

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	27 June 2022
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	2021/2022 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 2022

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 2022, 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 2021/2022. 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 2022 and the Balance Sheet as at 31 March 2022. 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 2021/2022
- ◆ Statement of Responsibilities
- ◆ Annual Governance Statement
- ◆ Remuneration Report
- ◆ Expenditure and Funding Analysis Statement
- ◆ Comprehensive Income and Expenditure Statement for year ended 31 March 2022
- ◆ Balance Sheet as at 31 March 2022
- ◆ Movement in Reserves Statement for year ended 31 March 2022
- ◆ Cash Flow Statement for year ended 31 March 2022
- ◆ 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 2021/2022 outturn position for the Board in the normal monitoring format, that is, excluding accounting transactions. As reported at the last Board meeting on 7 March 2022, the Board was advised of a probable outturn transfer to reserves of £0.021m.
- 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 £0.352m, an increase of £0.331m from the probable outturn. This is the result of further staff turnover and difficulties in recruitment of new staff, an underspend on computer equipment purchases in connection with Barclay recommendations which are now expected to be undertaken during 2022/2023, and lower than anticipated valuation appeals. Further details of the expenditure and income variances are shown in Appendix 1.
- 5.3. Appendix 2 shows the Annual Accounts for 2021/2022. 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 £4.386m in 2021/2022. This was offset by total revenue expenditure on an accounting basis of £4.698m, leaving a net deficit of £0.312m (net cost of services (£0.312m)). After implementing statutory accounting practice in relation to the pension and statutory accumulated absences figures, the net position for the Board for 2021/2022 is a surplus of £0.352m – as presented in the monitoring statement in Appendix 1.
- 5.5. Adding this surplus to the Board's General Reserve carried forward from 2020/2021 (£1.127m), gives the Board a closing General Reserve position of £1.479m at the end of 2021/2022. This is £0.331m higher than anticipated as part of the probable outturn. The strategy for use of reserves is covered in the Budget strategy report that will be presented later in the meeting.

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.

Paul Manning
Treasurer

1 June 2022

Previous References

- ◆ Revenue Budget 2021/2022 – Lanarkshire Valuation Joint Board – 7 December 2020
- ◆ Revenue Budget Monitoring 2021/2022 - Lanarkshire Valuation Joint Board – 7 March 2022

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2022
- ◆ Unaudited Lanarkshire Valuation Joint Board Annual Accounts 2021/2022
- ◆ Lanarkshire Valuation Joint Board Revenue Budget Monitoring and Probable Outturn Position 2021/2022 – 6 December 2021

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 2022 (No.14)

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	3,396	3,066	330	3,396	2,850	546	under	16.1%	1
Property Costs	5	0	5	5	0	5	under	100%	2
Supplies & Services	208	222	(14)	208	147	61	under	29.3%	3
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	652	654	(2)	652	597	55	under	8.4%	4
Payments to Other Bodies	31	32	(1)	31	28	3	under	9.7%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	14	14	0	14	34	(20)	over	(142.9%)	5
Total Controllable Exp.	4,306	3,988	318	4,306	3,656	650	under	15.1%	
Total Controllable Inc.	(7)	(18)	11	(7)	(15)	8	over recovery	114.3%	6
Net Controllable Exp.	4,299	3,970	329	4,299	3,641	658	under	14.1%	
Add Non Controllable Budgets									
Central Support Costs	378	379	(1)	378	377	1	under	0.3%	
Total Budget	4,677	4,349	328	4,677	4,018	659	under	14.1%	
Funded By:									
North Lanarkshire Council	(2,106)	(2,106)	0	(2,106)	(2,106)	0	-	0.0%	
South Lanarkshire Council	(2,264)	(2,264)	0	(2,264)	(2,264)	0	-	0.0%	
Transfer (From) Reserves	(307)	21	(328)	(307)	352	(659)	over recovery	214.7%	
Net Budget	0	0	0	0	0	0	-	n/a	

Variance Explanations

- Employee Costs:** The underspend reflects increased turnover of staff and vacant posts for which recruitment is ongoing and lower than anticipated Canvassers Payments being required. Staff turnover has been higher than assumed at probable outturn,
- Property Costs:** The underspend reflects budget no longer required for Scottish Water charges.
- Supplies and Services:** The underspend reflects the purchase of computer equipment in relation to Barclay recommendations which are now expected to be undertaken in 2022/23 (£0.089m) and is offset by spend in compliance with the Equality Act 2010 Public Sector Duty to make reasonable adjustments (£0.015m), as well as some other minor spend on office equipment, and additional costs of leasing lap tops to facilitate home working (£0.013m).
- Administration Costs:** The underspend reflects reduced number of appeals proceeding to a Committee of the Valuation Appeals Panel in the first 6 months of 2021/2022, and lower than anticipated printing and stationery costs to date.
- Financing Charges:** The overspend is in relation to higher than budgeted IT leasing charges.
- Income:** The over recovery of income is due to increased sale costs of Electoral Registers.