



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 3 NOVEMBER 2023

SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2023

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 30 September 2023.
- 1.2 To consider the Estimated Outturn position for the year 2023/24.

2. RECOMMENDATION

2.1 It is recommended that the Board considers and notes:

(i) The Revenue Monitoring Statement for the period 1 April 2023 to 30 September 2023 and

(ii) The estimated outturn forecast for the year 2023/24.

3. CURRENT POSITION

- 3.1 At its meeting on 27 January 2023, the Board agreed the Revenue Budget for 2023/24 (paragraph 4 of the Minute refers) be set at £5,210,000 and approved the requisitions to constituent authorities of £5,034,000, with £13,000 being funded from the Electoral reform reserve and £163,000 being funded from the earmarked Non-Domestic Rates (NDR) reserve.
- 3.2 **Appendix 1** shows the monitoring position to 30 September 2023 against the budget. It gives details of the 2023/24 Revenue Budget, actual expenditure to date and the variance of expenditure against budget to date. It also shows the estimated outturn and the estimated variance for the year. Alongside, the variance is further split into the core and NDR reform budgets.

- 3.3 Total net expenditure at 30 September 2023 is £2,198,000 which is an underspend against budget to date of £402,000.
- 3.4 There are currently 14 vacancies and recruitment is actively being carried out.

4. YEAR TO DATE VARIANCES

Core Budget

- 4.1 Appendix 1 shows the actual to budget variances to 30 September 2023, and also how this variance is split between core budget and NDR reform budget. This section will first look at the core budget variances which has an underspend to date of £311,000
- 4.2 There is £289,000 underspend against budget to date within employee costs for core staff. The variance arises from vacant posts mentioned above in paragraph 3.4 and a pay award for 2023/24 which has been budgeted at 5% but not yet paid.
- 4.3 There is an underspend on property costs of £17,000. This is mainly due to less being spent on repairs than had been anticipated had the move in Woodhill House taken place and a reduction in rates costs.
- 4.4 There is a small overspend of £2,000 within Transport Costs budgets.
- 4.5 Budgets within Supplies and Services are over by £29,000 with the main variance in Postages and ICT Maintenance; and overspend of £62,000 in Postages and an underspend of £33k in ICT Maintenance. This is not causing concern at this early stage of the year.
- 4.6 Support charges are processed at 31 March as part of the year end closedown.
- 4.7 An additional grant was received of £38,909 as part of the Electoral Integrity Programme New Burdens Funding. The purpose of the grant is to cover costs associated with Electoral Registration Officers. Specifically, it covers initial upfront Grant funding for online absent vote applications, postal and proxy voting requirements and overseas electors, and cost areas associated with staff processing, training and voting costs.
- 4.8 There are no other significant variances to report at this early stage in the year.

NDR Reform

- 4.9 There is £431,000 budgeted this year for continuing the implementation of the NDR reforms following the Barclay review. £163,000 will be funded from the balance in the earmarked reserve with a further £268,000 included in the requisitions from authorities.
- 4.10 Of the NDR budget £394,000 is for staffing. Currently two Valuer posts and a Clerical Officer position remain vacant.

- 4.11 The remainder of the NDR budget is in Supplies & Services for ICT, subscriptions etc., but there has been no spend to date on these areas so far.
- 4.12 Any committed and unspent NDR Reform budget has been put to the earmarked reserve to be used to cover costs in future years. The NDR Reform Reserve balance currently sits at £472,000, and £163,000 of this has been included in the funding of 2023/24 expenditure. The Board will be kept up to date on the NDR Reform expenditure, and the requirement to utilise the reserve.

