

REPORT TO: TAYSIDE VALUATION JOINT BOARD - 28 JANUARY 2013

REPORT ON: PROVISIONAL REVENUE BUDGET 2013/14

JOINT REPORT BY: ASSESSOR AND TREASURER

REPORT NO: TVJB 1-2013

1 PURPOSE OF REPORT

The purpose of this report is to detail the recommendations of the General Purposes Sub Committee meeting of 14 January 2013 in respect of the Provisional Revenue Budget for 2013/14.

2 RECOMMENDATIONS

It is recommended that the Joint Board accept the recommendations of the General Purposes Sub Committee of 14 January 2013, and:-

- a approves the Provisional Revenue Budget for 2013/14 for Tayside Valuation Joint Board as detailed in Appendix A,
- b approves the apportionment of the 2013/14 Revenue Budget, which is based on the proportion of each Council's relevant 2013/14 Grant Aided Expenditure figures as detailed in Appendix B, and
- c approves the 2013/14 requisitions for the three constituent Councils as detailed in Appendix B.

3 FINANCIAL IMPLICATIONS

The three constituent Councils will be required to budget for the 2013/14 requisition from the Tayside Valuation Joint Board. It is essential that the Joint Board decides on its 2013/14 Revenue Budget and the consequential requisitions to the Councils, in order to allow the Councils to include these requisitions when finalising their own 2013/14 Revenue Budgets.

4 MAIN TEXT

2013/14 Provisional Revenue Budget

The Treasurer and Assessor have prepared the Provisional Revenue Budget for the financial year 2013/14, based on both the 2012/13 Revenue Budget and current financial year revenue monitoring position and after taking cognisance of the following factors:-

- a The Local Government Employees Pay Award has been assumed at an estimated level of 1% per annum and the budget includes provision for the effects of incremental progression.
- b The employers superannuation contribution rate for 2013/14 will be 18% of employee's gross salary.
- c No provision has been allowed for general inflation, however some items of specific inflation have been allowed, for example in respect of non domestic rates.
- d In general, cost pressures and savings that have been identified during the current financial year have been incorporated in the Provisional Revenue Budget.

- e Salary costs have been reduced for staff slippage of 1.75% per annum.

The Provisional Revenue Budget for 2013/14 has been thoroughly reviewed by the Assessor and Treasurer, and as detailed in Appendix A, the Provisional Net Revenue Budget for 2013/14 represents an increase of £15,710 (0.55%) based on the 2012/13 Revenue Budget set in January 2012.

In the 2013/14 Provisional Revenue Budget, staff costs have decreased by 0.23%, despite a 1% pay increase. Slippage remains at 1.75%. A decrease in property costs, and increases in supplies and services and valuation appeal committee expenses have resulted in an overall increase in total expenditure for 2013/14 of 0.74%.

The amount for additional electoral registration duties has been increased by £4,500 to reflect the cost of a specific duty to be carried out during 2013 to refresh personal identifier information held for postal voters.

Overall, the provisional net budget has increased from £2,848,991 in 2012/13 to £2,864,701 in 2013/14, an increase 0.55%.

Reserves and Balances

Under Section 12(1) of the Local Government Scotland Act 2003, it states "It is the duty of a local authority to observe proper accounting practices". In terms of proper accounting practice, CIPFA have issued revised guidance on Local Authority Reserves and Balances. The key requirements of the revised guidance, as they affect the Joint Board, are twofold:-

- i the setting out of a clear protocol covering the purpose, utilisation, management, control and review of reserves and balances,
- ii the inclusion in the annual budget report of a statement on reserves and balances, detailing the proposed strategy over the budget period, after taking into account the strategic, operational and financial risks facing the Council.

The CIPFA guidance on Reserves and Balances requires a protocol for the operation of the Board's General Reserve and this has previously been approved by the General Purposes Sub-Committee.

In respect of the Reserves and Balances protocol, the Sub-Committee is advised that the Board's 2011/12 Audited Statement of Accounts showed a General Reserve balance of £103,000 at 31 March 2012. There are no commitments against the General Reserve balance.

