

The Highland & Western Isles

VALUATION JOINT BOARD

**ANNUAL
REPORT
2007/2008**

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INTRODUCTION

This is the first annual report reflecting the activities of the Valuation Joint Board which was appointed following the elections held in May 2007 which it falls to me, as the Convener of the Board, to introduce.

The general aim of the report, as ever, is to summarise the functions, activities and finances of the Board in a manner that is as accessible as possible and to say something of the business that has been undertaken in the year in question and that which appears to lie ahead.

The last annual report spoke of the main business on the electoral registration front as having been concerned with the introduction of the new ward boundaries for use in the May 2007 elections. Those elections were not free from difficulty on the polling side of the process and the work this year has in part involved the Electoral Registration Officer (ERO) with his colleagues responding to various enquiries into the source of the difficulty and possible remedies. On the operational front, in an effort to improve the security of postal voting, legislation requiring ingathering postal voting identifiers has been enacted. This work has now been concluded and will enable the dates of birth and signatures of electors submitting postal votes to be checked against the original application held by the ERO.

The Scottish Government that took office following the election has a policy of abolishing the council tax and replacing it with a form of local income tax. This policy, if approved by the Scottish Parliament, is likely to affect the Board and its employees in a significant way. At the time of writing the precise form and timing of implementation of the policy are unknown though it seems unlikely that council tax will be abolished for a number of years. In the meantime the Assessor will continue to maintain the council tax list as required by statute and the Board will provide and oversee the necessary resources.

There appears to be no current intention to alter the valuation for rating function and the past year has been concerned with maintenance of the roll, appeal clearance and developing systems which will assist in carrying out the 2010 rating revaluation which will become the principal rating activity in the year ahead.

A significant part of the work of the Board is to ensure that the public funds used by the department are properly used and accounted for and I am pleased to say that our auditors have been able to approve the accounts without qualification. We shall continue to keep a careful watch over the departmental budget to ensure that sufficient provision is made for the Assessor & ERO to carry out his statutory duties while having due regard to the need for economy wherever possible.

The Assessor & ERO in his remarks provides additional commentary on the work carried out in the course of the year which will add some detail to my brief summary.

I commend this report to you as a positive conclusion to the work of the past year and an indication of the challenges that lie ahead.

Helen Carmichael
Convener
Highland and Western Isles Valuation Joint Board

COMMENTARY BY THE ASSESSOR & ELECTORAL REGISTRATION OFFICER

Electoral Registration

As the Convener has indicated, the year is not one when the electoral system functioned with distinction and while the difficulties at the polls did not result from any failure in the registration process for which I am responsible, there is a shared sense of disappointment in the electoral community that the problems of May 2007 arose and a determination that there should be no recurrence.

I have therefore been playing my part with colleague EROs in responding to the various enquiries that are seeking to diagnose the source of the difficulties and effect remedies. Proposals to separate elections and ballot papers are likely to eliminate the largest risks, but there are more subtle issues that require attention and some, such as the timing of the last date for registration applications, if altered, will affect my work. The proposal to have no legislative change in a period prior to elections is one that I particularly welcome as in recent years the late conclusion of legislative changes has given rise to considerable pressures.

In the course of the year, we concluded the ingathering of the postal voting identifiers. The next step in that process will be to liaise with the Returning Officer to ensure that the systems required to carry out the comparison check are installed, tested and available for the first election where they will require to be used. This may well be the European Parliamentary Election in June 2009, however the systems will require to be in place by the Autumn of 2008 as by-elections can arise at any time for a range of reasons.

One positive feature is the coming into effect of the new provisions requiring greater doorstep canvassing where the annual postal return is not received. While the legislation and funding arrived relatively late to allow complete coverage, the efforts made in the September to December 2007 canvass period were very encouraging and it is hoped to use the experience gained to improve further the completeness and accuracy of the register in the year ahead.

On the regulatory front, the Electoral Commission carried out consultation work on the introduction of a performance regime for electoral officials. The new regime seems likely to come into effect in 2008/09. This form of scrutiny is new and represents a challenge to established ways of working. It seeks to bring about nationwide improvement in electoral practice, an aim worthy of committed support.

Council Tax

In the face of a Scottish Government policy of replacing the council tax with a local income tax, the job of the department is to continue to administer the existing regime in as efficient manner as possible and to engage constructively with the change process as required in the interests of good public administration.

