



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 19 JUNE 2020

SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 MAY 2020

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 31 May 2020.

2 RECOMMENDATION

- 2.1 **It is recommended that the Board considers the Revenue Monitoring Statement to 31 May 2020.**

3. CURRENT POSITION

- 3.1 At its meeting on 20 March 2020, the Board agreed the Revenue Budget for 2020/21 (paragraph 3 of the Minute refers) and approved that the requisitions to constituent authorities should be set at £4,703,000.
- 3.2 The sum of £130,000 is being allocated from the General Fund to balance the 2020/21 Revenue budget.
- 3.3 The **APPENDIX** shows the monitoring position to 31 May 2020 against the budget agreed in March. It gives details of the 2020/21 Revenue Budget, actual expenditure to date and the variance of expenditure against budget to date.
- 3.4 Total net expenditure at 31 May 2020 is £638,000 which is an underspend against budget to date of £144,000.

- 3.5 The impact of following Government guidance during the Covid-19 pandemic has resulted in the Assessor taking the measure to close all three offices and, with limited personnel being able to work from home, to continue to deliver their statutory services. This has resulted in variances arising within some budget areas including staffing, where there are currently 11 vacancies and a hold on recruitment. Where reasonable to do so, some budgets have been rephased to later in the year.

NDR Reform

- 3.6 Funding to cover the cost of implementing NDR reform was contained within the local government settlement and budgets will be passed on to the Assessor via the requisitions. There are three main reforms, two of which have significant implications for the Assessors; the move to a three yearly revaluation cycle from a five year cycle, and the need to resolve all revaluation appeals within the same timeframe.
- 3.7 The initial NDR funding of £99,000 was received in 2019/20 and, due to slippage, resulted in only £8,000 of this being used. Since the approval to create an NDR Reform Reserve, the unspent balance of £91,000 was put into this earmarked reserve to cover slippage across the financial years. The amount in the NDR Reform Reserve has not been included in the Appendix 1 figures for 2020/21, and will be reported to the Board when it is required.
- 3.8 There is £364,000 of NDR budget included in 2020/21, of which £296k is for staffing. At the present time, as mentioned in para 3.4, there is a hold on recruitment and therefore the ability of the Assessor to progress with his plans to recruit personnel into these NDR Reform posts.

Year to Date Variances

- 3.9 There is a £113,000 underspend against budget to date within employee costs. The variance arises from vacant posts in the establishment, including NDR posts not yet occupied.
- 3.10 There are small variances within the headings under Property Costs and Transport Costs budgets, which will continue to be monitored throughout the year.
- 3.11 Budgets within Supplies and Services are under by £36,000 with the two main variances in Postages and IT. Postage is £25,000 under budget to date and IT maintenance and support is £18,000 over budget to date, although these are not causing concern at this early stage of the year.
- 3.12 Support charges are processed at 31 March as part of the year end closedown.
- 3.13 There are no other significant variances to report at this early stage in the year.

4. CONCLUSION

- 4.1 The total net expenditure as at 31 May 2020 is £638,000 giving an underspend against budget to date of £144,000.

- 4.2 The Assessor and his Senior Management Team closely monitor and control budgets in order to keep within agreed levels and generate savings wherever possible throughout the year.
- 4.3 A detailed estimated outturn statement will be reported at the Board meeting in October 2020.

Author of Report:	Susan Souter, Accountant.
Background papers:	Held within Accountancy Section, Moray Council
Date:	June 2020