

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 Friday 25 January 2019 at 10.30 a.m.

Present:

Representing The Highland Council:

Mrs M Cockburn (substitute)
Mr J Gray
Mr L Fraser
Mr A MacKinnon
Mrs M Paterson
Mr D MacLeod

Representing Comhairle nan Eilean Siar:

Mr J Mackay
Mr A MacLeod (by video conference)

In attendance:

Mr W Gillies, Assessor and Electoral Registration Officer
Mr R Shepherd, Assistant Assessor & Electoral Registration Officer
Ms M Thomson, Office & Support Manager, Assessor and Electoral Registration Service
Mrs M Grigor, Finance Manager, Treasurer's Office
Mr S Wright, Trainee Accountant, Treasurer's Office
Mr J Boyd, Grant Thornton (External Auditor) (by telephone conference)
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 Mrs P Munro.

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

There were no declarations of interest.

**3. Minutes of Meeting of 20 November, 2018
Geàrr-chunntas Coinneamh 20 Samhain 2018**

There were circulated Minutes of Meeting of 20 November, 2018, the terms of which were **APPROVED**.

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

There were no matters arising from the Minutes.

5. Membership Ballrachd

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

- Mrs M Paterson has been appointed as a Substantive Member replacing Mr D MacKay.
- Mr D MacKay has been appointed as a Substitute Member.

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

There was circulated Report No VAL/1/19 by the Assessor and Electoral Registration Officer which set out the revenue monitoring position of the Board for the period to 3 January, 2019 and the projected year end position.

It was reported that the overall outturn was expected to be an overspend of £66k, however, as in previous years, this projection was sensitive to the eventual outturn of the annual electoral canvass along with the outcome of a justification led bid submitted to the Cabinet Office. There was additional uncertainty relating to the costs associated with Valuation Appeal hearings scheduled throughout the current financial year and there was currently an overspend of £127k on this budget.

In discussion, the following main points were raised:-

- In relation to Appeal hearings it was queried if there was some commonality in appeals so that they could be heard together in one appeal. It was advised that there was a tendency to group similar appeals together, e.g. all shops in Inverness would be listed for one hearing. However, this was not always the case such as Shooting Rights appeals may take several appeals.
- There had been a slight increase in the overall return on the annual canvass and there was an increase in these returns being submitted on line.

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

7. Revenue Budget 2019/20 Buidseat Teachd-a-Steach 2019/20

There was circulated Report No. VAL/2/19 by the Assessor and Electoral Registration Officer which set out for approval a proposed revenue budget for financial year 2019/20.

The proposed budget was a 12% increase from £2,860,150 to £3,208,712. When this was adjusted to take account of increased Valuation Appeal Panel costs, national pay award and reduction in grant, the increase was in the order of 4%. Overall, the proposed budget made reasonable provision for the Assessor & Electoral Registration Officer in the forthcoming year, to allow for the execution of his statutory duties and ensure proper provision to facilitate the collection of Council Tax, Non Domestic Rates and the compilation and maintenance of the Electoral Register.

It was explained that the period since 2010 had seen tremendous budget pressures and resultant pressures on the Board to reduce spending in order to produce a

balanced budget. The Board were able to do this mainly through efficiency savings which had been helped, in part, by the Government postponing the revaluation by 2 years. Following the 2017 revaluation, the normal process of having revaluations every 5 years resumed. Following the 2022 revaluation, as a result of the Barclay Review, revaluations would move to a 3 yearly cycle. This would be a significant demand on the Assessor's department and budget.

Continuing, the Scottish Government were also proposing changes for Valuation Appeals. It was intended that there would be a two stage appeal process. Firstly appeals would be considered by the Assessor and appeals refused at this stage could then be heard at a second stage by the Scottish Tribunal Service. This would increase pressures on the workload of the Assessor's department. The Government had acknowledged that what they were introducing would be more costly to Assessors and Valuation Boards and there would be enhanced funding for this through Local Authority Grant Aided Expenditure.