It seems likely that the changes will take at least two or three years to reach introduction and given the likelihood of some form of second homes element to the scheme and the need to run down the existing system in an orderly manner, the department is likely to remain involved for some time to come. The council tax function is largely stable at present. It remains to be seen whether the difficulties in the financial markets will result in a substantial and prolonged slowing of new house construction which has been at a high level in recent years and whether

the number of sales in the market will reduce substantially which will affect the volume of re-banding on sale work.

Valuation for Rating

In the course of the year rating revaluation appeal clearance made good progress with a change of emphasis from the 'bulk classes' such as shops, office and warehouses, to more specialised properties with larger valuations. The levels of litigation have not been excessive by historical comparison with only a few cases being heard by the Valuation Appeal Panel. Appeal resolution works to a strict timetable with revaluation cases requiring to be cleared before the end of 2008 unless they are to be heard by the Lands Tribunal for Scotland.

Maintenance of the roll to reflect new and altered properties continued to attract significant effort reflecting the buoyant state of the development pipeline. Whether the level of activity will remain at the high level of recent years is an open question.

The main focus of activity will now shift from appeal clearance to the preparations for the 2010 revaluation. Systems work has been progressing stage by stage to provide tools that will reduce the need for manual calculation and the Scottish Assessors Association web portal is being developed further to allow on-line receipt of and access to information. The issue of questionnaires is about to commence where details require to be ingathered from occupiers and landlords.

The intention is to make the new rateable values available to the public in the autumn of 2009 in advance of 1st April 2010 when they come into effect. Meeting that target poses a considerable challenge.

Addressing

The development of the local corporate address gazetteers has continued in the course of the year. This initiative has been given fresh impetus following a Ministerial direction as to the way in which addresses are to be held on the register of electors. This seems likely to mean that the register will require to be recast in the rural areas no later than December 2009. This painstaking work will require resources during an already busy period.

Staffing

I thank my staff for their effort, commitment and support throughout the year across all of our activities and particularly those who took the lead in producing electoral registers that stood the test of a difficult election.

The department is entered upon a period of change arising from the demographics of the workforce where a number of retirements have taken place or are anticipated. I am grateful for the fine service of departing colleagues and wish them well in their retirement but recognise too the challenge in replacing their experience and local knowledge in our highly specialised work.

I am grateful to Councillor Carmichael, the Convener of the Board, and to her Members for their support in their first year and look forward to working with them for the full extent of their term.

Douglas J. Gillespie
Assessor & Electoral Registration Officer

BACKGROUND INFORMATION

THE BOARD

The Highland and Western Isles Valuation Joint Board took operational legal effect on 1 April 1996 when the most recent reorganisation of local government was implemented. Prior to this similar duties were carried out by a Joint Valuation Committee.

The Board has full administrative oversight of the department but does not have operational responsibility for the determination of valuations, bands or electoral registration. These operational matters are for the Assessor and Electoral Registration Officer to decide subject to the independent appeal procedures which exist for each area of activity.

The Board normally meets four times a year with its budget meeting taking place in January.

The Clerk to the Board in 2007/2008: Roslyn Pieroni, Head of Committee and Members' Services, The Highland Council.

MEMBERS OF THE BOARD ELECTED FOLLOWING THE MAY 2007 ELECTIONS

Highland Council

Mrs H. Carmichael – Convener
J McGillivray
Ms M Smith
P Cairns
Miss J Campbell
J Gray
L Fraser
S Black

Comhairle nan Eilean Siar

M. MacLeod – Vice-Convener
K Murray

SUBSTITUTES

Mrs A Sinclair
Mrs J Urquhart
A Torrance
A Graham
N Donald
J Finnie
F Parr
G Marsden

G MacLeod
D I Nicholson

THE ASSESSOR

The Assessor is a statutory official appointed by the Valuation Joint Board who is directly responsible for carrying out valuations for council tax and rating purposes and related matters. The present Assessor is Mr Douglas J. Gillespie. The law requires that the Assessor be a corporate Member of the Royal Institution of Chartered Surveyors.

THE ELECTORAL REGISTRATION OFFICER (ERO)

The ERO is an official appointed by the Highland Council and Comhairle nan Eilean Siar who is directly responsible for compiling the register of electors and related matters. The present ERO is Mr Douglas J. Gillespie

THE DEPARTMENT'S FUNCTIONS

RATING

Valuation Roll

Valuations are compiled at rating revaluations, the last one taking effect on 1 April 2005. The valuation roll contains what may loosely be referred to as “non-domestic” properties. It is more technically correct to say that it lists all property other than “dwellings” (which appear in the council tax list) and properties which are not exempt from inclusion in the roll.

