

Highland and Western Isles Valuation Joint Board

Minutes of Meeting of the Highland and Western Isles Valuation Joint Board held in Council Headquarters, Inverness on Thursday 13 September 2018 at 10.30 a.m.

Present:

Representing The Highland Council:

Mrs M Cockburn (Substitute)
Mr J Gray
Mr A MacKinnon
Mr D MacLeod
Mrs P Munro
Mr D MacKay

Representing Comhairle nan Eilean Siar:

Mr J Mackay
Mr A MacLeod

In attendance:

Mr W Gillies, Assessor and Electoral Registration Officer
Mrs M Grigor, Finance Manager, Treasurer's Office
Ms R Rae, Trainee Accountant, Treasurer's Office
Mr J Boyd, External Auditor, Grant Thornton UK (item 10 only)
Mr A MacInnes, Administrative Assistant, Clerk's Office

Mr J Gray in the Chair

Business

1. Apologies Leisgeulan

Apologies for absence were intimated on behalf of Ms K Currie and Mr A Graham.

2. Declarations of Interest Foillseachaidhean Com-pàirt

There were no declarations of interest.

3. Minutes of Meeting of 21 June, 2018 Geàrr-chunntas Coinneamh 21 Ògmhios, 2018

There were circulated Minutes of Meeting of 21 June, 2018, the terms of which were **APPROVED**, subject to the following amendment:-

Item 8 – Departmental Report – 6th paragraph, 2nd sentence should read:- It was advised that the implications would be in respect of the difference in banding and therefore would not be as significant.

4. Matters Arising from the Minutes Gnothaichean Ag Èirigh on Gheàrr-chunntas

Arising from the minutes the following matter was raised:-

Item 14 – Risk Profile Review – It had been reported at the last meeting that a complaint had been lodged with The Highland Council in relation to a power outage and the outcome would be reported back to the Board. It was noted that there had been no response to the complaint as yet.

5. Membership Ballrachd

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

- Mr D Mackay and Mr A Graham have been appointed as a Substantive Members, replacing Mrs M Paterson and Ms M Smith.
- Mr A Sinclair and Mrs C Caddick have been appointed as a Substitute Members, replacing Mr D Mackay and Mrs L MacDonald.

6. Revenue Budget Monitoring Statement 2018/19 Aithris Sgrùdaidh Buidseit Teachd-a-Steach 2018/19

There was circulated Report No VAL/17/18 by the Assessor and Electoral Registration Officer which set out the revenue monitoring position of the Board for the period to 31 August, 2018 and the projected year end position.

It was reported that for the period to 31 August, 2018 net expenditure to date was £1.292m and represented 45% of the annual budget of £2.860m. At this point in the year, the overall outturn was expected to be an overspend of £0.037m, however, as in previous years, this projection was sensitive to the eventual outturn of the annual electoral canvass. There was additional uncertainty relating to the costs associated with the Valuation Appeal hearings and the requirement for legal counsel. This was an area of spend where the Assessor can exercise very little control. By the end of 2018 around 3000 appeals will have been submitted and this was higher than any other Valuation Authority in Scotland. The overspend was also due in part to anticipated gas costs for 2017 and 2018 in the Stornoway office which the department had been seeking guidance on from the current landlord.

It was noted that payments for computer charges were projected as being within budget however an increase in costs by Wipro for chargeable requests e.g. software updates, may result in an overspend once charges were made. An undertaking was given to provide Councillor A Mackinnon with specific details of the increase in costs for chargeable requests by Wipro and any other concerns regarding the computing performance, as he was to meet with Wipro soon.

If there was an overspend in budget at the end of the financial year this would need to be covered by the Board's reserves. If the reserves were insufficient, then it would be necessary for a further call on funds from the Constituent Authorities. However, at this point it was anticipated that any overspend could be covered by the Board's reserves.

While it was acknowledged that the Board operated with one year funding settlements, It would be prudent for the Board to move towards longer term financial planning to meet forecast operational and resource pressures. In particular the Barclay Review of Business Rates in Scotland had introduced changes that would mean a move from five yearly revaluations of non domestic properties to three yearly

reevaluations. It was acknowledged by Barclay that this would have resource implications for Assessors in Scotland. There would therefore need to be some additional resources for Assessors and consideration of this was currently ongoing between the Scottish Assessors Association, Scottish Government and COSLA.

The Board having scrutinised the report, **NOTED** the contents of the report.

7. Code of Conduct for Employees Còd Giùlain do Luchd-obrach

There was circulated Report No. VAL/18/18 by the Assessor and Electoral Registration Officer which detailed the Board's updated Code of Conduct for Employees.

It was suggested that the sentence "*If you would feel uncomfortable giving an account of your actions to the Assessor – don't take the action*" on page 5 of the document, 3rd paragraph, be deleted, as it was felt that this could be misinterpreted and may imply to employees not to give an account of their actions.

