

# Report

Report to:	<b>Lanarkshire Valuation Joint Board</b>
Date of Meeting:	<b>5 June 2023</b>
Report by:	<b>Treasurer to Lanarkshire Valuation Joint Board</b>

Subject:	<b>Revenue Budget Monitoring 2023/2024 - Lanarkshire Valuation Joint Board</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ provide an update on the 2023/2024 Revenue Budget
- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2023 to 21 April 2023
- ◆ provide a forecast for the year to 31 March 2024

## 2. Recommendation(s)

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

- (1) that the revisions to the Lanarkshire Valuation Joint Board's Revenue Budget for 2023/2024 summarised in Table 1, be noted;
- (2) that an underspend of £0.025 million on the Lanarkshire Valuation Joint Board's Revenue Budget as at 21 April 2023 (Appendix A), be noted; and
- (3) that the forecast to 31 March 2024 of break even, be noted.

## 3. Background

3.1. This is the first revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2023/2024.

3.2. The report provides an update on the Lanarkshire Valuation Joint Board Revenue Budget (section 5) and details the financial position as at 21 April 2023 (detailed in Appendix A).

## 4. Employee Implications

4.1. None

## 5. Financial Implications

5.1. In December 2022, the Board approved a net budget of £4.392 million for 2023/2024. This is funded by council requisitions (£2.060 million from each council) and £0.272 million from Reserves. The budget included an assumption regarding the level of Barclay funding to be directed to the Board via council requisition payments. It also assumed no impact from the potential transfer of the Valuation Appeal Panel to the Scottish Courts and Tribunal Service.

- 5.2. Since then, the Local Government Finance Order 2023 has been received which confirms the Barclay allocation for the year 2023/2024 and also provides an update on the financial implications of the transfer of the Valuation Appeals panel to the Scottish Courts Service. Additional funding has also been received in relation to New Burdens. The impact of these is detailed in sections 5.3 to 5.6.
- 5.3. **Barclay Funding:** The Budget set in December 2022 assumed a Barclay allocation of £0.698 million for 2023/2024. These funds were allocated to councils and will be transferred to the Board via the usual council contribution process. The Local Government Finance Order 2023 confirmed the amount due to each council at £0.349 million meaning no revision to the 2023/2024 Budget set.
- 5.4. **New Burdens Funding:** The UK Government has allocated £0.015 million of one-off funding to the Board for 'New Burdens' in relation to the implementation of Elections Act 2022, specifically the Voter Identification Regulations 2022, and the Assistance with Voting for Persons with Disabilities (Amendments) Regulations 2022. The budget shown in Appendix A takes account of the additional funding and includes an additional expenditure budget to allow spend to be made appropriately.
- 5.5. **Valuation Appeal Panel Transfer:** The transfer of Valuation Appeal Panel activities to the Scottish Courts and Tribunal Service took place on 1 April 2023. The transfer was assumed to have no financial implication as it was anticipated that when the transfer took place, the expenditure budget would be removed from the councils' settlements and from the requisition income the Board receives from councils.
- 5.6. On receipt of the Local Government Finance Order 2023, the funding removed from councils, and consequently removed from the Board's budget, totalled £0.112 million (£0.056 million per Council). The budget shown in Appendix A has therefore been adjusted to reflect this in terms of council's requisition income budget and the expenditure budget.
- 5.7. **Budget Realignment:** As a result of the Barclay Grant confirmation, the new Burdens Funding and the Transfer of the Valuation Appeals Panel to the Scottish Courts and Tribunal Service, the level of anticipated spend for 2023/2024 has been refined.
- 5.8. Taking these into account means that the budgets for Expenditure and Income have both been decreased by a net £0.097 million (a decrease of £0.112 million offset in part by an increase of £0.015 million). The budget realignments are detailed in Table 1 and included in the monitoring report in Appendix A.

**Table 1: Revised Budget 2023/2024**

	<b>2023/2024</b>
	<b>£</b>
<b>Base Net Expenditure Budget (December 2022)</b>	<b>4.392</b>
<i>Plus Increase to reflect New Burdens Expenditure (£0.015m) offset by New Burdens Income (£0.015m) (section 5.4)</i>	-
<i>Less Reduction in Valuation Appeal Panel Expenditure (section 5.6)</i>	(0.112)
<b>Revised Net Expenditure Budget</b>	<b>4.280</b>
<b>Funded by: Requisitions and Reserves (December 2022)</b>	<b>4.392</b>
<i>Less Reduction in Appeal Panel Funding / Council Requisitions (section 5.6)</i>	(0.112)
<b>Revised Funding from Requisitions and Reserves</b>	<b>4.280</b>

- 5.9. **Summary of 2023/2024 Budget:** These adjustments take the overall net budget to £4.280 million. This revised budget is included in Appendix A.
- 5.10. **Period 1 Monitoring Position:** As at 21 April 2023, the variance from phased budget to date is an underspend of £0.025 million.
- 5.11. **Forecast Position:** The financial forecast to 31 March 2024 is a break-even position.

## **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 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.

## **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**

30 May 2023

## **Previous References**

- ◆ None

## **List of Background Papers**

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

## **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 21 April 2023 (No.1)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 21/04/23	Actual 21/04/23	Variance 21/04/23		% Variance 21/04/23	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	3,267	3,267	0	110	91	19	under	17.3%	1
Property Costs	208	208	0	0	0	0	-	n/a	
Supplies & Services	159	159	0	100	100	0	-	0.0%	
Administration Costs	253	253	0	6	0	6	under	100.0%	a,b
Payments to Other Bodies	31	31	0	0	0	0	-	n/a	
Financing Charges	13	13	0	0	0	0	-	n/a	
<b>Total Controllable Exp.</b>	<b>3,931</b>	<b>3,931</b>	<b>0</b>	<b>216</b>	<b>216</b>	<b>25</b>	<b>under</b>	<b>11.6%</b>	
<b>Total Controllable Inc.</b>	<b>(32)</b>	<b>(32)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>n/a</b>	<b>a</b>
<b>Net Controllable Exp.</b>	<b>3,899</b>	<b>3,899</b>	<b>0</b>	<b>216</b>	<b>216</b>	<b>25</b>	<b>under</b>	<b>11.6%</b>	
<b>Add Non Controllable Budgets</b>									
Central Support Costs	381	381	0	0	0	0	-	n/a	
<b>Total Budget</b>	<b>4,280</b>	<b>4,280</b>	<b>0</b>	<b>216</b>	<b>216</b>	<b>25</b>	<b>under</b>	<b>12.1%</b>	
<b>Funded By:</b>									
North Lanarkshire Council	2,004	2,004	0	167	167	0	-	0.0%	b
South Lanarkshire Council	2,004	2,004	0	167	167	0	-	0.0%	b
Transfer (From) Reserves	272	272	0	0	0	0	-	n/a	
<b>Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(118)</b>	<b>(143)</b>	<b>25</b>	<b>under</b>	<b>21.7%</b>	

**Variance Explanations**

1 **Employee Costs:** The underspend reflects vacant posts for which the recruitment is ongoing.

**Virement**

- a. **New Burdens Funding (£nil effect) – Increase** Administration Costs by £0.015m and Increase Income by £0.015m each (section 5.4).
- b. **Valuation Appeal Panel Transfer (£nil effect) – Decrease** Administration Costs by £0.112m and Decrease both Council Requisition Payments by £0.056m each (section 5.5).