

AGENDA ITEM 3

Highland and Western Isles Valuation Joint Board

Minutes of Meeting of the Highland and Western Isles Valuation Joint Board held in Council Headquarters, Glenurquhart Road, Inverness on Wednesday 3 February 2016 at 2.00 p.m.

Present:

Representing The Highland Council:

Mr D Bremner
Mr L Fraser
Mr K Gowans
Mr A Graham
Mr J Ford

Representing Comhairle nan Eilean Siar:

Mr J Mackay

In attendance:

Mr W Gillies, Assessor and Electoral Registration Officer
Ms M Bruce, Senior Audit Manager, Audit Scotland
Ms V Macdonald, Accountant, Treasurer's Office
Mr A MacInnes, Administrative Assistant, Clerk's Office

Mr K Gowans in the Chair

1. Apologies Leisgeulan

Apologies for absence were intimated on behalf of Mrs H Carmichael, Mrs M Paterson, Mr A Duffy and Mr A MacLeod.

2. Declarations of Interest Foillseachaidhean Com-pàirt

There were no declarations of interest.

3. Minutes of Meeting of 26 November 2015 Geàrr-chunntas Coinneamh 26 Samhain 2015

The Minutes of the Board Meeting of 26 November 2015 had been circulated and were **APPROVED**.

4. Revenue Budget Monitoring Statement 2015/16
Aithris Sgrùdaidh Buidseit Teachd-a-Steach 2015/16

There had been circulated Report No VAL/1/16 by the Assessor and Electoral Registration Officer setting out the revenue monitoring position for the period to 31 December 2015 and the projected year end position.

It was reported that net expenditure to date was £1.935m which represented 73% of the annual budget of £2.661m. At this point in the year, the overall outturn was a potential overspend of £0.151m, however this projection was very sensitive to the continuing second phase of the electoral canvass and the eventual outturn of UK government grant applications in respect of Individual Electoral Registration. There was currently a shortfall in the anticipated government grant allocation of over £100k and this represented the major part of the projected overspend. A justification led bid for additional funding was being submitted at the invitation of the Cabinet Office and if this was successful it would help close the gap. It was hoped that an indication of whether this bid was successful, would be known by the end of this financial year.

In relation to the monitoring statement it was advised that for Income, the year end estimated variance should be £104k and not £85k as shown in the statement.

The Board **NOTED** the contents of the report.

5. Revenue Budget 2016/17
Buidseat Teachd-a-Steach 2016/17

There had been circulated Report No VAL/2/16 by the Assessor and Electoral Registration Officer setting out the proposed Revenue Budget for 2016/17.

In relation to the significant budget challenges facing Local Authorities, the Assessor and Electoral Registration Officer (ERO) had been requested to propose a budget which was the absolute minimum that was required to enable the Assessor and Electoral Registration Service to fulfil its statutory obligations.

The budget proposal was for a 7.5% increase in the Revenue Budget for 2016/17 and this was made against a background of a significant increase in pressure on local authority expenditure and at a time when there was a continuing and considerable additional work load in respect of Individual Electoral Registration. In addition, there was a requirement to complete a Non-domestic rating revaluation during 2016/17. The Assessor and ERO fulfilled a fundamental role both in the process of the provision of revenue to the constituent Councils through council tax and non-domestic rates, and in the democratic process through the duty to compile and maintain the Electoral Register.

The report outlined the various pressures placed on the Assessor & ERO in the exercise of each of the statutory duties and considered the projected associated costs under each of the budget heads.

In discussion, the Board did not wish to be in a position of having to ask the constituent authorities for an increase in their requisition given the difficult financial position that they were currently in and it would have been preferable to offer some savings. This situation was regrettable and the Board appreciated the difficulty in asking for an increase, but however it was justified as the funding was required to fulfil

statutory duties. However, given this regrettable situation, it was requested that the Assessor & ERO over the next three financial years should continue to identify savings as opportunities arise. It was advised that there may be scope for savings following a review of Electoral Management Software and Systems and savings on printing and postage costs.

It was noted that the Assessor & ERO would be in contact with the Director of Finance, Comhairle nan Eilean Siar regarding the budget position.

In relation to the European Union Referendum, it was queried where the funding for this work would come from. In response, there was no specific commitment from the Government to fund this as yet and there would require to be future discussions with the Government on this matter. Further, there may be the possibility of additional funding for the Registration of 16/17 year olds for the Scottish Parliamentary Election, but this would also be subject to discussions with the Government.

Thereafter, the Board **AGREED** the Revenue Budget for 2016/17 as detailed in the report and that the Assessor & ERO over the next three financial years would continue to identify savings as opportunities arise.