The latest 2012/13 revenue monitoring report to 31 December 2012 highlights a projected underspend of £56,000, due to savings in staff costs, property costs and a slight increase in miscellaneous income offset by projected overspends in supplies and services and valuation appeal expenses. If the final outturn is an underspend, this will be returned to the Constituent Councils in the proportions detailed per Appendix B, thereby retaining the General Reserve in line with the minimum agreed balance of £100,000. It is the opinion of the Treasurer, that this is the minimum level of uncommitted balances the Board should operate with.

In arriving at the proposals outlined above, the Treasurer has taken into account the key strategic, operational and financial risks facing the Board over the 2013/14 financial year. The main factors considered by the Treasurer were:-

- the stability of service provision and certainty of income streams;
- the inherent uncertainty surrounding matters such as pay awards, interest rates and price inflation;
- the possibility of major items of unforeseen expenditure;
- the achievability of the staff slippage provision and the possibility of identifying further budget savings and efficiencies, if required;
- the adequacy of the Board's insurance arrangements.

Requisitions to Constituent Councils

The Tayside Valuation Joint Board, at its meeting on 19 February 1996, agreed that the level of requisitions required from each Constituent Council should, for the financial year 1996/97, be based on the level of notional budget. Thereafter the method of apportionment between the Councils moved to a position whereby in 1998/99 and beyond, it would be wholly based on the proportions of the Valuation Grant Aided Expenditure figures. The apportionment of the Revenue Budget for the financial year 2013/14 is detailed in Appendix B. The 2013/14 requisitions are based on the 2013/14 Grant Aided Expenditure data for each Council.

5 CONCLUSION

The Provisional 2013/14 Revenue Budget is enclosed in order that the Tayside Valuation Joint Board may approve the budget, and agree the 2013/14 requisitions required from the three Constituent Councils.

6 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7 CONSULTATIONS

None

8 BACKGROUND PAPERS

None

**JOHN GALBRAITH
ASSESSOR**

17 JANUARY 2013

**MARJORY STEWART
TREASURER**

17 JANUARY 2013

EXPENDITURE BY BUDGET HEAD	2012 - 2013 REVENUE BUDGET	PROPOSED SAVINGS	PROPOSED 2013-2014 REVENUE BUDGET
STAFF COSTS			
GROSS PAY			
CHIEF OFFICER	326,751	3,261	330,012
PRINCIPAL OFFICER	763,013	(18,414)	744,599
ADMIN	141,860	1,205	143,065
GENERAL DIVISION	351,033	(5,462)	345,571
TECHNICAL	374,178	(11,845)	362,333
TRAINEE	53,210	13,022	66,232
	2,010,045	(18,233)	1,991,812
N INSURANCE			
CHIEF OFFICER	33,786	728	34,514
PRINCIPAL OFFICER	63,109	(136)	62,973
ADMIN	9,652	162	9,814
GENERAL DIVISION	17,017	(461)	16,556
TECHNICAL	26,103	(1,082)	25,021
TRAINEE	3,979	377	4,356
	153,646	(412)	153,234
SUPERANNUATION			
CHIEF OFFICER	58,815	587	59,402
PRINCIPAL OFFICER	137,342	(3,314)	134,028
ADMIN	25,535	217	25,752
GENERAL DIVISION	58,800	306	59,106
TECHNICAL	67,352	(2,132)	65,220
TRAINEE	9,578	2,344	11,922
	357,422	(1,992)	355,430
TOTAL SALARY COSTS	2,521,113	(20,637)	2,500,476
SLIPPAGE (1.75%)	(44,119)	361	(43,758)
STRAIN ON FUND COSTS	0	0	0
NET SALARY COSTS	2,476,994	(20,276)	2,456,718
ADDITIONAL E.R. DUTIES	27,000	4,500	31,500
OVERTIME	5,000	0	5,000
COURSES/CONFERENCES	5,000	0	5,000
TRAINING COURSES	5,000	10,000	15,000
ADV EMPLOYMENT etc	5,000	0	5,000
NET STAFF COSTS	2,523,994	(5,776)	2,518,218
PROPERTY			
RENT - PITKERRO/PERTH STORE	9,000	0	9,000
RATES - DUNDEE	39,600	800	40,400
RATES - ANGUS	7,600	200	7,800
RATES - PERTH	24,400	500	24,900
REPAIRS AND MAINTENANCE	14,300	(10,300)	4,000
FIXTURES/FITTINGS	1,000	0	1,000
CLEANING DSO	20,000	(2,000)	18,000
WATER/SEWER	7,000	500	7,500
ELECTRICITY - DUNDEE	10,000	0	10,000
ACCOMMODATION - WHITEHALL HSE	110,000	0	110,000
ACCOMMODATION - ANGUS	24,000	0	24,000
ACCOMMODATION - PERTH	77,000	0	77,000
TOTAL PROPERTY COSTS	343,900	(10,300)	333,600

