

Agenda Item 6

**REVENUE BUDGET
2020/21 – REVIEW AS AT
31 August 2020**

AGENDA ITEM 6

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: REVENUE BUDGET 2020/21 – REVIEW AS AT 31 August 2020
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 25 September 2020
Author: TREASURER

1. INTRODUCTION

- 1.1 The purpose of this report is to advise the Joint Board of the forecast outturn for the financial year ending 31 March 2021.

2. RECOMMENDATIONS

- 2.1 The Board are asked to consider and comment on the financial projection for the year to 31 March 2021.

3. BACKGROUND

- 3.1 The budget for the financial year 2020/21 is £2.938 million. The projected outturn against the budget shows a variance underspend of £(0.183)m.
- 3.2 The table below sets out the main variances;

Table A

Variance	Over/ (underspend) £000s	Total	Narrative
Employee Costs			
	(106)		Delay in recruiting Analyst/Programme post from 19/20 as unable to find a suitable candidate and further delayed due to the pandemic, 2 new posts for 20/21 delayed due to pandemic. Reduced costs due to lower grades than anticipated which allows for progression to qualified posts. Less spend on overtime due to pandemic. Recruitment planned between November & January.
	(42)		Recruitment of 2 Technicians and Analyst/Programmer, now expected from December and 1 Admin post, now expected from mid October, delayed due to Pandemic.
	(44)		Assistant Assessor retired at end of March, with responsibility of this post being split between two acting Divisional Assessors until post is replaced. Forecasting a replacement from November.

	15		Cost of staff who joined the pension scheme from May 2020 but were not budgeted for. To be adjusted in budget build up for 21/22.
	(19)		Reduced costs due to lower grades than anticipated which allows for progression to qualified posts.
	(2)		Other small variances including staff absence and Holiday Buy Back scheme
		(198)	Underspend

Variance	Over/ (underspend) £000s	Total	Narrative
Supplies and Services			
	(8)		Reduced Staff Travel between April and October due to pandemic lockdown.
	(9)		Underspends in cleaning, hospitality, utilities, conference expenses and stationery, due to home working.
	2		Anticipated costs for Health & Safety assessments
	5		Purchase of Equipment required as items can no longer be shared due to health & safety
	21		IT Equipment required to add resilience to facilitate home working plus additional IT kit also required
	14		Software Maintenance overspend due to GIS development required, additional licenses and a one off fee for Client Licences for Terminal Server
	4		Increased costs in telephones and mobiles costs to set up home working capabilities.
	1		Other overspends include increase in costs for Disaster Recovery for home working firewall, inflation increases and recruitment costs.
		30	Overspend
Income			
	(17)		Initial IER funding from Cabinet Office
	2		Other income
		(15)	Underspend
Total Variance		(183)	Underspend

3.3 Although the budget is showing a large underspend, this is mainly due to the delay in recruitment of posts in relation to Barclay and for established posts, caused by the COVID-19 pandemic. The recruitment process is planned to begin again from October onwards. There are also underspends in supplies and services due to the pandemic with reduced staff travel, and office running costs. This is offset by additional spend required to facilitate staff home working and resilience around the IT equipment and systems.

These have been challenging times for everyone with a high degree of uncertainty and a requirement to adapt at short notice. We will continue to monitor and report the financial impact throughout the year.

4. RESERVES

- 4.1 During the budget setting process earmark reserves included: funding to support the 2020/21 budget shortfall of £0.127m, Barclays Underspend from 19/20 of £0.007m which may be requested to be returned to the Scottish Government and Property Maintenance Fund of £0.122m.

It has been confirmed that the £0.007m Barclays underspend from 19/20 is not required to be returned to the Scottish Government. However, it is thought prudent that this amount continue to be earmarked to offset future Barclay spend.

5. CONCLUSIONS

- 5.1 The revenue budget is forecasting an underspend of £(0.183)m to 31 March 2021. The Board is asked to note and comment on the contents of this report.

5.0 BACKGROUND PAPERS

- 5.1 There are no background papers to this report.

