

Item: 5

Orkney and Shetland Valuation Joint Board: 14 December 2023.

Revenue Expenditure Monitoring.

Report by Treasurer to the Board.

1. Purpose of Report

To advise of the revenue position of the Board as at 30 September 2023.

2. Recommendations

The Board is invited to note:

2.1.

The revenue financial summary statement, in respect of the Orkney and Shetland Valuation Joint Board, for the period 1 April to 30 September 2023, attached as Annex 1 to this report, indicating a budget surplus position of £85,800.

The Board is invited to scrutinise:

2.2.

The explanations given and actions proposed, in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to this report, in order to obtain assurance that action is being taken with regard to significant budget variances.

3. Background

3.1.

On 2 March 2023, the Board set its overall revenue budget for financial year 2023/24, which forms the basis of the individual revenue expenditure monitoring reports.

3.2.

The Board is wholly funded by its constituent authorities: Orkney Islands Council and Shetland Islands Council.

3.3.

It is vital to the economic wellbeing of the constituent authorities that the Board manages its financial resources effectively and that expenditure and income are delivered in line with the budget, as any overspends will result in a further draw on the resources of the constituent authorities.

3.4.

In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

3.5.

Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
- Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).

4. Financial Summary

4.1.

The financial summary for the period 1 April to 30 September 2023 is attached as Annex 1 to this report.

4.2.

The Budget Action Plan, attached as Annex 2 to this report, provides an explanation and proposed corrective action for each of the Priority Actions identified.

5. Financial Implications

The financial implications are detailed throughout the report.

6. Governance Aspects

The content and implications of this report have been reviewed and, at this stage, it is deemed that the Board **DOES NOT** require external legal advice in consideration of the recommendations of this report.

7. Contact Officer

Erik Knight, Treasurer to the Board, extension 2127, Email erik.knight@orkney.gov.uk.

8. Annexes

Annex 1: Financial Detail by Service Area.

Annex 2: Budget Action Plan.

Annex 1: Financial Detail by Service Area**September 2023**

The following tables show the spending position by service function

Orkney & Shetland Valuation Joint Board	PA	Spend £000	Budget £000	Over/(Under) £000	Spend %	Annual Budget £000
Joint Costs	1B	282.0	390.3	(108.3)	72.3	777.3
Barclay Review		69.3	69.5	(0.2)	99.7	144.0
Shetland Costs		26.5	21.7	4.8	122.1	51.6
Orkney Costs		32.2	28.3	3.9	113.9	59.3
Requisition SIC	1B	14.0	0.0	14.0	0.0	(512.2)
Requisition OIC		0.0	0.0	0.0	0.0	(520.0)
Service Total		424.0	509.8	(85.8)	83.2	0.0

Orkney & Shetland Valuation Joint Board

Function	Function Description/ Explanation	Action Category/ Action Description	Responsible Officer	Deadline	Status
R69A	<p>Joint Costs</p> <p>Less than anticipated expenditure by £108.3K</p> <p>A vacancy existed for a Depute Assessor within the Board for the first 6 months of the year. A Consultant has recently been appointed through to the end of March 2024. In addition, there are vacancies for administrators in both Orkney and Shetland, and a vacancy for 0.4 FTE Technician.</p>	<p>Management input required</p> <p>Recruitment processes are ongoing.</p>	Erik Knight	31/10/2023	Ongoing
R69E	<p>Requisition SIC</p> <p>More than anticipated expenditure by £14.0K</p> <p>There was a shortfall in the 2022/23 requisition.</p>	<p>Manage income/expenditure</p> <p>This will be resolved when the requisition is requested as part of 2023/24 payment.</p>	Erik Knight	31/12/2023	Ongoing