

# The Highland & Western Isles

---

VALUATION JOINT BOARD

---

# **ANNUAL REPORT 2013/2014**

**OCTOBER 2014**

## CONTENTS

Part 1	Page
Introduction by the Convener	1
Commentary by the Assessor and Electoral Registration Officer	2 – 4
Background Information	5 - 9
Performance Report	10 - 12
Part 2	
Audited Statement of Accounts	

## INTRODUCTION

This report relates to the second year of operation of the Board that was elected in May 2012 and will continue until the next local government election in 2017.

The general aim of the report is to summarise the functions 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 electoral year has seen two major activities in addition to what might be considered to be business as usual. This involved preparation for both the introduction of Individual Electoral Registration (IER) and the Scottish Independence Referendum. In addition to detailed planning, practical preparations for IER included testing the processes of data matching with the Department of Work and Pensions database and carrying out the last electoral canvass before the introduction of IER in September 2014. This canvass also involved the process of obtaining the names of young persons who would have achieved the age of 16 or 17 by the time of the referendum and would be eligible to vote. These activities have added significantly to the workload of the department and this shall continue in the following year.

On the rating valuation front, the resolution of revaluation 2010 appeals has largely been concluded. All appeals were disposed of within the statutory timescale and there remain only a relatively small number of appeals that have been referred to the Lands Tribunal for Scotland. These appeals shall be listed for hearing by the Tribunal in the months ahead. More than double the number of appeals have been resolved as against the same period for the 2005 revaluation, with over 2400 having been listed in the second half of the year. This is a significant achievement given the difficulties that have been experienced in the property market over the revaluation period.

The Scottish Government has decided to postpone the next rating revaluation from 2015 until 2017. This means that there will be less overlap with the very heavy electoral activity in 2014, however there will still be overlap with major electoral events in the form of the Westminster General election in 2015 and the Scottish Parliament election in 2016.

Council tax work continues to provide a steady workload of new and altered properties that requires timely attention. Time related performance has fallen only slightly against a broadly similar total volume. In the period ahead it seems likely that the technical staff dealing with this work will have an increased involvement in electoral matters as efforts are enhanced to ensure maximum levels of registration over a period involving major polls and administrative change.

The Assessor and Electoral Registration Officer, Douglas Gillespie, retired during the year following 17 years in the post and was replaced in November by the appointment of William Gillies, who had previously held the post of Depute Assessor and ERO. Overall we have been able to achieve a modest underspend against the provisions that were made, albeit there was some fluctuation in certain budget heads. It remains that public expenditure is severely constrained and while it will be necessary to fund the increases in costs that will arise from the new electoral registration regime, every effort will continue to be made to contain expenditure.

I commend this report to you and trust that it provides a helpful guide to the work of the Board.

Helen Carmichael  
Convener, Highland and Western Isles Valuation Joint Board

## **COMMENTARY BY THE ASSESSOR AND ELECTORAL REGISTRATION OFFICER**

This is the first annual report that I have written since my appointment in November of last year, which followed the retiral of Douglas Gillespie who had served as Assessor and ERO for the previous 17 years.

### Electoral Registration

As has been reported by the Convener, the electoral year has been characterised by continued planning for both the introduction of Individual Electoral Registration (IER) and preparation for the Scottish Independence Referendum (SIR) and the European Election.

The annual electoral canvass held in the autumn was the last to take place before all of these events and it was therefore helpful that the return rate was slightly better than in previous years.

The referendum is not the first to be held in recent years but it is the first to involve the enfranchisement of 16 year old voters, giving rise to the need to create a “young persons’ register”. This was carried out as part of the annual canvass, supported by information from other sources. Computer systems were adapted to allow for a register of young voters in terms of the legislation.

There were two local government by-elections held in November and December and both of these events were concluded successfully from the perspective of electoral registration.

Individual Electoral Registration is the most significant change to registration procedures in a century and marks a movement away from household to individual registration, the creation of opportunity for on-line registration, as well as the establishment of greatly enhanced checking arrangements to ensure that electoral fraud is prevented. All of this requires a change to existing procedure with the need to re-cast computer systems, administrative regimes and established ways of thinking. A thorough retraining of all staff will be required. Work on this aspect started in March when a number of staff attended national training events led by the Cabinet Office.

Part of the process of IER involves verifying the information held by the Electoral Registration Officer against that held by the Department of Work and Pensions (DWP). This task has required a thorough assessment of computer security together with testing the secure means of transferring data to the DWP.

Across the UK the traditional autumn canvass was deferred until October through to March in order to improve the currency of the registers in the run up to the introduction of IER. The ‘transition’ to IER in Scotland has been delayed until after the Scottish Referendum on 18 September. However this does not obviate the need to carry out all of the preparatory work in advance. It is no exaggeration to suggest that on the electoral front 2014 will be the busiest in memory.

