

HIGHLAND AND WESTERN ISLES VALUATION JOINT BOARD

22 September 2023

Agenda Item	6
Report No	VAL/17/23

Revenue Monitoring Report Period to 31 August 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 31 August and the projected year end position.

CURRENT POSITION

The attached monitoring statement shows the position for the period to 31 August 2023. Net expenditure to date is £1.207m and represents 33% of the annual budget of £3.634m.

YEAR-END PROJECTION

At this point in the year, the overall outturn is expected to be an underspend of £0.282m however, as in previous years, this projection is sensitive to the eventual outturn of the annual electoral canvass. There are also unfilled vacancies across the organisation. We are presently looking to reconfigure the office environment in Inverness to allow teams to work closely and some additional expenditure may be required to complete these 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 and clerical positions. The management review which is outstanding goes before the Board in September and would look to alleviate staff vacancies at a senior level.

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. Further staff are being recruited to assist with the digitisation project. Work associated with the 2023 Revaluation of non-domestic properties has also required overtime working by valuation staff. Electoral staff are working overtime for delivery of the annual canvass with Central Admin staff working overtime due to staff absence and electoral priorities.

Travel and subsistence

The actuals to date show an underspend on travel and subsistence at this point in the financial year however, doorstep visits for the annual canvass are due to commence on 18 September 2023. Costs for electoral staff travelling to UHI promotional events will be incurred along with travel costs for attendance at meetings in relation to Elections Act 2022 implementation.

It is anticipated that this budget head will be overspent by 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. Electoral staff are attending a number of training courses on Elections Act 2022 implementation and preparing for the next UK Parliamentary General Election, cross-boundary working implications. Elections Act training will be offset by some of the income received from the Department for Levelling Up, Housing and Communities.

Property costs

Heating, lighting and cleaning

Whilst the actuals to date show an underspend, Highland Council billing has still to be processed for electricity.

Cleaning costs for the Wick Office are now being introduced at a cost of approximately £0.006m per annum, which had not been accounted for when setting the budget for the year.

Rent, rates and water

The year end position on rent, rates and water shows the budget being within target however, due to revaluation work and a lack of scanning staff at various times, it has been difficult to progress on movement of files from the additional space being rented in Moray House. Although some progress is being made, it is expected that the rental of space may continue to be required until the end of the financial year. Provision had been made in the draft budget for rental costs of six months only.

The current position shows a significantly higher period to date however, rates bills have been paid for the year.

Other property costs

Other property costs are on target to be overspent by the end of the financial year. This is due to maintenance costs incurred for all three of the Board's offices. Work includes repairs to the emergency lighting in Inverness, painting works and replacement blinds at Wick and various works in Stornoway including new stair nosing and replacement carpet.

A member of staff in Stornoway has been trained to conduct PAT testing with a member of staff in Inverness due to attend training in due course. This will significantly reduce costs from external providers in future years.

Administrative Costs

Postages

Expenditure on postages for the period to date would indicate a significant overspend however, annual canvass postage costs have been incurred in the first part of the financial year. Due to an increase in postage costs, it is expected that this budget head will be overspent at the end of the financial year.

Telephone and fax costs

In financial year 2022/23, 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 and advice has been sought on billing from ICT. The problem with the continuation of the old telephone lines lies with the external provider and is beyond the control of ICT however, ICT colleagues at Highland Council are actively pursuing this matter. A meeting with the Head of ICT and Digital Transformation has been requested to discuss a number of ICT issues.

Legal Expenses

The 22/23 accrual of £0.073m 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 2023, some of the referrals have been withdrawn by agents.

The Assessor is also presently taking legal advice in regard to a rating case which may proceed to the Lands Valuation Appeal Court.

Digitisation costs

Digitisation costs are expected to be within budget. Some staff are working overtime to assist with scanning of files. Additional staff are being recruited to scan files but also to check that information has been scanned correctly before files are sent for secure disposal. As the project is a three-year project, if there are any underspends, this will be carried forward to 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 twelve and are estimated to be in the region of £0.060m.

Supplies and Services

Computer charges

ICT charges for the year have yet to be billed but are set to be in the region of £0.172m.

The purchase of a colour printer for Voter ID is being explored and will be discussed with Highland Council ICT on the best method of procuring this. Depending on costs, printers may be purchased for all three offices. Funding has been made available for purchase of equipment by the Department for Levelling Up, Housing and Communities.

Payments for computer charges are projected as being within budget.

Valuation Appeal Committee Expenses

Due to work being conducted on a Stated Case, the Assessor continues to receive invoices from the Valuation Appeal Committee. As previously reported, the Assessor has no control over this budget head.

Income

The Electoral Registration Officer has received funding of £0.026m to date from the Department for Levelling Up, Housing and Communities for Elections Act 2022 implementation work, with some income carried forward from budget year 2022/23. No further income is anticipated this financial year.

Recommendation

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

Designation: Assessor and ERO

Date: 8 September 2023

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Depute ERO / Business Manager

HIGHLAND & WESTERN ISLES VALUATION JOINT BOARD

**REVENUE BUDGET 2023/24
MONITORING STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2023**

Heading	Period to date		Annual		Year End Estimated variance £000
	Budget £000	Actual £000	Budget £000	Estimated outturn £000	
Staff costs					
Salaries including NI, superann	1,055	818	2,532	2,178	(354)
Digitisation salaries incl. NI, superann, OT	-	9	-	27	27
Overtime	4	14	10	50	40
Salaries including NI, superann and overtime	1,059	841	2,542	2,255	(287)
Travel and subsistence	23	16	55	60	5
Other staff costs	23	33	56	65	9
	1,105	890	2,653	2,380	(273)
Property costs					
Heating, lighting and cleaning	15	4	35	35	-
Rent, rates and water	73	116	174	174	-
Other property costs	3	5	8	12	4
	91	125	217	221	4
Administrative costs					
Printing, stationery and photocopying	6	3	15	15	-
Postages	56	98	135	150	15
Telephone and fax costs	4	-	9	9	-
Advertising	1	1	2	2	-
Legal expenses	12	-	30	30	-
Digitisation costs	-	-	60	33	(27)
Other administration costs	51	36	62	62	-
	130	138	313	301	(12)
Apportioned Costs					
Central service support	25	-	60	60	-
Total Administrative costs	155	138	373	361	(12)
Transport costs	1	1	3	3	-
Supplies and services					
Computer charges	162	83	388	388	-
Valuation Appeal Committee expenses	3	1	6	20	14
	165	84	394	408	14
Members' Expenses					
Board expenses	4	-	10	10	-
TOTAL EXPENDITURE	1,521	1,238	3,650	3,383	(267)
Income					
Service Income	(7)	(31)	(16)	(31)	(15)
Interest Income	-	-	-	-	-
	(7)	(31)	(16)	(31)	(15)
NET EXPENDITURE	1,514	1,207	3,634	3,352	(282)