

**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 Thursday 2 February 2017 at 10.30 a.m.

**Present:**

**Representing The Highland Council:**

Mrs H Carmichael  
Mr L Fraser  
Mr K Gowans  
Mr A Graham  
Mr F Parr  
Mrs M Paterson

**Representing Comhairle nan Eilean Siar:**

Mr J Mackay  
Mr A MacLeod

**In attendance:**

Mr W Gillies, Assessor and Electoral Registration Officer  
Mr R Shepherd, Assistant Assessor and Electoral Registration Officer  
Ms V Macdonald, Accountant, Treasurer's Office  
Mr L Robertson, Audit Senior Manager, Grant Thornton (External Auditor)  
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 Mr A Mackinnon and Mrs G Sinclair.

**2. Declarations of Interest  
Foillseachaidhean Com-pàirt**

There were no declarations of interest.

**3. Minutes of Meeting of 30 November 2016  
Geàrr-chunntas Coinneamh 30 Samhain 2016**

The Minutes of the Board meeting of 30 November, 2016 had been circulated and were **APPROVED**.

**4. Membership  
Ballrachd**

The Board **NOTED** the following change in Highland Council appointments to the Board:

- Mrs G Sinclair had been appointed as a Substantive Member, replacing Mr A Duffy

**5. Revenue Budget Monitoring Statement 2016/17**  
**Aithris Sgrùdaidh Buidseit Teachd-a-Steach 2016/17**

There was circulated Report No VAL/1/17 by the Assessor and Electoral Registration Officer setting out the revenue monitoring position for the period to 31 December, 2016 and the projected year end position.

It was reported that net expenditure to date represented 63% of the annual budget of £2.861m and at this point in the year, the overall outturn was expected to be an underspend of £0.181m. However, as in previous years, this projection was sensitive to the eventual outturn of the annual electoral canvass. There was further uncertainty due to it being a revaluation year and significant work remained in respect of the introduction of shooting rights and deer forests into the valuation roll and the implications of recent case law relating to the definition of a unit of valuation.

Further, staff costs were expected to be underspent by £104k largely through the management of staff vacancies. It was advised that there were elements of the current staff structure which it would now be appropriate to review in the forthcoming year. Posts which were currently vacant, allowed flexibility to carry out this review with minimum impact on current staff.

It was noted that an underspend of £54k in 2015/16 had been returned to constituent authorities and the Board was on course this year to return significantly more than this amount. Members congratulated the Assessor and Electoral Registration Officer and his staff for their prudent budgeting.

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

**6. Revenue Budget 2017/18**  
**Buidseat Teachd-a-Steach 2017/18**

There was circulated Report No. VAL/2/17 by the Assessor and Electoral Registration Officer setting out the proposed revenue budget for financial year 2017/18.

The budget proposal was made against a continued background of very significant pressures on local authority expenditure and at a time when there was continuing and considerable additional work load in respect of Individual Electoral Registration (IER). There was also a return to the five yearly cycle of non-domestic valuation which would impinge on the ability for technical staff to assist with IER.

The report outlined the various pressures placed on the Assessor & ERO in the exercise of statutory duties and considered the projected associated costs under each of the budget heads. Overall expenditure and the proposed requisition from the constituent authorities was broadly flat in cash terms, and represented a cut in real terms, and was arrived at by savings achieved elsewhere. A balanced budget had been achieved that involved an assumption that a proportion of the continued higher level of expenditure required by IER should be funded by the Cabinet Office and a balancing figure had been included to the extent of the anticipated funding. Overall, the proposed budget made reasonable provision for the Assessor & ERO in the forthcoming year. Any shortfall would require to be met from within existing budget heads or would be referred back to the Board for further consideration.