Apart from the address of the property, the valuation roll contains details of the proprietor, tenant and occupier of the subject together with its net annual value and rateable value.

The valuation roll may be inspected at the Assessor’s Offices, Finance Authorities, National Library, Council Service Points and the Scottish Record Office.

Definition of Value

Net annual value is the rent at which the property might reasonably be expected to let on a year to year basis on the assumption that the tenant is responsible for repairs and insurance and any other expenses necessary to maintain the property in a state to command the rent.

The rateable value of the property, in most cases, is the same as the net annual value, however in a few cases the legislature provides for relief to be given by requiring a reduction from net annual value to reach rateable value.

Calculation of the Rates Bill

The rates bill which is actually paid is calculated by multiplying the rateable value which appears in the valuation roll by the relevant rate poundage for the property. The rate poundage is determined annually by the Scottish Government. This basic calculation may require further adjustment to take account of transitional relief and other reliefs which apply to particular properties. The Assessor is responsible for determining the net annual value and

rateable value only. The levying of rates and their recovery is the responsibility of the Revenues Sections of the two constituent Councils.

Changes to Value

The values determined for the purposes of the 2005 Rating Revaluation were based on the physical circumstances as at 1 January 2005 and the levels of value applicable as at 1 April 2003. Once a roll is in force, the Assessor has a duty to maintain the roll to take account of material changes of circumstances affecting value which includes adjustments necessitated by extensions or demolitions or other changes which may affect the value of the property. The level of value remains that relevant to 1 April 2003 for the (normally five year) currency of the roll. The Assessor also has a duty to correct any errors (as defined) which come to light.

Appeals

The Valuation Acts provide for a right of appeal to the Valuation Appeal Panel, with further rights of appeal to the Lands Tribunal for Scotland and the Lands Valuation Appeal Court, which is a division of the Court of Session.

COUNCIL TAX

The Assessor is required to ascribe all dwellings to one of eight value bands. The Assessor is not obliged to carry out an individual valuation if he is satisfied that the property clearly falls into a particular band. The bands are as set out below:

	Band
Up to £27,000	A
Over £27,000 and up to £35,000	B
Over £35,000 and up to £45,000	C
Over £45,000 and up to £58,000	D
Over £58,000 and up to £80,000	E
Over £80,000 and up to £106,000	F
Over £106,000 and up to £212,000	G
Over £212,000	H

Definition of Value

In broad terms, the value of a property for council tax purposes is the price that it might reasonably be expected to sell for in the open market on 1 April 1991 on the assumption that it was in a reasonable state of repair. Certain additional assumptions apply in the case of agriculture, crofting, fish farming and forestry related dwellings.

Calculation of the Bill

The Assessor is responsible only for the determination of which band applies to a property. The amount of the council tax bill to be paid is set by the local authority who require to determine each year the amount that will be payable for a Band D equivalent property. The related amounts payable by properties in the other bands are set out in statute. The Revenues Section of the local Council also applies in the billing any reliefs which are required in respect of persons living alone, benefit recipients etc.

Changes to Banding

Once they are established there are only limited circumstances in which the Assessor can change the banding of a property. He may do so if there is an error. He may also do so if a property has been reduced in value by virtue of a demolition. He may change the band where the property has increased in value following alteration, sufficient to carry it into a different valuation band, but only if the property has been sold after the alteration was carried out. Notices are sent intimating any change which explain the position in greater detail.

Appeals

There is a right of appeal against council tax banding to the Valuation Appeal Panel and a further right of appeal, on a point of law only, to the Court of Session.

ELECTORAL REGISTRATION

The Electoral Register

The canvass for the electoral register takes place between 1 September and 1 December each year. A new register is published on 1 December.

Anyone entitled but not registered or anyone who has changed address during the course of the year can apply to register at their current address at any time. The date at which they will be added to the register depends on the point in the month at which they apply. Normally it will take between two and six weeks. Special rules apply during the canvass period.

The Right to Vote

A person is entitled to vote as an elector if on the date of the poll he or she –

- is registered in the relevant register of electors for that constituency;
- is not subject to any legal incapacity to vote (age apart);
- is either a Commonwealth citizen or a citizen of the Republic of Ireland;
- or is a European Union citizen (local government and European parliamentary elections only); and
- is of voting age (that is, 18 years or over).

