

HIGHLAND AND WESTERN ISLES VALUATION JOINT BOARD

26 November 2021

Agenda Item	5
Report No	VAL/17/21

Revenue Monitoring Report Period to 31 October 2021

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 October and the projected year end position.

CURRENT POSITION

The attached monitoring statement shows the position for the period to 31 October 2021. Net expenditure to date is £1.555m and represents 45% of the annual budget of £3.445m.

YEAR-END PROJECTION

At this point in the year, the overall outturn is expected to be an underspend of £0.151m, however, as in previous years, this projection is sensitive to the eventual outturn of the annual electoral canvass. The Assessor is still following the current Scottish Government advice on working from home and some uncertainty exists in relation to contingencies that may be necessary in relation to preparation for the Local Government Election and other implications for the sustained period of home working.

Staff costs

Salaries including NI, superannuation and overtime

There is an estimated underspend on salary costs however there have been some recent changes in staffing due to flexible retirement or vacancies. Three new clerical assistants have been appointed and have commenced post.

Whilst there are some valuation vacancies to fill, overtime costs have increased due to the Scottish Parliament election, by-elections and the annual canvass of electors. This has also increased holiday pay. It is hoped that the recruitment of three new clerical staff members will reduce the amount of overtime to be worked once training has been delivered.

Additional staff were recruited to assist with the Scottish Parliament election. Whilst funding was provided by the Scottish Government, this was not sufficient enough to cover all costs incurred. A significant amount of preparation work was carried out as this was the first major election since migration to the new electoral management system in April 2020.

Travel and subsistence

An underspend of £0.015m is estimated under this budget heading due to reduced survey work in the early part of the financial year. Valuation staff are now carrying out survey visits and doorstep canvassers will be starting to commence work towards the end of November.

Property costs

Heating, Lighting and Cleaning

An underspend has been projected on heating and lighting costs as staff continue to work from home. This position may change in the coming months if Scottish Government advice on home working changes.

Recharges for gas and electricity from the period July to September has still to be billed by Highland Council which has not been included in the actual period to date. Total charges are in the region of £0.004m. Cleaning charges for Dingwall are billed at the end of the financial year.

Rent, rates and water

The actuals to date show an underspend under this budget heading however rent for the Stornoway office for this year has still to be paid.

It is anticipated that water charges for the year will be underspent and this has been reflected in the actual outturn.

Administrative Costs

Printing, stationery and photocopying

As staff are currently working from home, there has been a reduction in spend on stationery and printing costs however a return to the office by some staff may see an increase in expenditure under this budget heading in the coming months. It is estimated however that there will be a saving in this financial year.

Postages

Expenditure on postages for the period to date would indicate an overspend however, postage costs for canvass communications has fallen in the first part of the financial year. Whilst it is anticipated that postage costs will be slightly over budget, this will depend on public engagement for the Local Government elections in May 2022.

As part of the 2023 revaluation preparation work, the Assessor will be issuing Assessor Information Notices to a number of valuation subjects between now and the end of the financial year. Approximately 20,000 notices will be issued with an estimated postage cost of £0.008m.

Legal Expenses

Whilst there is a significant underspend at this point in the financial year, Counsel has been engaged for future Valuation Appeal Hearings throughout November. There may be some further scope for LTS Referral charges to be paid before the end of March 2022.

Telephone and fax costs

A new telephone system is being proposed under the G-Cloud 12 framework agreement to replace the current Avaya system at an estimated cost of £0.005m. This will allow the Assessor to have greater control over existing arrangements without involving Wipro and Highland Council ICT.

The actuals to date show an underspend however an invoice from Highland Council for recharges from July to September of £0.002m has still to be paid.

Transport Costs

As the Assessor has been following Scottish Government guidance in relation to Covid-19, meetings that would normally have been held across Scotland with the Scottish Assessors Association and other stakeholders, have been carried out by Teams meetings reducing the requirement for hire cars. This position may change in the coming months.

Supplies and Services

Computer charges

Payments for computer charges are projected as being overspent. Annual billing from Wipro has not been processed to date. Due to Covid-19 the ERO has again made provision for canvass forms to be scanned using an external scanning bureau. There are some initial set-up fees and costs for scanning of returns, but under the new canvass reform legislation, the expected number of returns has significantly reduced.

Thirty five new tablets have been purchased for electoral canvassers which will allow for real time information to be imported into the electoral management system. With the introduction of telephone canvassing, it is anticipated that some of the purchase costs can be offset with reduced travel costs.

The EMS was successfully moved to a cloud hosted solution in August with additional costs being occurred. However, charges from Wipro will be reduced as updates to the EMS will now be carried out by the EMS software provider.

A rewrite of the current valuation system is being undertaken as a result of Barclay implementation along with addition of a project planning development tool. Estimated costs are in the region of £0.015m.

Valuation Appeal Committee Expenses

There is uncertainty relating to the costs associated with Valuation Appeal hearings scheduled throughout the current financial year. The actuals to date for Valuation Appeal

hearings would appear to show a very small underspend at this point in the year however, an invoice for £0.009m for work carried out by the Valuation Appeal Panel Secretary to the end of October has still to be paid. As previously reported, the Assessor has no control over Valuation Appeal Committee costs.

Three non-domestic rates hearings have been scheduled to the end of November with the possibility of a council tax hearing being held in the new year.

Income

IER funding from the Cabinet Office was anticipated to be around £0.015m however the ERO has received confirmation that there will be no funding in the current financial year.

The ERO has received funding from the Scottish Government in April 2021 of £0.072m to cover the cost of sending household notification letters in advance of the Scottish Parliament election. No further income is expected in the financial year.

Recommendation

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

Designation: Assessor and ERO

Date: 16 November 2021

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Office & Support Manager

HIGHLAND & WESTERN ISLES VALUATION JOINT BOARD

**REVENUE BUDGET 2021/22
MONITORING STATEMENT FOR THE PERIOD ENDED 31 October 2021**

Heading	Period to date		Annual		Year End Estimated variance £000
	Budget £000	Actual £000	Budget £000	Actual outturn £000	
Staff costs					
Salaries including NI, superann and overtime	1,331	1,153	2,282	2,156	(126)
Travel and subsistence	41	15	70	55	(15)
Other staff costs	23	22	40	40	(0)
	1,395	1,190	2,392	2,251	(141)
Property costs					
Heating, lighting and cleaning	28	9	48	43	(5)
Rent, rates and water	142	116	201	199	(2)
Other property costs	8	1	13	13	0
	178	126	262	255	(7)
Administrative costs					
Printing, stationery and photocopying	12	1	20	15	(5)
Postages	70	86	119	127	8
Telephone and fax costs	7	3	11	16	5
Advertising	1	0	2	2	0
Legal expenses	17	6	30	30	0
Other administration costs	6	7	10	10	0
	113	103	192	200	8
Apportioned Costs					
Central service support	0	0	60	60	0
Transport costs					
	2	0	4	3	(1)
Supplies and services					
Computer charges	240	136	411	449	38
	240	136	411	449	38
Board expenses					
	5	0	8	8	0
Valuation Appeal Committee expenses					
	79	72	136	140	4
TOTAL EXPENDITURE	2,012	1,627	3,465	3,366	(99)
Income	(13)	(72)	(20)	(72)	(52)
NET EXPENDITURE	1,999	1,555	3,445	3,294	(151)