

RENFREWSHIRE VALUATION JOINT BOARD

To: Renfrewshire Valuation Joint Board

On: 31 May 2019

Report by: The Treasurer

Heading: Revenue Estimates 2020/21 and 2021/22

1. Summary

- 1.1 At its meeting of 31 January 2019, the Board requested further detail as to how the unallocated savings in the 2020/21 and 2021/22 Revenue Estimates report would be achieved.
 - 1.2 The Assessor has identified a number of initiatives to reduce costs in 2020/21 and 2021/22 and these are outlined in section 3.
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2 Recommendations

- 2.1 Members are asked to note the report; and
 - 2.2 Approve the proposal to carry forward any underspent Barclay funding as necessary to fulfil the Board's duties, while retaining a minimum level of reserves of no less than 5% of net expenditure.
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3 Background

- 3.1 The annual Revenue Estimates approved on 31 January 2019 outlined the proposed requisition for 2019/20, as well as an indicative projected position for 2020/21 and 2021/22 for member's information and as an aid to constituent authorities' financial planning.
- 3.2 Within the indicative budgets approved, there are 'Required Savings' figures of £87,000 for 2020/21 and £77,200 for 2021/22. There was also a sum of £29,600 budgeted in 2019/20.
- 3.3 Appendix 1 outlines the forecast net expenditure for 2019/20. This is based on current knowledge of staff changes, as well as the expected use of

additional funding of £200k to support the implementation of Barclay recommendations.

- 3.4 As indicated in the Financial Outlook paper reported to the Board in November 2018, there will be an ongoing review of staff in light of the implementation of Barclay recommendations, along with updated systems for electoral management, IT Core and further development of the document management system, which should drive efficiencies from revised working practices, once fully operational.
 - 3.5 Forecast net expenditure from these changes indicates in an anticipated surplus in 2019/20 of £92,191, largely driven by an underspend in Barclay funding as a result of delays in recruiting appropriate staff.
 - 3.6 It should be noted that the projections at Appendix 1 assume that Barclay funding will continue at a rate of £200,000 per annum, although this has not yet been confirmed by the Scottish Government.
 - 3.7 This does not reduce the burden on member requisitions, however, as this is the principal source of funding for the Board's annual revenue pressures; it is recommended that the Board's reserves do not fall below 5% of net expenditure, so that future unforeseen pressures can be met.
 - 3.8 One such pressure is Fixed Line Telecommunications (FLT) valuation work. The Assessor for Renfrewshire is the "Designated Assessor" for FLT throughout Scotland and should there be an appeal against any of the valuations for these subjects, the Board could face substantive legal costs defending it.
 - 3.9 The Board has a close working relationship with the Valuation Office Agency (VOA) for England & Wales for FLT valuations and significant financial benefits have been achieved to date through this collaboration. However, the next revaluation for England & Wales will now take place in 2021, a year earlier than previously planned. The effect of this is to separate current collaborative working arrangements, which will mean the cost of preparing Telecoms valuations for the 2022 Revaluation in Scotland could increase considerably.
 - 3.10 The Board is asked to approve any carry-forward of underspent Barclay funding at the end of 2019/20 and beyond to support future resourcing. Work on the successful implementation of the changes to Non Domestic Rates following the Barclay review will continue during 2019/20. Over the next 12-18 months the Board's workload, and consequently its resourcing demands, will need to scale up over this time.
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RENFREWSHIRE VALUATION JOINT BOARD

	Approved Budget 2019/20 £	Forecast Total 2019/20 £	Forecast Spend 2020/21 £	Forecast Spend 2021/22 £
Expenditure				
Employee costs	1,738,300	1,768,509	1,962,288	1,972,929
Property costs	164,800	164,800	164,800	164,800
Supplies and Services	176,900	184,900	196,900	196,900
Contractors	25,000	25,000	55,000	25,000
Administration costs	292,600	312,600	261,512	266,971
Payments to Other Bodies	20,000	40,000	20,000	20,000
Required Savings	(29,600)	0	0	0
Total Expenditure	2,388,000	2,495,809	2,660,500	2,646,600
Income				
Sales, fees and charges	(5,000)	(5,000)	(5,000)	(5,000)
Temporary interest	(1,000)	(1,000)	(1,000)	(1,000)
Total Income	(6,000)	(6,000)	(6,000)	(6,000)
Net Expenditure	2,382,000	2,489,809	2,654,500	2,640,600
Funded by				
Requisitions	(2,300,500)	(2,500,500)	(2,569,500)	(2,640,600)
Income from IER scheme	(81,500)	(81,500)	0	0
Transfer from balances	0	0	(85,000)	0
	(2,382,000)	(2,582,000)	(2,654,500)	(2,640,600)
Balance	0	(92,191)	(0)	(0)
Application of Balances				
Surplus brought forward	119,300	119,300	211,491	126,491
Application of balances	0	92,191	(85,000)	0
Surplus carried forward	119,300	211,491	126,491	126,491
% of Net Expenditure	5%	8%	5%	5%