A person is not entitled to vote as an elector –

- more than once in the same constituency at any election; or
- in more than one constituency.

Persons under the Age of 18

While no-one can vote until they are eighteen, names can be added to the register showing their date of birth up to a maximum of two years before they achieve voting age, depending on the time of application.

Absent Votes

Electors have a right to vote by post which can be exercised by completing the relevant form which includes provision of a specimen signature and date of birth in order that security checks can be carried out at election times. No reason need be given nor is it necessary to wait until an election is called to make an application.

Voters may also arrange to vote by proxy whereby another person is authorised to vote on their behalf. Proxy votes are available to electors who cannot reasonably be expected to vote at the polling station allotted to them because of

- the nature of their employment
- their attendance on a course of education
- their physical incapacity
- the necessity of a journey by air or sea to get to the polling station.

Appeals

An elector's first line of appeal against a determination is at a hearing held by the ERO. If the appellant remains dissatisfied, there is a right of appeal to the Sheriff. Further appeal rights exist to the Registration Court, a Division of the Court of Session.

PERFORMANCE REPORT

The overall aim of the Department is:

“To discharge fully the Office of Assessor and Electoral Registration Officer in a manner that is exemplary”

This broad aim requires to be rendered more specific and to this end The Scottish Executive, in consultation with the Accounts Commission, established the following key performance indicators for use by Assessors in connection with the ‘best value’ regime.

KEY PERFORMANCE INDICATORS – 2007/2008

VALUATION ROLL	2007/2008	2006/2007	2005/2006
Total number of entries	18,425	18,465	18,277
Total Rateable Value	£241.8m	£237.8m	£233.0m
No of Amendments Effected	1674	1,719	2,206
Amendments within time periods (%)			
0-3 months	49	46	54
3-6 months	22	26	23
Over 6 months	29	28	23
Adjustment from Appeal Settlement (%)	n/a	n/a	0.1
<u>COUNCIL TAX</u>			
Total No of Entries	125,904	124,143	122,422
Adjustment to Band D Equivalent	117,915	115,967	113,888
New Entries Added	2,490	2,292	2,191
New entries within time periods (%)			
0-3 months	79	80	81
3-6 months	16	15	14
Over 6 months	5	5	5
<u>GENERAL</u>			
Costs of All Permanent Staff	£1.65m	£1.60m	£1.57m
Number of FTE staff as at 1 April each year	55.0	55.0	56.0

COMMENTARY ON PERFORMANCE REPORT

The foregoing statistics require some explanation and interpretation.

Valuation Roll

The figures show a modest improvement in time related performance as against a slight reduction in volume suggesting a broadly stable position. Given that appeal clearance work in the course of the year ran at a high level the overall position appears satisfactory.

Council Tax

A marginal reduction in time related performance requires to be set against an 8% increase in volume with unaltered resources. As the technical staff was stretched by rating appeal work this is seen as a reasonable performance. While there appears to be some prospect of a reduction in volumes in the year ahead as for rating maintenance work, any resources released are likely to be needed for rating revaluation and may not translate into time related improvement.

Electoral Registration

The Electoral Commission regime will come into effect in the year ahead and will be reported in future annual reports. In the year in question, due to the new duty to take 'necessary steps', the increase in doorstep canvassing resulted in an increase in the level of return from households. The election work in the course of the year posed particular strains on resources. All deadlines were met and looking to all reports received, the registers appear to have been robust documents.

General

The number of full-time equivalent staff remained essentially static. Staff costs constitute around 70% of the department's budget.

Across the course of the year, the performance of the department is viewed as satisfactory. The cyclical nature of the department's work means that straightforward year on year comparison is unlikely to provide a truly accurate picture. However, taking account in the shifts in the character of the work over time, the position revealed is believed to be sound.

Douglas J Gillespie
Assessor & Electoral Registration Officer

EQUALITIES REPORT

There is an obligation for periodic reports to be produced in relation to the Department's Gender, Disabilities and Race Equalities Schemes. This arises at a time when the oversight of legal obligations is undergoing structural change in that these matters are being brought under the single responsibility of the Commission for Equalities and Human Rights.

It is the intention over the coming year to draw together all such policies under a single 'Equalities' banner and to unite the approach taken where at all possible to leverage efforts. This will be done by tapping into the efforts of the Highland Council and the Comhairle Nan Eilean Siar on their own account and in connection with their diverse partnerships as well as by looking to unify the Department's own work.

