

## **Item: 6**

### **Orkney and Shetland Valuation Joint Board: 2 March 2023.**

#### **Draft Budget.**

#### **Report by Treasurer to the Board.**

### **1. Purpose of Report**

To consider the draft budget for the Orkney and Shetland Valuation Joint Board for financial year 2023/24.

### **2. Recommendations**

The Board is invited to note:

#### **2.1.**

The requirement to set a balanced budget and to determine the level of requisition to be sought from the Board's constituent authorities.

#### **2.2.**

That the draft budget for financial year 2023/24, attached as Appendix 1 to this report, is based on a standstill position, subject to pay and inflationary costs pressures and broadly follows the strategies adopted by the constituent authorities.

#### **2.3.**

The proposal to increase the staffing establishment by 0.2 full-time equivalent (FTE), by creating a permanent part-time post (0.4 FTE) of Technician, based in Shetland, at an estimated cost of £9,000 for 2023/24 plus pay increases for future financial years, to provide a level of resilience, cover and succession planning.

#### **2.4.**

That, should the draft budget be approved, this would result in a requisition to each constituent authority as follows:

- Orkney Islands Council – £519,950, representing an increase of £40,550 or 8% on the previous year's requisition.
- Shetland Islands Council – £512,250, representing an increase of £35,550 or 7% on the previous year's requisition.

**It is recommended:**

**2.5.**

That the draft budget for 2023/24, attached as Appendix 1 to this report, be approved.

**2.6.**

That the staffing complement be increased, on a permanent basis, by 0.2 FTE, to allow recruitment to a part-time 0.4FTE post of Technician, based in Shetland, to provide a level of resilience, cover and succession planning, at an estimated cost of £9,000 for 2023/24 plus pay increase allowances for future financial years.

### **3. Background**

**3.1.**

The Orkney and Shetland Valuation Joint Board is required to set a balanced budget and to determine the level of requisition to be sought from its constituent authorities.

**3.2.**

The proposed budget supports delivery of Corporate and Service plans for the range of functions and services for which the Board has responsibility. This link also provides assurance to the constituent authorities that the activities of the Board meet their expectations and achieve best value.

**3.3.**

If a realistic, affordable budget is not set, there is a risk that the Board will be unable to fulfil its statutory duties should insufficient funding be requisitioned from constituent authorities.

### **4. Draft Budget for financial year 2023/24**

**4.1.**

The draft budget is based on a standstill position, subject to pay and inflationary costs pressures and broadly follows the strategies adopted by the constituent authorities.

**4.2.**

The budget proposals, can be summarised in the table below:

|                                      |            |
|--------------------------------------|------------|
| <b>2022/23 Budget</b>                | £956,100   |
| Growth and/or Income Reduction       | £76,100    |
| Savings and/or New Income Generation | -          |
| <b>2023/24 Draft Budget</b>          | £1,032,200 |

### 4.3.

The following provides an explanation of growth:

- Staff Costs include a 4% increase to reflect the 2022/23 pay settlement award and an allowance of 2% for 2023/24. The budget factors in the likelihood of a Trainee Valuer graduating this financial year and an additional 0.2FTE Technician post growth proposal. This represents a budget increase of £59,600.
- Property Costs include an additional allowance for electricity which is budgeted to increase by 40% on current costs, adding £13,800 to the budget.
- Apportioned Costs include inflation of 6% to match the allowance for the pay award.

### 4.4.

The following provides an explanation of savings and income generation:

- Fees and Charges are expected to remain at the same level which is why there will be no additional income generated in 2023/24 relating to the Register of Electors.

### 4.5.

A revenue budget of £144,000 is proposed in respect of Barclay Review Implementation costs for financial year 2023/24, representing a £4,000 shortfall against funding received from the Scottish Government for the implementation of the review.

### 4.6.

Regarding the growth proposal, a permanent increase of the staffing complement is proposed in respect of the Technician post by 0.2FTE in Shetland at a cost of around £9,000 for 2023/24 plus pay increase allowances for future financial years. This is to supplement the vacant 0.2FTE Technician post which is the result of a flexible working request. This will allow recruitment of a part-time 0.4FTE Technician at 2 days per week and provide a level of resilience, cover and succession planning.

## 4.7.

Attached as Appendix 1 to this report is the draft budget for financial year 2023/24, estimated at £1,032,200, representing an increase of £76,100 or 8% over the 2022/23 budget. If approved, this would result in a requisition to each constituent authority as follows:

- Orkney Islands Council – £519,950, representing an increase of £40,550 or 8% on the previous year's requisition.
- Shetland Islands Council – £512,250, representing an increase of £35,550 or 7% on the previous year's requisition.

## 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

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## 8. Appendix

Appendix 1: Draft Revenue Budget for financial year 2023/24.

## Appendix 1

| Income & Expenditure Summary                        | 2022/23<br>Restated<br>Budget<br>£ | 2023/24<br>Core<br>Budget<br>£ | 2023/24<br>Barclay<br>Review<br>£ | 2023/24<br>Proposed<br>Total<br>Budget<br>£ | Budget v<br>Proposed<br>(Adv)/Pos<br>£ |
|-----------------------------------------------------|------------------------------------|--------------------------------|-----------------------------------|---------------------------------------------|----------------------------------------|
| <b>EXPENDITURE:</b>                                 |                                    |                                |                                   |                                             |                                        |
| Staff Costs                                         | 793,000                            | 740,400                        | 112,200                           | 852,600                                     | (59,600)                               |
| Property                                            | 34,600                             | 48,400                         | -                                 | 48,400                                      | (13,800)                               |
| Supplies and Services                               | 79,400                             | 54,000                         | 25,400                            | 79,400                                      | -                                      |
| Transport                                           | 22,000                             | 19,100                         | 3,900                             | 23,000                                      | (1,000)                                |
| Administration                                      | 42,600                             | 40,100                         | 2,500                             | 42,600                                      | -                                      |
| Apportioned Costs                                   | 28,500                             | 30,200                         | -                                 | 30,200                                      | (1,700)                                |
| <b>TOTAL EXPENDITURE</b>                            | <b>1,000,100</b>                   | <b>932,200</b>                 | <b>144,000</b>                    | <b>1,076,200</b>                            | <b>(76,100)</b>                        |
| <b>INCOME:</b>                                      |                                    |                                |                                   |                                             |                                        |
| Fees and Charges                                    | (44,000)                           | (44,000)                       | -                                 | (44,000)                                    | -                                      |
| <b>TOTAL INCOME</b>                                 | <b>(44,000)</b>                    | <b>(44,000)</b>                | <b>-</b>                          | <b>(44,000)</b>                             | <b>-</b>                               |
|                                                     |                                    |                                |                                   |                                             |                                        |
| <b>NET EXPENDITURE</b>                              | <b>956,100</b>                     | <b>888,200</b>                 | <b>144,000</b>                    | <b>1,032,200</b>                            | <b>(76,100)</b>                        |
| <b>CHARGE TO CONSTITUENT<br/>AUTHORITIES:</b>       |                                    |                                |                                   |                                             |                                        |
| Orkney Islands Council                              | (479,400)                          | (447,950)                      | (72,000)                          | (519,950)                                   | 40,550                                 |
| Shetland Islands Council                            | (476,700)                          | (440,250)                      | (72,000)                          | (512,250)                                   | 35,550                                 |
| <b>TOTAL CHARGE TO<br/>CONSTITUENT AUTHORITIES:</b> | <b>(956,100)</b>                   | <b>(888,200)</b>               | <b>(144,000)</b>                  | <b>(1,032,200)</b>                          | <b>76,100</b>                          |