In discussion the following points were raised:-

- It was noted that there were risks with the proposed budget given the various pressures and uncertainties placed on the Assessor & ERO in the exercise of statutory duties. The Assessor & ERO and his staff had done extremely well to produce a balanced budget, which represented a cut in real terms. Constituent Authorities had acknowledged that there may be a requirement to re-look at any shortfall in budget in the forthcoming year given the uncertainties, e.g. with the reintroduction of shooting rights into the valuation roll.
- In relation to the reintroduction of shooting rights into the valuation roll it was felt that this could be contentious, resulting in legal test cases which could be very costly. It was advised that the work in connection with shootings was continuing and in this respect approximately 6000 enquiry forms for information had been sent out in Highland and Western Isles. The full extent of this additional burden would only be known once the identification and valuation task was completed. The indications given by the Scottish Government were that the Small Business Bonus Scheme would apply to shootings. Therefore a large number of shootings e.g. farms, would fall into this category and they would not pay anything, unless they had business interests elsewhere. Insofar as the large estates were concerned, information was still being obtained and it was too early to say what the impact on them would be.
- It was anticipated that there would be an adverse reaction from council tax payers when the liability for band E,F, G & H properties increased as a consequence of recent changes to legislation. It was advised that the Service had sufficient staff resources to deal with the anticipated increase in enquiry levels.

Thereafter, Members having expressed their appreciation to the Assessor and ERO and his staff for their tremendous effort in producing a balanced budget under challenging financial pressures, the Board **APPROVED** the revenue budget for 2017/18.

## 7. **Annual Audit Plan 2016/17** **Plana Sgrùdaidh Bliadhnail 2016/17**

There was circulated Report No VAL/3/17 by the External Auditor, Grant Thornton setting out the 2016/17 Annual Audit Plan for the Highland and Western Isles Valuation Joint Board. The report set out the planned work to be carried out in connection with the 2016/17 audit and summarised the key challenges and risks facing the Board.

In discussion relating to the audit risk of “the revenue cycle includes fraudulent transactions”, the figure quoted in the Plan of £245k for electoral register revenue in 2015/16 included a Government Grant of £140k for Individual Electoral Registration. It was advised that the budget for this function in 2016/17 was £145k, and therefore it was agreed that this effectively removed the significant risk element and the audit report would be amended accordingly.

Thereafter, the Board:-

- NOTED** the contents of the report; and
- AGREED** that the Audit Plan 2016/17 would be amended to reflect that electoral register revenue was not a significant risk.

## 8. Departmental Report Aithisg Roinneil

There was circulated Report No VAL/4/17 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.

A detailed overview of the main business of the department was provided. The main business since the last meeting had been the finalisation of values for the 2017 Revaluation and the follow up registration process consequent to the 2016 canvass. The main outstanding tasks in relation to the 2017 Revaluation were the valuation of shooting rights and fishings. General maintenance of the Valuation Roll and Council Tax list had continued throughout the period.

It was advised that there were elements of the current staff structure which it would now be appropriate to review in the forthcoming year. In particular there would an analysis of the future resource requirement of the Central Administration section as a result of additional work burdens and this would be reported to the Board.

Further, there were still performance issues with computer systems and network capacity. Options that may offer an improved user experience were being investigated as part of the new ICT contract. As part of this contract there was to be a refresh of desktop computers, so it was anticipated that performance and efficiencies would improve.

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

## 9. 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 2016, together with the Board's Scheme of Delegation. In this regard, it was suggested that no further changes were necessary at this time to Standing Orders and a minor amendment to the Scheme of delegation to reflect the change in title of the Board's Personnel Adviser from Head of People and Performance to Head of People and Transformation.

The Board **AGREED** that there was no requirement for any change to the current Standing Orders Relating to the Conduct of Meetings and an amendment to the Scheme of Delegation to reflect the change in title of the Board's Personnel Adviser from Head of People and Performance to Head of People and Transformation.

## 10. Recess Powers Cumhachdan Fosaidh

Members were advised that the legislation establishing the Board provided that, if re-elected to their respective authorities, the Convener and Depute Convener will each continue in post until the first meeting of their respective authorities following the local government elections, at which meeting each authority will appoint its new Board members.

There would then be a period before the new Board meets on 27 June 2017 and appoints its office bearers when each office will necessarily be vacant.

Should the Convener or Depute Convener be not re-elected to their respective local authority, their office would be deemed vacant from the date of the Election.

The Board **AGREED** that:-

i between the Election and the first meeting of the Board, powers to deal with urgent business requiring Board approval, or consultation with the Convener and/or Depute Convener, be exercised by the Clerk, in consultation with the Assessor and Electoral Registration Officer (or, in his absence, the Assistant Assessor and Electoral Registration Officer), and, where still in post, the Convener and/or Depute Convener, and

ii any use of such recess powers be reported to the first meeting of the new Board following the Elections.

The meeting concluded at 11.35 a.m.