The Board **APPROVED** the updated Code of Conduct for Employees, subject to the sentence "*If you would feel uncomfortable giving an account of your actions to the Assessor – don't take the action*" on page 5 of the document, 3rd paragraph, be deleted.

8. Customer Contact – Unacceptable Actions Policy Buntanas Luchd-ceannaich – Poileasaidh Ghnìomhan Ris Nach Gabhar

There was circulated Report No. VAL/19/18 by the Assessor and Electoral Registration Officer which detailed a new Customer Contact Unacceptable Actions Policy.

The Board **APPROVED** the Customer Contact Unacceptable Actions Policy.

9. Special Leave Policy Poileasaidh Fòrladh Sònraichte

There was circulated Report No. VAL/20/18 by the Assessor and Electoral Registration Officer which detailed an updated Special Leave Policy.

In terms of the 7th paragraph, page 2 of the document "*When an employee is permitted time off to perform the duties as an elected member ...*", it was felt this needed further clarification prior to its inclusion in the Policy.

Also in terms of paragraph 8, page 2 of the document "*Jury Service*" this paragraph should be amended to include adequate notice being given by the Employee to the Employer of a summons to serve on a Jury.

The Board **AGREED** that the Special Leave Policy be amended to reflect the comments made at the meeting (detailed above) and that the revised Policy be re-submitted for approval to the next meeting of the Board.

10. External Annual Audit **Sgrùdadh Bliadhnaile on Taobh A-muigh**

10a Report to Those Charged with Governance on the 2017/18 Audit **Aithisg Dhaibhsan air a bheil Uallach airson Riaghladh air Sgrùdadh 2017/18**

There was circulated Report No VAL/21/18 by the External Auditor, Grant Thornton which provided a summary of the External Auditor's findings from their external audit work for the financial year ended 31 March, 2018.

For the financial year ended 31 March, 2018 the External Auditor planned to issue an unmodified audit opinion, and therefore they had no issues with the financial statements.

There had been one audit adjustment identified during the course of the audit and corrected in the financial statements, to recognise defined benefit pension scheme net assets.

Also detailed in the report were the key risk areas associated with the financial statements, the work completed and the External Auditor's conclusions. It was reported that there were no issues arising from the work performed on the key risk areas.

In terms of financial and governance arrangement, the report highlighted the Board's significant challenges of having sufficient resources to deliver services in future and the need for longer term financial planning, aligned to its constituent authorities' plans.

Following consideration, the Board **NOTED** the report.

10b Letter of Representation 2017/18 **Litir Riochdachaidh 2017/18**

There was circulated Report No. VAL/22/18 a copy of the annual audit letter of representation 2017/18.

The Board **AGREED** that the letter of representation be signed by the Treasurer on behalf of the Board.

10c Audited Accounts 2017/18 **Cunntasan Sgrùdaichte 2017/18**

There was circulated Report No. VAL/23/18 which comprised the Audited Statement of Accounts for the financial year 2017/18.

In particular, it was noted that there had been a significant increase in the total number of entries in the Valuation Roll and the rateable value. Also, there had been a significant work load for staff in 2017/18 relating to the Local Government Election; Mid-term General Election; Individual Electoral Registration; 2017 was a year of revaluation and Shooting rights had been reintroduced into the Valuation Roll. All this work had been undertaken with a reduction in staff within the Assessor's department.

In response to a query, it was advised that a breakdown of domestic and non domestic rates income would be available in the Constituent Authorities' audited accounts as they collected the income from Business and Council Tax rates. The Assessor's department was only responsible for the valuation of entries to the Valuation Roll.

Members acknowledged and appreciated the hard work and effort that staff undertook on behalf of the Board.

Thereafter, the Board **APPROVED** the Audited Accounts for signature.

11. Departmental Report Aithisg Roinneil

There was circulated Report No VAL/24/18 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. The main business since the last meeting had been the disposal of a significant number of 2017 revaluation appeals. Also, preparations were made for the annual canvass and the canvass was underway.

In particular, significant progress had been made in addressing Council Tax rebanding on sale of a property and the exercise was moving towards a more acceptable position. Engagement with local Solicitors was being pursued with a view to offering a rebanding advice service at the point of sale. In this respect, it was suggested that the rebanding advice service provided by the Assessor could be charged for and an undertaking was given to investigate this and report back to the next meeting.

Further, a rebanding on sale exercise was not currently a requirement in Home reports and if it was, income could be generated for the Assessor's department.

Thereafter, the Board **NOTED**:-

- i the recent activities of the Department as set out in the report; and
- ii that consideration would be given to charging for the Council Tax rebanding service provided at the point of sale of a property, and a report back on this would be submitted to the next meeting.

12. Draft Annual Report 2017/18 Dreachd Aithisg Bhliadhnail 2017/18

This item was withdrawn from the agenda. The Draft Annual Report 2017/18 would be submitted to the next meeting of the Board.

The meeting concluded at 11.35 a.m.