

Agenda Item 4

**Revenue Budget 2020/21 –
Review as at 31 October 2020**

AGENDA ITEM 4

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: REVENUE BUDGET 2020/21 – REVIEW AS AT 31 OCTOBER 2020
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 20 NOVEMBER 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 £(0.233)m, which is a favourable movement of £(0.050)m, since last reported.
- 3.2 The table below sets out the main variances;

Table A

Variance	Over/ (underspend) £000s	Total	Narrative
Employee Costs			
	(118)		Barclays funded posts: Delay in recruiting Developer/Programmer, Trainee Valuer & Admin posts due to the pandemic, recruitment planned from January 2021. Reduced costs due to employees remaining in lower grades for longer than anticipated due to slower progression with professional qualifications. Less spend on overtime due to pandemic.
	(45)		Recruitment of 2 Technicians and 1 Admin post now expected from December 2020, delayed due to pandemic.
	(73)		Assistant Assessor retired at end of March, with responsibility of this post being split between two acting Divisional Assessors until post is replaced. Post not expected to be filled this financial year.

	12		Cost of 2 staff who joined the pension scheme due to auto enrolment in May 2020 but were not previously in the pension scheme. Will be built into budget for 21/22.
	(19)		Reduced costs due to employees remaining in lower grades for longer than anticipated, due to it taking longer to get their professional qualification Trainee Value and Senior Technician
	(2)		Other small variances including staff absence and Holiday Buy Back scheme
		(245)	Underspend

Variance	Over/ (underspend) £000s	Total	Narrative
Supplies and Services			
	(12)		Reduced Staff Travel between April and December due to pandemic lockdown.
	(15)		Underspends in cleaning, hospitality, utilities, conference expenses and stationery, due to home working.
	(4)		Overspend in postages for print & post service being offset with underspends in print & photocopying all due to home working
	5		Purchase of Equipment required as items can no longer be shared due to health & safety, plus costs for video-conferencing to allow blended meetings at Hillside House.
	21		IT Equipment required to add resilience to facilitate home working plus additional IT kit also required
	18		Software Maintenance overspend due to GIS development required, additional licenses and a one off fee for Client Licences for Terminal Server
	9		Increased costs in telephones and mobiles costs to set up home working capabilities.
	3		Other overspends include increase in costs for Disaster Recovery for home working firewall, inflation increases, recruitment costs and employee liability insurance increases.
		25	Overspend
Income			
	(17)		Initial IER funding from Cabinet Office
	4		Reduction in other income due to reduced recharges, this is offset with underspends elsewhere (travel/hospitality)
		(13)	Underspend
Total Variance		(233)	Underspend

3.3 The table below provides a breakdown of the movement since last reported;

Table B

Variance	Over/ (underspend) £000s	Total	Narrative
Employee Costs			
	(15)		Updates to vacant posts and expected recruitment

	(29)		Assistant Assessor vacancy pushed back and not expected to be filled this financial year, with acting up appointments extended to end of March
	(3)		Previously 3 members of staff were auto enrolled in pension scheme from May 2020, 1 member of staff opted out a couple of months later.
		(47)	Movement in Underspend
Supplies and Services			
	(4)		Reduced spend on print & photocopying due to the extension of home working and new ways of working found during home working
	(4)		Staff travel reduced to the extension of home working
	(6)		Further underspends in utilities and conference expenses due to home working extension
	(2)		Removal of anticipated spend for Health & Safety assessments on home working. Assessments completed and no additional kit required
	4		Increase in Software Maintenance mainly due to an increase in IT health check costs
	5		Telephone costs increasing due to continued home working
	2		Various small changes including an increase in employee liability insurance (due to increased staffing budget this year)
		(5)	Movement in Underspend
Income			
	2		Income not being recharged for Travel & Hospitality due to meetings taking place online. Offset with underspends in staff travel and hospitality
		2	Movement in Income
Total Movement		(50)	Movement in Underspend

- 3.4 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 progressing but is being further delayed due to the current situation. 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 £(0.233)m to 31 March 2021. This is a movement of £(0.050)m in the previous reported underspend. 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)

NAME	DESIGNATION	TEL NO / EXTENSION
Lynne Pervin	Senior Accountancy Assistant	01259 452476
Elizabeth Hutcheon	Assistant Treasurer	01259 226214

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Treasurer	
Pete Wildman	Assessor	