That this is an appropriate approach can be seen from the fact that the research most pertinent to the Department, namely that carried out in the electoral registration field, shows that there is a correlation between gender, race and disabilities issues and the incidence of participation.

While that work remains to be commenced, the immediate purpose of this report is to incorporate into the annual report an update on the work undertaken in the past year.

Disability Equalities

In terms of the action plan for the past year, the audit of our premises has revealed a need to provide a wheelchair user emergency stair escape device for Moray House. The new Dingwall offices were designed to have wheelchair friendly access and otherwise to meet current regulations. The Department's web site, given that it is embedded in the Highland Council site, now meets the higher standards required today as to accessibility and the Scottish Assessors' Portal has similarly been upgraded.

While many of the Department's forms are readily usable the conclusion has been reached that there is room for improvement. This is the result of self audit. The intention is to train in the relevant design principles and then revise all forms in an effort to improve their ease of use. The essential conundrum is to reconcile the twin needs for clarity and appropriate brevity with the need fully to explain the business in question often in a manner required by statute. This work will be carried forward in the period ahead.

In the field of employment policies, the intention is to review these in the same timescales as the Highland Council as the lead authority in order to avoid duplication of effort. So far as staff training is concerned, the Depute Assessor has attended a course designed to introduce Equalities matters in a united form, a precursor to training of all staff over time.

More generally, liaison with the Electoral Commission, The Returning Officer, the Highland Council's Equalities Officer and other ad hoc contacts has served to keep the Department abreast of developments in the field.

Race Equalities

It should be noted that the Department's policy is due for review and this will be by incorporation into the policy amalgamation referred to above.

The aim of the current policy is to eliminate unlawful racial discrimination and to promote equality of opportunity and good relations between persons of different racial groups. This arises in the context of a region in which the black and minorities groups form a very small proportion of the population.

While it is not considered that the Department is discriminatory in its employment practices, the composition of the staff is again entirely white and British following the return of the only member of staff from a minority group to her home town in the South. It is equally true to state that staff turnover tends to be low and change in the employee profile of the Department would be expected to lag changes in the population composition. The specialised functions carried out by the Department may also have a bearing.

There is no barrier to recruitment of non-white/British staff and interviews have been granted to black and minorities candidates who met the minimum requirements for the posts in question.

So far as staff training is concerned the Depute Assessor has attended a course designed to introduce Equalities matters in a united form, a precursor to training of all staff over time.

Electoral Commission research shows that race is clearly a relevant factor in explaining some lack of participation and engagement in the democratic process and the Department has formed the view that across the Equalities agenda electoral registration is the main area where we have the ability to make a difference. In pursuit of this aim the Department recently participated in a seminar held by CEMVO which is a minorities umbrella organisation. One of CEMVO's projects is work for the Electoral Commission seeking to assist minorities groups at local level to promote their members' interests and to foster engagement in the political process. A number of promising contacts were made and are being pursued.

The main development has therefore been the establishment of contact in a viable fashion that directly relates to the Department's functions. This will be followed up directly and also via the Highland Council/Wellbeing Alliance channels.

Gender Equalities

The recently approved policy in this area identified that the only clear concern in the gender balance of the Department was the entirely female character of the clerical and administrative staff. That position has not altered nor has any proper means been identified that might reasonably be expected to change that situation.

The Department continues to take a positive approach to requests for flexible forms of working in support of diverse needs on the basis both of legal obligation and the fact that skilled and experienced members of staff are difficult to source and replace and that flexible working assists retention.

While the Depute Assessor has received pertinent training there is a need to devise an overall training for all staff across the Equalities agenda and in view of the slippage this is seen as a matter that should now be carried out on an integrated basis. Highland Council courses are the likeliest vehicle.

A key gender issue is pay and it is hoped that the year ahead will see job evaluation advanced on the basis that this is a method, beyond mere impression, that will identify whether any inequality of grading has inadvertently been established over the years.

The Department's complaints form has been altered specifically to identify concerns as to discrimination of any type.

While female participation in the electoral process is no less than for males, it is clear that in some minorities the position is less favourable. Generally the creation of a combined approach to equalities issues should serve to cross reference these issues and permit a more efficient approach to remedying any problem areas that come to light.

Douglas J. Gillespie
Assessor & Electoral Registration Officer