Yes ☐ (please list the documents below) No ☒

Author(s)

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Service Summary - Valuation Joint Board

Appendix A

August Forecast

<i>Description</i>	<i>Annual Budget for 2020/21</i>	<i>Actual @ 31/08/20</i>	<i>Annual Forecast for 2020/21</i>	<i>Forecast v Budget</i>
Single Status Gross Salaries	1,643,560	594,744	1,496,558	(147,002)
Single Status Employers Superann	369,360	132,686	341,675	(27,685)
Single Status Employers NIC	169,710	62,138	154,114	(15,596)
Single Status Overtime	32,570	385	15,000	(17,570)
Single Status Absence Pay	0	0	0	0
Manual Relief Gross Salaries	0	0	0	0
Manual Relief Employers NIC	0	0	0	0
Long Service Awards	0	0	0	0
Childcare Vouchers Admin Costs	0	121	0	0
Conference Expenses And Subsistence	2,500	0	1,500	(1,000)
Superannuation Annual Charges	21,500	5,633	21,160	(340)
Recruitment Expenses	0	0	900	900
Staff Training	7,000	0	7,000	0
Vacancy Management	(10,000)	0	0	10,000
Annual Maintenance External Providers	6,470	1,578	6,280	(190)
Service Requested Building Repairs	6,680	251	6,680	0
Service Charge	19,760	13,010	19,730	(30)
Cleaning & Hygiene Materials	1,260	309	1,260	0
Window Cleaning	360	0	180	(180)
Gas	3,450	696	4,505	1,055
Electricity	14,410	1,947	11,890	(2,520)
Rents	85,000	56,110	85,000	0
Rates	47,690	45,184	46,760	(930)
Water Charges	5,700	874	4,950	(750)
Property Insurance	1,570	(2,030)	1,570	0
Cleaning Services Internal recharge	16,260	160	13,628	(2,632)
Staff Travel Mileage Expenses	20,000	(24)	11,800	(8,200)
Purchase Of Equipment	0	52	5,250	5,250
Purchase Of Furniture	500	0	2,000	1,500
General Consumables (small items)	250	158	250	0
Equipment Maintenance	1,740	1,727	1,740	0
Medical Supplies	470	0	470	0
Hospitality	1,750	(7)	200	(1,550)
Uniforms & Clothing	400	0	1,000	600
Office Equipment - Rental	5,110	2,388	5,110	0
Printing & Photocopying	10,000	(1,015)	5,000	(5,000)
Stationery	2,000	0	200	(1,800)
Publications	7,480	2,201	8,000	520
Advertising - General	4,000	0	4,000	0
Insurance	8,180	18,216	8,180	0

<i>Description</i>	<i>Annual Budget for 2020/21</i>	<i>Actual @ 31/08/20</i>	<i>Annual Forecast for 2020/21</i>	<i>Forecast v Budget</i>
Postages	150,000	994	155,000	5,000
Legal Expenses	27,000	2,205	27,000	0
Subscriptions	580	575	580	(0)
Telephones	9,440	3,257	10,530	1,090
Mobile Telephones	8,220	3,710	10,680	2,460
Computer Hardware Purchase	0	14	21,400	21,400
Disaster Recovery	17,680	15,076	17,980	300
Computer Hardware Maint.	0	0	330	330
Computer Software Purchase	0	0	0	0
Computer Software Maint.	118,840	106,183	132,580	13,740
Computer Peripherals	0	0	0	0
Other Local Authorities	11,540	(732)	12,100	560
Payments To Contractors	3,850	748	2,580	(1,270)
Payments To Other Agencies	7,400	0	7,400	0
Audit Scotland	7,450	(2,483)	7,450	0
Accountancy	32,500	0	32,500	(0)
Human Resources	23,700	0	23,700	(0)
Legal	15,810	0	15,810	0
Corporate Services	9,270	0	11,500	2,230
Total Gross Expenditure	2,949,970	1,067,037	2,782,660	(167,310)
Income Government Revenue Grant	0	(16,978)	(16,978)	(16,978)
Valuation Roll - Sales	0	0	0	0
Electoral Roll - Sales	0	(1,488)	0	0
Charges for Services Standard VAT	(7,700)	0	(6,150)	1,550
Other Income	(4,000)	0	(4,000)	0
Total Income	(11,700)	(18,466)	(27,128)	(15,428)
Nett Expenditure	2,938,270	1,048,571	2,755,532	(182,738)