Additional funding has been allocated by the Cabinet Office for the introduction of the new system. In the longer term it seems likely that with IER established the annual duties placed on the ERO will be more onerous and costly than hitherto. This would seem necessary if the level of security associated with registration is to be improved while maintaining or improving levels of registration and completeness.

### Valuation for Rating

Following the leading cases that confirmed that the approach taken by Assessors to the 2010 revaluation was correct, given the circumstances in the property market at the time, resolution of all outstanding cases has continued at pace. The statutory timetable required that all revaluation 2010 appeals were disposed of by the Valuation Appeal Committee by 31 December 2013 and that was achieved timeously. There only remain a small number of appeals that await listing by the Lands Tribunal for Scotland. In broad terms the number of appeals dealt with to this point in the 2010 cycle is more than double that of 2005.

It was a concern that the peaks of electoral activity and rating appeal clearance and revaluation preparation would pose a critically high workload in 2014. The decision of the Scottish Government to defer the revaluation until 2017 and not to extend the deadline for the disposal of revaluation appeals was therefore welcome.

These decisions allowed a reduction in the overall rating workload in 2014 when every available resource was required to be turned to the considerable demands of electoral registration.

2015 shall be the start of a very busy period in valuation for rating as work commences on the 2017 revaluation.

### Council Tax

The maintenance of the council tax list is a broadly stable workload and continues in an orderly fashion. Given the established character of the regime and the freeze on the levels of tax ingathered there has been relatively little controversy in recent years however periodic appeal hearings are held to consider the small number of appeals that cannot be resolved by discussion with the taxpayer.

### Information Technology

The department's valuation system continues to cope with the demands upon it and has been the subject of some further improvement to allow an increasing proportion of essential records to be held electronically and a greater proportion of valuation calculations to be held on the main system. Further development is being instigated to allow greater scope for electronic transfer of information between the Assessor and the planning services of the constituent councils.

The electoral registration system is provided by one of the three major suppliers of registration and other electoral software in the UK. It is used by more than a hundred other authorities. The Cabinet Office has been arranging for the necessary changes to the software to handle IER. They are also responsible for procuring the on-line registration software as well as the upload and download facilities needed to check the EROs' registers against the Department of Work and Pensions database en-mass and on a day to day basis for individual changes across the year.

The success of IER will in large measure depend upon the ability of these system changes properly to meet the needs of EROs in the face of a more complex regime applying across increased volumes of transactions.

We continue to co-operate with other Assessors in the maintenance of the SAA Portal which has become a central feature of the access to information for ratepayers and their agents. Efforts will continue to be made to improve the coverage of the portal, with the main focus now being the 2017 revaluation; however, in the current economic climate, resources may restrict the scope for such work.

### Staffing

I have to thank all of my staff for having delivered a successful year at a time of very significant change together with very demanding workloads. While it may be thought from the content of this report that the burden of additional work and change will have fallen on administrative and clerical staff dealing with electoral registration, it must be acknowledged that there has also been a very high level of appeal disposal that has required significant valuation resources. It is also the case that these divisions cannot be rigorously applied as the two functions are each dependent on the other to a large degree. Team working and co-operation is essential. I am fortunate in having a team of conscientious, experienced staff and must thank them for all of their efforts over the last year.

I am also grateful to Councillor Carmichael, the Convener of the Board, and to her Members for their advice and support throughout the year.

William J. Gillies  
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 these 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 2013/2014: Michelle Morris, Depute Chief Executive, The Highland Council.

### **MEMBERS OF THE BOARD AS AT 31 MARCH 2014**

#### **Highland Council**

Councillor H. Carmichael – Convener  
Councillor D. Bremner  
Councillor I. Cockburn  
Councillor J. Ford  
Councillor L. Fraser  
Councillor M. Paterson  
Councillor A. Graham  
Councillor A. Duffy

#### **Comhairle nan Eilean Siar**

Councillor J. Mackay – Vice-Convener  
Councillor A. Macleod

#### **SUBSTITUTES**

Councillor C. Caddick  
Councillor J. Campbell  
Councillor A. Mackinnon  
Councillor D. Fallows  
Councillor N. Donald  
Councillor J. Gordon  
Councillor J. Gray  
Councillor C. Fraser

Councillor R. Mackinnon  
Councillor G. Murray

## **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 William J. Gillies. 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 William J. Gillies.

## **THE DEPARTMENT'S FUNCTIONS**

### **RATING**

#### **Valuation Roll**

Valuations are compiled at rating revaluations, the most recent one taking effect on 1 April 2010. 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 and at the National Library. It is also available on the Scottish Assessors Portal – [saa.gov.uk](http://saa.gov.uk).