EXPENDITURE BY BUDGET HEAD	2012 - 2013 REVENUE BUDGET	PROPOSED SAVINGS	PROPOSED 2013-2014 REVENUE BUDGET
SUPPLIES/SERVICES			
EQUIPMENT - OFFICE	1,000	0	1,000
FURNITURE - PURCHASE	1,000	0	1,000
MAINTENANCE	8,000	0	8,000
PRINTING	10,000	0	10,000
PRINTING ERO	12,000	1,000	13,000
TELEPHONE REGISTRATION	4,600	0	4,600
STATIONERY	8,000	0	8,000
PHOTOCOPYING	3,000	(1,000)	2,000
REF BOOKS	9,000	0	9,000
AUDIT FEE	8,800	0	8,800
INTERNAL AUDIT SERVICES	18,000	0	18,000
LEGAL FEES	12,500	0	12,500
TELEPHONE RENTALS	5,750	0	5,750
TELEPHONE CALLS	3,000	0	3,000
POSTAGES	71,800	13,200	85,000
MISC SUPPLIES ETC	6,600	0	6,600
EXHIBITION OF LISTS	500	0	500
INSURANCE /RISK MGT	23,800	600	24,400
COMPUTER SERVICE	34,000	7,000	41,000
ELECTORAL - IT LICENCES Etc.	16,000	0	16,000
CENTRAL SUPPORT SERVS	38,250	400	38,650
HEALTH AND SAFETY	14,000	(6,000)	8,000
TOTAL SUPPLIES/SERVICES	309,600	15,200	324,800
TRANSPORT			
SUBSISTENCE	11,500	0	11,500
CONTRACT CAR SUBSIDY	28,000	0	28,000
CAR ALLOWANCES	25,000	0	25,000
TOTAL TRANSPORT COSTS	64,500	0	64,500
VALUATION APPEAL COMMITTEE	30,000	25,000	55,000
TOTAL EXPENDITURE	3,271,994	24,124	3,296,118
INCOME			
ADDITIONAL E.R. DUTIES	27,000	4,500	31,500
SURVEY FEES	100	0	100
SALE OF VR/CT LIST	200	0	200
SALE ERO	2,000	0	2,000
TELEPHONE CALLS	300	0	300
INTEREST ON BALANCE	2,000	0	2,000
NET INCOME	31,600	4,500	36,100
REGISTRATION RECHARGE	391,403	3,914	395,317
TOTAL INCOME	423,003	8,414	431,417
NET EXPENDITURE	2,848,991	15,710	2,864,701
PROVISIONAL NET BUDGET	2,848,991	15,710	2,864,701

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REVENUE BUDGET 2013/14

REQUISITION APPORTIONMENTS FOR CONSTITUENT COUNCILS

Council	Grant Aided Expenditure 2013/14			Total GAE and Requisition Apportionment
	Lands Valuation	Council Tax Valuation	Total Grant Aided Expenditure	
Angus	380	219	599	26.43%
Dundee City	458	296	754	33.28%
Perth & Kinross	635	278	913	40.29%
	1,473	793	2,266	100.00%

PROPOSED REVENUE BUDGET 2013/14 REQUISITIONS

Council	Valuation Apportionment	Requisition	Registration Recharge	Additional ER Duties Recharge	Total Sum due to Tayside Valuation Joint Board
Angus	26.43%	757,140	157,986	13,500	928,626
Dundee City	33.28%	953,372	0	0	953,372
Perth & Kinross	40.29%	1,154,189	237,331	18,000	1,409,520
	100.00%	2,864,701	395,317	31,500	3,291,518