6. Annual Audit Plan 2015/16 Plana Sgrùdaidh Bliadhna 2015/16

There had been circulated Report No VAL/3/16 by Audit Scotland setting out the 2015/16 Annual Audit Plan for the Highland and Western Isles Valuation Joint Board. The report set out the planned audit work to be carried out in connection with the 2015/16 audit and summarised the key challenges and risks facing the Board.

The Board **NOTED** the contents of the report.

7. Departmental Report Aithisg Roinneil

There had been circulated Report No VAL/4/16 by the Assessor and Electoral Registration Officer which outlined the main business of the office of the Assessor and Electoral Registration Officer since the last meeting of the Board.

It was advised that the main business of the department this period related to Electoral Registration and preparation for the 2017 Revaluation. There had been one sitting of the Valuation Appeal Committee. Further, general maintenance of the Valuation Roll and Council Tax list had continued throughout the period.

In particular, it was noted that Mr Angus MacDonald would retire from his post as a Senior Technical Assistant in the Stornoway office on 5 February after 25 years service. The Board and the Assessor & ERO extended their appreciation to Angus for this sterling service over the years and wished him a long and happy retirement.

It was advised that the Assessor & ERO was working on contingency measures for a European Union Referendum in June, 2016. This would be a significant challenge as the working arrangements for this would overlap with the timing of the Scottish Parliamentary Election in May.

In terms of a potential overspend on the revenue budget for 2015/16 of £151k, it was explained that it would be a decision of the Board to determine if they would fund the deficit from reserves, or make a further requisition on constituent authorities or a mixture of these two options. There was currently insufficient funding available in reserves to cover this level of overspend, and therefore any deficit would require to be funded at least in part by a requisition. It was emphasised that this was the worst case scenario.

The Board **NOTED** the recent activities of the Department as set out in the report.

8. Review of Electoral Management Software and Systems Ath-sgrùdadh de Bhathar-bog agus Shìostaman Taghaidh

There had been circulated Report No. VAL/5/16 by the Assessor and Electoral Registration Officer which considered the performance issues relating to the Boards Electoral Management System and considered options for review.

It was advised that this was an area where there was potential for efficiency savings. It was explained that if the infrastructure was deemed not to be contributing to the performance issues then advice would be sought from procurement advisors regarding further options for appraisal and potential change. In this respect, Members were advised of a change to the report which would now read that "Any such appraisal would include the present software supplier".

It was noted that the Assessor and ERO had been advised by The Highland Council Procurement Services that they lacked the capacity to provide procurement advice to the Board on this issue. Therefore such advice would require to be sourced elsewhere. A view was expressed that it would be questionable if a procurement service could be found out with the Highland Council that was more cost effective.

It was explained that the same software was in use by five other ERO's in Scotland and the preferred option would be to progress this issue along with one other ERO in Scotland of a similar size or larger to Highland and Western Isles.

The Board:-

- i **NOTED** the content of the report; and
- ii **AGREED** to sanction the investigative work outlined in the report.

9. Financial Regulations Riaghailtean Ionmhasail

There had been circulated Report No. VAL/6/16 by the Assessor and Electoral Registration Officer which comprised the Financial Regulations for the Board.

It was advised that amendments to the Financial Regulations had been approved at the last meeting of the Board in order to up date them in accordance with current legislation. However the revised Regulations did not take account of 2014 amended legislation. Therefore, to rectify this, further amendments to the Regulations were now proposed to take account of the Local Government Accounts (Scotland) Regulations 2014. As the Regulations broadly mirrored the Highland Council

Regulations there may be a requirement to further update them, if Highland Council updated their Regulations.

The Board **APPROVED** the Financial Regulations as circulated.

10. Change in Date of Meeting

In order to comply with the requirement contained in the Local Government Accounts (Scotland) Regulations 2014 to present the unaudited accounts to the Board by 31 August, it was proposed that the Board meeting scheduled for 19 May 2016 should be rescheduled for a date to be determined in June, 2016.

The Board **AGREED** that the meeting scheduled on 19 May, 2016 would be rescheduled to a date to be determined in June, 2016.

11. Corporate Governance – Standing Orders and Scheme of Delegation Riaghladh Corporra – Gnàth-riaghailtean agus Sgeama Tiomnaidh

Standing Order 5 of the Board's Standing Orders relating to the Conduct of Meetings provided that the Board will review its Standing Orders at the end of each year. These were accordingly reviewed at the end of 2015, together with the Board's Scheme of Delegation. No changes to the Scheme of Delegation were recommended at this time.

There had been circulated Report No VAL/7/16 by the Clerk setting out a proposed revision to the Board's Standing Orders relating to the Conduct of Meetings.

The Board **APPROVED**, with immediate effect, the amendment to its Standing Orders relating to the Conduct of Meetings as set out at paragraph 2.3 of the report.

The meeting concluded at 3.10 p.m.