

HIGHLAND AND WESTERN ISLES VALUATION JOINT BOARD

21 March 2023

Agenda Item	5
Report No	VAL/1/23

Revenue Monitoring Report Period to 28 February 2023

Report by the Assessor and Electoral Registration Officer

Summary

This report sets out the revenue monitoring position of the Board for the period to 28 February and the projected year end position.

CURRENT POSITION

The attached monitoring statement shows the position for the period to 28 February 2023. Net expenditure to date is £2.724m and represents 75% 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 £0.245m. This is largely due to unfilled vacancies and estimated reduction in both legal expenses and Valuation Appeal Committee costs for the year. We are in the process of moving to a hybrid of home and office working and some additional expenditure may be required to accommodate these 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. Interviews for a new clerical member of staff for the Inverness office are being conducted this week with interviews for a vacant Field Officer post in Wick being carried out on 22 March 2023. There has also been some difficulty in recruiting doorstep canvassers for rural areas such as Lochaber and Skye & Lochalsh.

Overtime is being worked by staff across the department on digitisation of non-domestic files in an effort to clear the additional space being rented at Moray House. It is anticipated that a further member of staff will be recruited in the new financial year for this project. Preparation work associated with the 2023 Revaluation of non-domestic properties has also required overtime working by valuation staff.

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 concludes, some survey visits may still need to be carried out by valuation staff. Electoral doorstep canvassing is still being carried out however, this work is also coming to an end. Doorstep canvassing of invitation to register forms is also being undertaken as part of year-round registration activities.

Whilst it was reported in November 2022 that there would be a slight overspend, it is now anticipated that there will be a slight underspend 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 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.

Final charges from Highland Council for cleaning costs for the Dingwall Office have still to be received. The charges cover cleaning from April to June 2022.

Rent, rates and water

The year end position on rent, rates and water shows a projected underspend of £0.015m. 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.

Some repairs have been carried out in Moray House to repair lights and the door-entry system which has still to be billed for. New blinds are also being purchased before the end of the financial year for Moray House.

Administrative Costs

Postages

Expenditure on postages for the period to date would indicate a significant underspend however at the end of the financial year, postages are expected to be on budget.

Revaluation Notices will be sent to approx. 30,000 ratepayers on 31 March 2023.

Telephone and fax costs

At the start of the financial year, the Assessor procured a new telephone system for all three offices through a Highland Council ICT contract. Unfortunately, the Assessor is still running the old and new telephone systems with costs being incurred for both. The problem lies with the external provider and is beyond the control of ICT however, ICT colleagues at Highland Council are actively pursuing this matter.

Legal Expenses

Costs incurred for the year to date of £0.016m have been reduced to £0.003m due to an overaccrual of £0.013m at 31 March 2022. The 21/22 accrual of £0.086m was for LTS referral fees related to rates appeals in place at that date. None of the fees have as yet been incurred. However, since 31 March 2022, some of the referrals have been withdrawn by agents, resulting in the expected decrease noted.

Aside from the above, there is still a year to date underspend of £0.011m. It was anticipated that the Assessor may have been required to attend the LTS for a Hydro power case. Previous appeals heard by Tayside Valuation Joint have still to be resolved and the Highland case has not been heard to date.

Digitisation costs

Digitisation costs are expected to be underspent. As the project is a three-year project, any underspend will be carried forward to 2023/24 and 2024/25.

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 fully accrued and printing costs for electoral registration for the remainder of the financial year. It is expected that other administration costs will be within budget.

Apportioned Costs

The Central Support Charges from Highland Council will be billed in month 12 and are estimated to be in the region of £0.060m.

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 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

Some additional equipment such as laptops and monitors have been ordered to allow for a hybrid working approach. Five scanners have now been procured with delivery expected before the end of the financial year.

ICT charges for the year have yet to be billed but are set to be in the region of £0.172m. This has been accounted for in the actual spent to date.

There is an estimated underspend in computer charges however, further charges from Highland Council may be payable before the end of the financial year for work carried out.

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. Valuation Appeal Panel work will continue from 1 January to 31 March 2023 with the prospect of some limited Stated Case work following thereafter. Legislation now allows for Stated Case work to be carried out for a period from 1 April 2023.

Council Tax Hearings have now been completed for this financial year however, the Valuation Appeal Panel still have to issue decisions in a number of cases. It is estimated therefore that Valuation Appeal Hearings will be underspent 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 March 2023

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Office & Support Manager

HIGHLAND & WESTERN ISLES VALUATION JOINT BOARD

**REVENUE BUDGET 2022/23
MONITORING STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

Heading	Period to date		Annual		Year End Estimated £000
	Budget £000	Actual £000	Budget £000	Actual £000	
Staff costs					
Salaries including NI, superann	2,176	1,898	2,374	2,141	(233)
Digitisation salaries incl. NI, superann	-	10	-	20	20
Overtime	9	62	10	79	69
Salaries including NI, superann and overtime	2,185	1,970	2,384	2,240	(144)
Travel and subsistence	50	41	54	50	(4)
Other staff costs	41	54	45	60	15
	2,276	2,065	2,483	2,350	(133)
Property costs					
Heating, lighting and cleaning	34	21	37	34	(3)
Rent, rates and water	190	189	207	192	(15)
Other property costs	11	(1)	12	8	(4)
	235	209	256	234	(22)
Administrative costs					
Printing, stationery and photocopying	17	10	18	16	(2)
Postages	115	98	125	125	-
Telephone and fax costs	10	12	11	25	14
Advertising	2	-	2	2	-
Legal expenses	27	3	30	5	(25)
Digitisation costs	46	-	50	20	(30)
Other administration costs	56	45	62	62	-
	273	168	298	255	(43)
Apportioned Costs					
Central service support	55	-	60	60	-
Transport costs	3	4	3	6	3
Supplies and services					
Computer charges	370	200	403	390	(13)
	370	200	403	390	(13)
Board expenses	7	-	8	8	-
Valuation Appeal Committee expenses	128	83	140	103	(37)
TOTAL EXPENDITURE	3,347	2,729	3,651	3,406	(245)
Income	(5)	(5)	(5)	(5)	-
NET EXPENDITURE	3,342	2,724	3,646	3,401	(245)