5. ESTIMATED OUTTURN 2023/24

- 5.1 Appendix 2 shows the estimated outturn and variances split between the core and the NDR Reform budgets.
- 5.2 The revenue budget is currently expected to be underspent by the year end and at this halfway point in the year the estimated variance is an underspend of £669,000; £488,000 of core budget and £181,000 of NDR budget.
- 5.3 A substantial variance is due to ongoing vacancies within core and NDR budgets. The estimated outturn figures are based on the current establishment at the time of preparing this report rather than forecast filling any of the vacant posts, due to recruitment difficulties already mentioned. Managing the service with the current level of vacancies means that overtime may be required and a best estimate has been included in the estimated outturn figure.
- 5.4 A pay award for 2023/24 has been included in the budget at a 5% flat rate across all posts. As no pay offer has yet been agreed between Cosla and the Scottish Government this has not been included in the forecast employee costs in the appendices.
- 5.5 Property costs are estimating to be over budget by £13,000 this year. This is mainly because the move to new office space in Woodhill House still has not happened and the 2023/24 budget had been prepared on the basis that the move would have taken place by now. The delay is due to commitments from other parties involved in the move within Woodhill House to be confirmed but this is expected by the end of the year, so there should be further progress on this in Q4 of 2023/24. The relocation will create budget savings when settled. The Banff office has recently moved its contracts for gas and electricity to come under the Moray Council contracts and this should help control costs going forward.
- 5.6 Staff transport costs are forecast to be slightly over budget by £5,000 in total.
- 5.7 Supplies and services are forecast to be under budget by £4,000 in total. The IT maintenance and support budget this year includes components over and above the routine core ICT budget; including one-off start up costs while the service move to a shared service with Aberdeenshire Council. This budget has been carried forward from last year as the move is still to fully take place.

An underspend has been forecast in ICT maintenance and support for both Core and NDR budgets as hardware costs had been forecast for new employees but as mentioned in previous sections of this report recruitment still proves to be challenging so costs of this nature have not and are not expected to be incurred. Reference books are forecast to be over budget by £4,000, this includes Armour for valuation for rating and the BCIS subscriptions along with Register of Scotland and Westlaw costs. Postage & ER Printing costs are forecast to be over budget by £32,000 due to price increases. Forecast variances in supplies and services have been identified in the Appendix.

- 5.8 Income from sales of electoral registers occur in the second half of the year, when the register has been published. The outturn has been estimated at budget level.
- 5.9 Of the £415,000 NDR Reform budget this year, £163,000 was budgeted to be funded from the earmarked reserve with £268,000 requisitioned from authorities. From the estimated outturn figures, it looks as if the reserve won't be needed this year, and the projected underspend would also go to the earmarked reserve, bringing the balance to £490,000.
- 5.10 It is not expected that use of the General Fund will be needed in 2023/24.

New Burdens Funding

- 5.11 In 2022/23, all Electoral Registration Officers and Returning Officers were advised by letter of New Burdens funding being provided for the introduction of the Electoral Integrity Programme (EIP) from May 2023 across the UK. The EIP falls under the new Elections Act 2022 which contains measures such as introducing the requirement to show ID at polling stations, improving the accessibility of elections to make it easier for people with disabilities to vote, and bringing in changes to postal and proxy voting.
- 5.12 The funding will provide local authorities and Valuation Joint Boards the resources to deliver the changes required to cover additional staff, training and equipment costs. £13,000 was received in 2022/23 and a further £14,000 in 2023/24 specifically for this. £13,000 has been carried forward into 2023/24.
- 5.13 As mentioned in para 4.7, £38,909 has also been received in 2023/24 towards expenditure incurred through the implementation of the Elections Act 2022.

6. CONCLUSION

- 6.1 The total net expenditure as at 30 September 2023 is £2,198,000 giving an underspend against budget to date of £402,000; £311,000 in core budgets and £91,000 in NDR Reform budgets.
- 6.2 The estimated outturn is an underspend of £669,000. Of this, £488,000 is a variance from the core budget which would be returned to authorities, and £181,000 from the NDR Reform budget, with £18,000 requisitioned from the authorities going to the NDR Reform earmarked reserve.

- 6.3 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.
- 6.4 The next revenue monitoring and estimated outturn statement will be reported at the Board meeting in January 2024.

Author of Report: Susan Alexander, Accountant.
Background papers: Held within Accountancy Section, Moray Council
Date: 25 October 2023