

HIGHLAND AND WESTERN ISLES VALUATION JOINT BOARD

25 November 2022

Agenda Item	5
Report No	VAL/17/22

Revenue Monitoring Report Period to 31 October 2022

Report by the Assessor and Electoral Registration Officer

Summary

This report sets out the revenue monitoring position of the Board for the period to 31 October and the projected year end position.

CURRENT POSITION

The attached monitoring statement shows the position for the period to 31 October 2022. Net expenditure to date is £1.714m and represents 47% of the annual budget of £3.646m.

YEAR-END PROJECTION

At this point in the year, the overall outturn is expected to be an underspend of £0.151m, however, as in previous years, this projection is sensitive to the eventual outturn of the annual electoral canvass. Plans are being made for a hybrid of home and office working and some additional expenditure may be required to accommodate the new working arrangements.

Staff costs

Salaries including NI, superannuation and overtime

There is an estimated underspend on salary costs however, as previously reported, it has been difficult to recruit to some vacant valuer positions. Two new clerical members of staff have been appointed to the Inverness office with additional members of staff being appointed in the new year for the digitisation of files.

Overtime is being worked by staff across the department to deliver the annual canvass of electors and preparation work associated with the 2023 Revaluation of non-domestic properties.

Travel and subsistence

The actuals to date show an underspend on travel and subsistence at this point in the financial year however, as preparation work for the 2023 Revaluation gathers pace, survey visits will increase by valuation staff. Electoral doorstep canvassing has commenced with over 15,000 properties to be visited.

Some electoral registration staff are attending seminars, conferences and User Group Meetings which covers Election Act changes being implemented in 2023 which has led to an increase in travel costs. Travel and subsistence costs are expected to have a small overspend at the end of the financial year.

Other staff costs

Other staff costs are projected to be overspent by the end of the financial year. This is largely due to training costs for staff undertaking professional qualifications. Miscellaneous costs are over budget due to renewal of Basic Disclosures for staff and doorstep canvassers. Basic Disclosure checks are also be obtained for new doorstep canvassers.

Property costs

Heating, lighting and cleaning

Electricity charges are currently underspend however these costs are expected to increase by the end of the financial year. Billing from Highland Council only covers the period from 1 April to 11 September 2022.

Final charges from Highland Council for cleaning costs for the Dingwall Office have still to be received.

Rent, rates and water

Period to date actuals would suggest an overspend on rent, rates and water to date however, rates bills for the financial year have been paid in advance.

Although additional space is being rented in Moray House, Inverness for storage of Dingwall property files, rent costs for Dingwall were included in the draft budget for the whole year. It is anticipated that rent costs will be lower than expected and the actual outturn has been adjusted accordingly to reflect this.

Other property costs

The actual costs to date are showing as a negative as a result of an £0.008m over accrual for dilapidations for the Dingwall Office in 2021/22.

Administrative Costs

Printing, stationery and photocopying

As the majority of staff are currently working from home, there has been a reduction in spend on stationery and printing costs however, as more staff return to the office environment, there may be an increase under this budget heading towards the end of the financial year.

Postages

Expenditure on postages for the period to date would indicate a small overspend however, postage costs for canvass communications has fallen in the first part of the financial year.

As part of the 2023 revaluation preparation work, the Assessor will be issuing a notification of provisional rateable values to all ratepayers in November 2022. This may result in an overspend on postage costs at the end of the financial year.

The Assessor has been advised of an increase in Royal Mail postages charges from November 2022. For Business Mail Letters, prices will increase by an estimated 18-20%. Outturn for postages has been adjusted to reflect these changes.

Legal Expenses

Whilst there is a significant underspend at this point in the financial year, there may be some scope for LTS Referral charges to be paid before the end of March 2023.

Other administration costs

This budget head shows an underspend in the period to date actuals. This is in part due to audit fees which have still to be paid and printing costs for electoral registration for the remainder of the financial year. It is expected that other administration costs will be within budget.

Transport Costs

Period to date actuals show a slight overspend in transport costs. With the closure of the Dingwall office, removal expense fees were incurred. As previously mentioned, valuation staff will be carrying out increased survey work and due to mileage travelled, hire cars may be used as set out in the Board's travel and subsistence policy.

Supplies and Services

Computer charges

Payments for computer charges are projected as being within budget however, some additional equipment is being purchased to allow for a hybrid working approach. Five scanners have still to be procured and it is intended to purchase these before the end of the financial year.

ICT charges for the year have yet to be billed. The Assessor has requested information and a meeting with Highland Council ICT Services to discuss charges for the year but so far has been unsuccessful. Charges for the year have been estimated on 2021/22 costs.

Valuation Appeal Committee Expenses

There is uncertainty relating to the costs associated with Valuation Appeal hearings. An announcement was made in October 2022 by the Scottish Government that the Local Taxation Chamber in the First Tier Tribunal was now being postponed from 1 January 2023 to 1 April 2023. The Assessor has since received notification from the Secretary of the Valuation Appeal Committee that the Valuation Appeal Panel will continue work from January to March 2023 with the prospect of some limited Stated Case work following thereafter.

It is also anticipated that some Council Tax Hearings will take place before the end of the financial year. It is estimated therefore that Valuation Appeal Hearings will be on budget but as previously reported, the Assessor has no control over Valuation Appeal Committee costs.

Recommendation

The Board is invited to comment and otherwise note the content of this report.

Designation: Assessor and ERO

Date: 9 November 2022

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Office & Support Manager

HIGHLAND & WESTERN ISLES VALUATION JOINT BOARD

**REVENUE BUDGET 2022/23
MONITORING STATEMENT FOR THE PERIOD ENDED 31 OCTOBER 2022**

Heading	Period to date		Annual		Year End Estimated variance £000
	Budget £000	Actual £000	Budget £000	Actual outturn £000	
Staff costs					
Salaries including NI, superann	1,384	1,114	2,374	2,156	(218)
Digitisation salaries incl. NI, superann	-	7	-	12	12
Overtime	6	28	10	55	45
Salaries including NI, superann and overtime	1,390	1,149	2,384	2,223	(161)
Travel and subsistence	32	21	54	55	1
Other staff costs	26	35	45	55	10
	1,448	1,205	2,483	2,333	(150)
Property costs					
Heating, lighting and cleaning	21	13	37	37	-
Rent, rates and water	121	153	207	187	(20)
Other property costs	7	(2)	12	12	-
	149	164	256	236	(20)
Administrative costs					
Printing, stationery and photocopying	11	7	18	18	-
Postages	73	84	125	150	25
Telephone and fax costs	7	11	11	14	3
Advertising	1	-	2	2	-
Legal expenses	17	2	30	30	-
Digitisation costs	29	-	50	38	(12)
Other administration costs	36	37	62	62	-
	174	141	298	314	16
Apportioned Costs					
Central service support	35	-	60	60	-
Transport costs	2	4	3	6	3
Supplies and services					
Computer charges	235	145	403	403	-
	235	145	403	403	-
Board expenses	5	-	8	8	-
Valuation Appeal Committee expenses	81	56	140	140	-
TOTAL EXPENDITURE	2,129	1,715	3,651	3,500	(151)
Income	(3)	(1)	(5)	(5)	-
NET EXPENDITURE	2,126	1,714	3,646	3,495	(151)