



# Orkney and Shetland Valuation Joint Board



## Item: 7

**Orkney and Shetland Valuation Joint Board: 30 September 2025.**

**Revenue Expenditure Outturn.**

**Report by Treasurer to the Board.**

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## 1. Overview

- 1.1. On 7 March 2024, the Board set its overall revenue budget for financial year 2024/25, which forms the basis of the individual revenue expenditure monitoring reports.
- 1.2. The Board is wholly funded by its constituent authorities: Orkney Islands Council and Shetland Islands Council.
- 1.3. 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.
- 1.4. 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.
- 1.5. 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).
- 1.6. Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.
- 1.7. The details have been provided following consultation with the relevant Board staff.

- 1.8. The figures quoted within the Budget Action Plan by way of underspend (-) and overspend position will always relate to the position within the current month.

## 2. Recommendations

2.1. It is recommended that members of the Board:

- i. Note the revenue financial detail by service area statement in respect of the Orkney and Shetland Valuation Joint Board, for financial year 2024/25, attached as Annex 1 to this report.
- ii. Scrutinise 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 appropriate action had been taken with regard to significant budget variances.

### For Further Information please contact:

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### Implications of Report

1. **Financial** In terms of Section 1.3 of the Board's Financial Regulations, the Assessor and other persons authorised by them will ensure that only expenditure within the legal powers of the Board is incurred. The Assessor will ensure that all spending is within capital and revenue estimates and conforms to proper accounting standards and will seek clarification of the proper classification, if required, from the Treasurer.
2. **Corporate Governance** In terms of Section 4 of the Board's Financial Regulations, the Board is responsible for regulating and controlling the finances of the Board. The Treasurer will report to the Board on the level of resources available to the Board within a budget period as well as information as to its overall financial performance.
3. **Human Resources** N/A.
4. **Equalities** An Equality Impact Assessment is not required for financial monitoring.
5. **Island Communities Impact** An Island Communities Impact Assessment is not required for financial monitoring.
6. **Environmental and Climate Risk** N/A.
7. **Risk** N/A.
8. **Procurement** N/A.
9. **Health and Safety** N/A.

### List of Background Papers

Orkney and Shetland Valuation Joint Board, 7 March 2024, Draft Budget for 2024/25.

**Annexes**

Annex 1: Financial Detail by Service Area.

Annex 2: Budget Action Plan.

The following tables show the spending position by service function

Orkney & Shetland Valuation Joint Board		Spend	Budget	Over/(Under)	Spend	Annual Budget
	PA	£000	£000	£000	%	£000
Joint Costs		702.4	748.2	(45.8)	93.9	748.2
Barclay Review		145.9	144.0	1.9	101.3	144.0
Shetland Costs	1B	46.4	57.4	(11.0)	80.9	57.4
Orkney Costs		60.6	67.5	(6.9)	89.7	67.5
Requisition SIC		(486.2)	(501.2)	15.0	97.0	(501.2)
Requisition OIC		(500.4)	(511.3)	10.9	97.9	(511.3)
Accounting for Pensions	1B	14.0	0.0	14.0	0.0	0.0
Movement in Reserves	1B	15.9	(4.6)	20.5	N/A	(4.6)
Finance Charges		1.5	0.0	1.5	0.0	0.0
Service Total		0.1	0.0	0.1	0.0	0.0

## Orkney and Shetland Valuation Joint Board

<b><u>Service Function</u></b>	<b><u>Service Description</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Variance Reason</u></b>	<b><u>Action Notes</u></b>
<b>R69C</b>	<b>Shetland Costs</b>  Less than anticipated expenditure by £11.0k	Erik Knight	Spend less than budget in respect of property costs and supplies and services. Administration cost spend is greater than budget. Not all costs are annual, and will depend on level of repairs undertaken, or volume of activity generated re different workstreams.	Consider detailed subjective budget setting.
<b>R69N</b>	<b>Accounting for Pensions</b>  More than anticipated expenditure by £14.0k	Erik Knight	Variance represents accounting entries in respect of IAS19. The value represents the deficit of the interest on the defined benefit obligation over the interest earned on plan assets.	None at this time.
<b>R69U</b>	<b>Movement in Reserves</b>  More than anticipated expenditure by £20.5K	Erik Knight	Variance represents accounting entries in respect of holiday accrual adjustment, and IAS19 movement in pension reserve adjustment.	None at this time.