

- ◆ an overview of the Service
- ◆ current issues and Service priorities
- ◆ an update on performance
- ◆ issues affecting the future direction of the Joint Board

Statistical information, illustrating progress made in terms of key areas of the work undertaken by Lanarkshire Valuation Joint Board, was provided in the appendices to the report.

The Assessor and Electoral Registration Officer responded to a member's question on the transfer of the work of the Valuation Appeal Panel to the Scottish Courts and Tribunals Service.

The Board decided: that the report be noted.

[Reference: Minutes of 5 September 2022 (Paragraph 6)]

6 Urgent Business

There were no items of urgent business.