In discussion, the following main points were raised:-

- The report did not take enough account of the financial challenges facing The Highland Council and Comhairle nan Eilean Siar. The Highland Council had a proposed 2.4% cut in its core funding and the Assessor's budget was proposing a 12.2% increase for 2019/20 and a 10.2% increase for 2020/21. The report referred to under resourcing and the need to halt a decline in performance, but it was unclear what decline in performance there had been. There was a need to establish what level of performance was acceptable to the Board and what level of performance could the Assessor expect his department to deliver.
- The report stated that the level of funding had some adverse effects on time related performance. This had resulted in increased levels of backdating the initial banding of properties and more significantly when a property is re-banded following a sale. It was understood that this was not a significant issue and the Assessor's department was able to manage it.
- While the Board's budget was overspent this financial year, there was a need to see options for efficiency savings that Members could consider and for more dialogue on the budget between the Board and the two Constituent Authorities. It was requested that the budget be deferred pending more options for efficiency savings being presented to the Board.
- Insofar as the decline in performance was concerned, there had been a decline in time taken to enter subjects in the Council tax list and Valuation Roll. Also the level of funding had some adverse effects on time related performance which had resulted in increased levels of Council tax backdating both at initial banding and when a property is rebanded following a sale. While this was not a good position to be in, the Assessor's department was managing this and there was an assurance that there should not be a loss in revenue as there were powers to backdate.
- Making efficiency savings was difficult as the valuation roll had increased in size and in addition there was an additional increase due to the introduction of Shooting Rights into the valuation roll. Over the years the Assessor's department had only spent money that was essential to the operation of the service. If the department was to have less funding, the areas for a reduction in service would need to be identified.

- It was advised that over the last 4 years, circa. £500k had been returned to Constituent Authorities as the Board had underspent its budget. Surpluses in previous years budgets had been created through good management of the budget, therefore perhaps there was scope for efficiencies in the next financial year.

Following further discussion, the Board:-

- DEFERRED** the budget for 2019/20 pending further dialogue on the budget proposals between the Board and the Constituent Authorities; and
- AGREED** that a Special meeting of the Board be arranged to further consider the proposed Budget for the financial year 2019/20.

8. Annual Audit Plan 2018/19 Plana Sgrùdaidh Bliadhna 2018/19

There was circulated Report No VAL/3/19 by External Auditor, Grant Thornton setting out the 2018/19 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 2018/19 audit.

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

9. Departmental Report Aithisg Roinneil

There was circulated Report No VAL/4/19 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.

In discussion, reference was made to the IT contingency in the lead up to the recent Ward 5, Wester Ross, Strathpeffer & Lochalsh By-election. While this contingency was feasible for an election of this scale and could provide a solution in the event of a limited network failure, an alternative solution would require to be found for any forthcoming national poll. Members were of the view that a further meeting between the Assessor, The Highland Council and Wipro should be held urgently to consider alternative IT solutions in the event of a network failure in the lead up to a national poll.

Further, it was highlighted that there had been no improvement in the computing environment for the department. Although a network upgrade had been carried out in Moray House, there had been no significant improvement in performance. The desktop environment remained very outdated and it was having a serious impact on departmental performance. There was no timetable provided for its replacement. The Board requested that this issue be also raised at the Assessor's meeting with The Highland Council and Wipro.

The Board:-

- NOTED** the recent activities of the Department as set out in the report; and

ii **AGREED** that a further meeting between the Assessor, The Highland Council and Wipro be held urgently to consider alternative IT contingency solutions in the event of an IT network failure in the lead up to a national poll and to address the need for an improvement in the computing environment for the department.

**10. Draft Annual Report 2017/18
Dreachd Aithisg Bhliadhnail 2017/18**

There was circulated Report No VAL/5/19 by the Assessor and Electoral Registration Officer which detailed the draft Annual Report for 2017/18.

Following consideration, the Board **APPROVED** the Annual Report 2017/18.

The meeting concluded at 12.05 p.m.