

The Highland & Western Isles

VALUATION JOINT BOARD

**ANNUAL
REPORT
2002/2003**

CONTENTS

	Page
Introduction by the Convener	1
Commentary by the Assessor and Electoral Registration Officer	2
Background Information	3 – 7
Performance Report	8 – 10
Statement of Audited Accounts	

INTRODUCTION

Two years ago I introduced a new form of annual report with the aim that the Board should place on public record a clear statement of the nature of its work together with a record of expenditure and performance.

In this the last year of the Board which took office in 1999, I am pleased to be able to point to continued performance improvement and include the key indicators for the previous two financial years to provide context and comparison.

This has been a busy year for the staff, as the following commentary by the Assessor and Electoral Registration Officer demonstrates, making the performance improvements all the more satisfactory.

I commend this report to you as a further opportunity to demonstrate the efficient and effective use of public funds.

J H Green
Convener
Highland and Western Isles Valuation Joint Board

COMMENTARY BY THE ASSESSOR AND ELECTORAL REGISTRATION OFFICER

As the Convener has indicated, this was another busy year for the Department.

In the core Rating and Council Tax functions staff improved our performance on routine maintenance work while appeal clearance advanced significantly. At the same time early preparation work began for the 2005 Revaluation.

Electoral Registration legislation required amendments to ensure compliance with Data Protection and Human Rights legislation and the resultant computer changes and staff training requirements were addressed. An Electoral Register was produced, together with colleagues in Grampian and Tayside Valuation Joint Boards, for the first Cairngorm National Park election. The all-postal ballot brought new challenges but all timetables were met and the election passed without difficulty.

“Rolling registration” accounted for an average of some 600 changes per month to the Electoral Register. In addition, new legislation required that electors who had failed to respond to annual canvass requests for information be deleted from the Register. Following a further attempt to elicit information, the necessary deletions were effected in July 2002 although many electors subsequently renewed their registration.

All staff have now completed the European Computer Driving Licence course which is seen as a key qualification ensuring that all have the ability to make full use of desktop systems. Departmental computer systems continue to evolve and specialist training is conducted to meet individual and group needs.

Progress has been achieved in addressing the challenges of the Best Value agenda. Most notably bulk printing costs were reduced considerably following a tendering exercise conducted amongst printing bureaux.

As described later key performance indicators show encouraging results with year-on-year improvements and my staff are to be complimented for their efforts in achieving this outcome.

By way of caution, it has to be pointed out that next year’s results will undoubtedly be affected by a build up of activity connected with the 2005 the Revaluation but I am confident that the trend over the longer period will show positive progress being made.

Douglas J Gillespie
Assessor & Electoral Registration Officer
Highland and Western Isles Valuation Joint Board

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 2002/2003: Roslyn Pieroni, Head of Committee and Members' Services, The Highland Council.

MEMBERS OF THE BOARD

The membership of the Board (and their substitutes) in 2002/03 is set out below.

Highland Council

J H Green – Convener
Mrs A L Magee
A M M Beaton
D W Briggs
J W A Thomson
J N Matheson
A Gordon
N M Clark

Comhairle nan Eilean Siar

D I Nicholson – Vice Convener
I M MacLeod

SUBSTITUTES

A I MacDonald
D Allan
G S Moncrieff
A Rhind
J C Cole
D Fraser
Mrs S Slimon
A McFarlane Slack

G Lonie
D J MacSween

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)

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 2000. 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 Executive. 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 2000 Rating Revaluation were based on the physical circumstances as at 1 January 2000 and the levels of value applicable as at 1 April 1998. 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 1998 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. 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 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 – 2002/2003

VALUATION ROLL	2002/2003	2001/2002	2000/2001
Total number of entries	18,616	18,512	18,227
Total Rateable Value	£189.6m	£189.5m	£184.4m
No of Amendments Effected	1,608	1,500	1,839
Amendments within time periods (%)			
0-3 months	64.4	60.1	55.8
3-6 months	19.2	17.5	20.9
Over 6 months	16.4	22.4	23.3
Adjustment from Appeal Settlement (%)	1.9	0.8	0.1
<u>COUNCIL TAX</u>			
Total No of Entries	118,652	116,132	115,170
Adjustment to Band D Equivalent	109,293	105,682	104,980
New Entries Added	1,891	1,612	1,731
New entries within time periods (%)			
0-3 months	87.5	84.6	83.2
3-6 months	7.6	11.2	10.9
Over 6 months	4.9	4.2	6
<u>GENERAL</u>			
Costs of All Permanent Staff	£1.32m	£1.29m	£1.27m
Number of FTE staff as at 1 April each year	56.5	53	59.5

COMMENTARY ON PERFORMANCE REPORT

The foregoing statistics require some explanation and interpretation.

Valuation Roll

The figures continue to show improvement on those for previous financial years. There is, however, a recognition that it will be difficult to sustain the current levels of performance given the commitment required to preparation for the 2005 Revaluation. Best use of limited staff resources will be maintained.

The adjustment from Appeal Settlement figures are misleading on a year-by-year basis given the five year cycle of events in the rating timetable. The design of this particular indicator is the subject of discussion. Nevertheless, the underlying position shows improvement on performance as against the 1995 Revaluation at the same point.

Council Tax

This performance improvement is particularly notable given the increased volume of new entries to the Council Tax List in 2002/2003.

Electoral Registration

No key performance indicator is established at present. However, the Electoral Commission seems likely to establish a regime in the near future.

General

The model by which staff costs are calculated continues to be the subject of discussion in the Scottish Assessors' Association given that some Departments use directly employed staff for certain functions, for example information technology, while others employ outside contractors. That said, average staff costs compare favourably with other Assessors' Departments.

The number of full-time equivalent staff is potentially misleading when viewed in the short-term. The figures are snap shots as at 1 April in each year and the low figure of 53 staff for 2001/2002 reflects the facts that there were vacancies to be filled at that time.

Benchmarking indicates that sickness levels in the Department are not excessive in comparison with the Highland Council. In 2000/2001 the loss of time expressed as a percentage of total staff time was 4.36%; in 2001/2002 this figure was 2.95%; while in 2002/2003 the figure was 4.19%. In both 2000/2001 and 2002/2003 the statistics were affected by long-term illness which, in a small organisation, may cause significant fluctuation from year to year.

The improvement in key performance indicators was achieved in a year when significant staff resource was devoted to preparation of work in connection with the National Land and Property Gazetteer & Corporate Address Database where the Department is co-operating with the Highland Council and the Comhairle nan Eilean Siar. In addition, development of computer systems to assist with the 2005 Rating Revaluation absorbed significant amounts of

staff time. Against that background, the improvement in the key indicators is particularly noteworthy.

The improvements in performance in recent years are encouraging but as year to year variation is to be expected, they require to be viewed over a longer period before it can be claimed that true underlying improvement has become established.

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