#### **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 any 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 2010 Rating Revaluation were based on the physical circumstances as at 1 January 2010 and the levels of value applicable as at 1 April 2008. 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 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:

	<b>Band</b>
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 normally takes place between 1 September and 1 December each year. A new register is published on 1 December. In 2013/14 this has been changed to October to March with a new register published on 10 March.

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.

For the purposes of the Scottish Referendum to be held on 18 September 2014, persons who were sixteen on the day of the poll were entitled to vote in the referendum.

### 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 – 2013/2014**

<b>VALUATION ROLL</b>	<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>
Total number of entries	19,564	19,582	19,378
Total Rateable Value	£329.63m	£329.01m	£324.76m
No of Amendments Effected	1,682	1,593	1,640
Amendments within time periods (%)			
0-3 months	59	62	59
3-6 months	18	16	16
Over 6 months	24	22	24
Adjustment from Appeal Settlement (%)	n/a	n/a	n/a
<b><u>COUNCIL TAX</u></b>			
Total No of Entries	136,028	134,524	131,337
Adjustment to Band D Equivalent	127,432	125,596	122,224
New Entries Added	1,535	1,586	1,712
New entries within time periods (%)			
0-3 months	83	84	84
3-6 months	11	12	10
Over 6 months	6	4	6
<b><u>GENERAL</u></b>			
Costs of All Permanent Staff	£1.64m	£1.69m	£1.74m
Number of FTE staff as at 1 April each year	52	52.1	52.3

## **COMMENTARY ON PERFORMANCE REPORT**

The foregoing statistics require some explanation and interpretation.

### **Valuation Roll**

The preponderance of rating work throughout the year was concerned with clearance of revaluation appeals and subsequent appeals on the grounds of material change of circumstances. Overall, the volume was at a level twice that of the preceding revaluation at the same point in the cycle. The programme of disposal established by the Valuation Appeal Panel, allowed for the disposal of outstanding appeals by 31 December 2013 in terms of the statutory timetable, with only a few cases referred to the Lands Tribunal for Scotland and remaining outstanding. Completing this work required a significant resource and it is perhaps not surprising that there has been a slight fall in performance against the measures indicated, albeit that the total number of changes has increased.

### **Council Tax**

Despite the technical staff also having involvement in the clearance of rating appeals, there has been only a minimal fall in time-related performance on council tax maintenance work. The volume of transactions is again slightly lower than in the previous year, although the amount of checking for completion that required to be undertaken was broadly the same, as it involves periodic review of localities.

### **Electoral Registration**

The Electoral Commission performance regime came into effect in 2009. The fifth self-assessment was submitted to the Commission at the end of 2013 and this did not give rise to an inspection visit. This is the last set of performance standards to be compiled on the basis of household registration. The new IER regime will be more prescriptive as to the circumstances in which doorstep visits are carried out and revised standards shall apply in future years to take account of this and other changes.

It is therefore unlikely that these performance measures shall be particularly informative in relation to future standards based on the new regime.

<b>PERFORMANCE STANDARDS FOR ELECTORAL REGISTRATION OFFICERS</b>	<b>OUTCOME</b>
<b>Performance standard 1:</b> Using information sources to verify entries on the register of electors and identify potential new electors	Above the standard
<b>Performance standard 2:</b> Maintaining the property database	Above the standard
<b>Performance standard 3:</b> House-to-house enquiries	Above the standard
<b>Performance standard 4:</b> Maintaining the integrity of registration and absent vote applications	Meeting the standard
<b>Performance standard 5:</b> Supply and security of the register and absent voter lists	Above the standard
<b>Performance standard 6:</b> Public awareness strategy	Meeting the standard
<b>Performance standard 7:</b> Working with partners	Meeting the standard
<b>Performance standard 8:</b> Accessibility and communication of information	Meeting the standard
<b>Performance standard 9:</b> Planning for rolling registration and the annual canvass	Meeting the standard
<b>Performance standard 10:</b> Training	Meeting the standard

### General

The number of full-time equivalent staff is static and remains at its lowest for a quarter of a century. 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 absence of any slack in the organisation made it inevitable that, as rating work reached a peak of appeal clearance, demand for resources reduced the scope for improvement elsewhere. Pressures have also occurred due to the increased workload associated with the introduction of Individual Electoral Registration and other demands in the electoral regime. In this context, the slight fall in time-related performance on the valuation side of the business is understandable.

The programme ahead will continue to mark a reorientation of priority from valuation to electoral activities, with a particularly demanding time through to the UK general election in May 2015. Thereafter, work for the 2017 revaluation will become a more pressing activity.

Against a background of financial constraint the department's budgetary requirements have been contained in recent years. While the establishment of IER will undoubtedly increase costs substantially, the Cabinet Office has awarded a grant to meet the incremental costs of implementing the regime. Whether the funding will truly recoup the increased cost and whether, in the long term, the enhanced cost will be fully funded, remains to be seen.

William J. Gillies  
Assessor & Electoral Registration Officer