

Agenda Item	6
Report No	VAL/26/18

Highland and Western Isles Valuation Joint Board

Date: 20 November 2018

Report Title: **Board Approach to Multi-year budgeting 2019/20 to 2021/22**

Report By: Assessor and Electoral Registration Officer

1. Purpose/Executive Summary

- 1.1 Following recommendations by the external auditor to the board this report sets out the approach the board will take to multi-year budget setting and the key assumptions that have been taken.

2. Recommendations

2.1 Members are asked to:

- i. Note the contents of the report.
- ii. Agree the approach to multi-year budgeting outlined.

3. Context

- 3.1 The funding environment in which the board operates is becoming increasingly challenging with the financial pressures facing the constituent authorities over the coming years. The board must take a more strategic approach to financial planning that will help manage the uncertainties that lie ahead.
- 3.2 The board currently operates with one year funding settlements, it has been identified by the external auditor, the need to consider longer term financial planning which could involve the board taking the opportunity to engage with constituent authorities to support longer term financial planning both for the board, as a separate organisation, and the constituent authorities that are required to fund it.
- 3.3 By taking a longer term view of the budget arrangements it will allow time for the board to take strategic decisions about their future direction and allow appropriate opportunity for these to be scrutinised and implemented.

4. Key Assumption

- 4.1 Staffing costs account for approximately 65% of the budget of the board so any assumptions relating to staffing costs or provision are likely to have the largest impact on the budget for future years. In line with the approach being adopted by constituent authorities the major assumption being made with regards to staffing is that of a 3% per annum pay award in each of the next 3 years.

5. Challenges and Opportunities

- 5.1 As members of the board will be aware the planned change to a 3 yearly revaluation cycle is going to have a resource implication for the board. This has been recognised by the Scottish Government as mentioned at the last meeting of the board. Talks are currently ongoing between the Scottish Government, SAA and COSLA to try to determine the level of resource that will be required to implement this change.
- 5.2 Staff recruitment is a continuing challenge for the board due to the widening salary gap between the public and private sector for qualified surveyors and professional staff pay grades may require to be reviewed, particularly in light of the increased workload that is going to face this section of the workforce during the implementation of 3 yearly revaluations and beyond.
- 5.3 With the level of reserves held by the board currently sitting at £143k opportunities will be explored for spend-to-save projects that may enable greater efficiencies to be realised.

6. Implications

- 6.1 Resource – There are no resource implications as a direct result of this report, the budget paper to follow that will be presented to next meeting of the board will detail the resource implications.
- 6.2 Legal - None
- 6.5 Risk - None

Designation: William J Gillies, Assessor and Electoral Registration Officer

Date: 09 November 2018

Author: Steven Wright, Trainee Accountant, Treasurer's Department

Background Papers:

https://www.highland.gov.uk/download/meetings/id/74159/item_10_multi-year_revenue_budget_planning_201920_to_202122_%E2%80%93_update_report

<https://www.cne-siar.gov.uk/media/12437/M%2013A%20Budget%20Strategy%20Update.pdf>