Service Summary - Valuation Joint Board

October Forecast

Appendix A

<i>Description</i>	<i>Annual Budget 2020/21</i>	<i>Actual @ 31/10/20</i>	<i>Annual Forecast 2020/21</i>	<i>Forecast v Budget</i>	<i>Previous Forecast August</i>	<i>Forecast Movement</i>
Single Status Gross Salaries	1,643,560	830,324	1,463,650	(179,910)	1,496,558	(32,908)
Single Status Employers Superann	369,360	186,028	330,445	(38,915)	341,675	(11,230)
Single Status Employers NIC	169,710	86,241	150,930	(18,780)	154,114	(3,184)
Single Status Overtime	32,570	385	15,000	(17,570)	15,000	0
Single Status Absence Pay	0	601	0	0	0	0
Manual Relief Gross Salaries	0	0	0	0	0	0
Manual Relief Employers NIC	0	0	0	0	0	0
Salary Related Admin Costs	0	136	196	196	0	196
Conference Expenses And Subsistence	2,500	0	1,000	(1,500)	1,500	(500)
Superannuation Annual Charges	21,500	9,223	20,740	(760)	21,160	(420)
Recruitment Expenses	0	150	900	900	900	0
Staff Training	7,000	2,900	7,000	0	7,000	0
Vacancy Management	(10,000)	0	0	10,000	0	0
Annual Maintenance External Providers	6,470	3,150	6,350	(120)	6,280	70
Service Requested Building Repairs	6,680	355	6,680	0	6,680	0
Service Charge	19,760	17,951	19,730	(30)	19,730	0
Cleaning & Hygiene Materials	1,260	465	1,260	0	1,260	0
Window Cleaning	360	0	180	(180)	180	0
Gas	3,450	1,067	4,505	1,055	4,505	0
Electricity	14,410	2,951	7,250	(7,160)	11,890	(4,640)
Rents	85,000	77,360	85,000	0	85,000	0
Rates	47,690	45,184	45,184	(2,506)	46,760	(1,576)
Water Charges	5,700	1,010	4,650	(1,050)	4,950	(300)
Property Insurance	1,570	(2,030)	1,570	0	1,570	0
Cleaning Services Internal recharge	16,260	2,802	13,640	(2,620)	13,628	12
Staff Travel Mileage Expenses	20,000	(24)	7,750	(12,250)	11,800	(4,050)
Purchase Of Equipment	0	(52)	5,250	5,250	5,250	0
Purchase Of Furniture	500	0	0	(500)	2,000	(2,000)
General Consumables (small items)	250	158	250	0	250	0
Equipment Maintenance	1,740	1,727	1,740	0	1,740	0
Medical Supplies	470	0	470	0	470	0
Hospitality	1,750	(7)	100	(1,650)	200	(100)
Uniforms & Clothing	400	0	1,000	600	1,000	0
Office Equipment - Rental	5,110	3,665	5,110	0	5,110	0
Printing & Photocopying	10,000	(186)	1,000	(9,000)	5,000	(4,000)
Stationery	2,000	0	200	(1,800)	200	0
Publications	7,480	2,632	7,995	515	8,000	(5)
Advertising - General	4,000	0	4,000	0	4,000	0
Insurance	8,180	9,402	9,450	1,270	8,180	1,270
Postages	150,000	15,391	155,000	5,000	155,000	0
Legal Expenses	27,000	2,205	27,000	0	27,000	0
Subscriptions	580	575	580	(0)	580	0
Telephones	9,440	8,063	14,890	5,450	10,530	4,360
Mobile Telephones	8,220	5,962	11,940	3,720	10,680	1,260
Computer Hardware Purchase	0	14	21,400	21,400	21,400	0
Disaster Recovery	17,680	15,836	17,980	300	17,980	0
Computer Hardware Maint.	0	0	330	330	330	0
Computer Software Purchase	0	0	0	0	0	0
Computer Software Maint.	118,840	120,460	136,440	17,600	132,580	3,860
Other Local Authorities	11,540	(732)	12,100	560	12,100	0
Payments To Contractors	3,850	1,976	3,477	(373)	2,580	897
Other Agencies Payment	7,400	0	7,400	0	7,400	0
Audit Scotland	7,450	0	7,450	0	7,450	0
Accountancy	32,500	0	32,500	(0)	32,500	0
Human Resources	23,700	0	23,700	(0)	23,700	0
Legal	15,810	0	15,810	0	15,810	0
Corporate Services	9,270	0	11,500	2,230	11,500	0
Total Gross Expenditure	2,949,970	1,453,313	2,729,672	(220,297)	2,782,660	(52,988)

<i>Description</i>	<i>Annual Budget 2020/21</i>	<i>Actual @ 31/10/20</i>	<i>Annual Forecast 2020/21</i>	<i>Forecast v Budget</i>	<i>Previous Forecast August</i>	<i>Forecast Movement</i>
Income Government Revenue Grant	0	(16,978)	(16,978)	(16,978)	(16,978)	0
Valuation Roll - Sales	0	(60)	0	0	0	0
Electoral Roll - Sales	0	(1,503)	0	0	0	0
Charges for Services Standard VAT	(7,700)	0	(7,700)	0	(6,150)	(1,550)
Other Income	(4,000)	0	0	4,000	(4,000)	4,000
Total Income	(11,700)	(18,541)	(24,678)	(12,978)	(27,128)	2,450
Nett Expenditure	2,938,270	1,434,772	2,704,994	(233,275)	2,755,532	(50,538)