



Grampian Valuation Joint Board

Friday, 16 November 2018

NOTICE IS HEREBY GIVEN that at a Meeting of the **Grampian Valuation Joint Board** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Friday, 16 November 2018 at 10:30.**

BUSINESS

- 1 Sederunt**
- 2 Declaration of Group Decisions and Members Interests ***
- 3 Written Questions ****
- 4 Minute of the Previous Meeting held on 24 August 2018** 5 - 10
- 5 Revenue Budget Monitoring Statement 1 April to 30 Sept 2018** 11 - 18
Report by the Treasurer to the Board
- 6 Public Performance Report** 19 - 24
Report by the Assessor and Electoral Registration Officer
- 7 Register of Electors Annual Canvass** 25 - 28
Report by the Assessor and Electoral Registration Officer
- 8 Valuation Roll and Council Tax Valuation List** 29 - 36
Report by the Assessor and Electoral Registration Officer
- 9 IRRV Scottish Conference** 37 - 38
Report by the Assessor and Electoral Registration Officer

10 Question Time ***

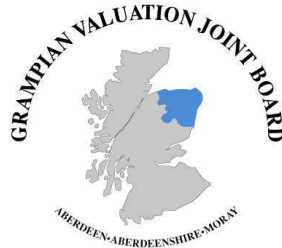
Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

GUIDANCE NOTES

- * **Declaration of Group Decisions and Members Interests** - At the beginning of the meeting, immediately following the Sederunt, the Convener will, in terms of Standing Order 25, seek declarations from individuals on any financial or other interests.

- ** **Written Questions** - Any member can put one question to the Convener about relevant and competent business not already on the Agenda for a meeting of the Board. No member can put more than one question at any meeting. The member must give notice in writing of their question to the Clerk 4 working days prior to the meeting. A copy of any written answer provided by the Convener will be tabled at the start of the relevant meeting. The member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter but no discussion will be allowed.

- *** **Question Time** - At each ordinary meeting of the Board, 10 minutes will be allowed for question time when any member can put one question to the Convener regarding any matter within the remit of the Board. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed. In the event of further information/investigation being required in order to answer the question, the Clerk will arrange for a written answer to be provided within 7 working days.



Grampian Valuation Joint Board

SEDERUNT

Councillor Graham Leadbitter (Chair)
Councillor Bill Cormie (Depute Chair)
Councillor Christian Allard (Member)
Councillor Charles Buchan (Member)
Councillor Alan Donnelly (Member)
Councillor Gordon Graham (Member)
Councillor Andy Kille (Member)
Councillor Ron McKail (Member)
Councillor John Reynolds (Member)
Councillor Michael Roy (Member)
Councillor Sandy Stuart (Member)
Councillor Brian Topping (Member)
Councillor Judy Whyte (Member)
Councillor Frank Brown (Member)
Councillor Theresa Coull (Member)

Clerk Name: Tracey Sutherland
Clerk Telephone: 01343 563014
Clerk Email: tracey.sutherland@moray.gov.uk



Minute of Meeting of the Grampian Valuation Joint Board

Friday, 24 August 2018

Woodhill House, Aberdeen,

PRESENT

Councillor Christian Allard, Councillor Frank Brown, Councillor Charles Buchan, Councillor Bill Cormie, Councillor Alan Donnelly, Councillor Gordon Graham, Councillor Graham Leadbitter, Councillor Ron McKail, Councillor Sandy Stuart, Councillor Brian Topping, Councillor Judy Whyte
Councillor Mark Findlater (for Councillor Andy Kille), Councillor Sandy Wallace (for Councillor Michael Roy)

APOLOGIES

Councillor Theresa Coull, Councillor Andy Kille, Councillor John Reynolds, Councillor Michael Roy

IN ATTENDANCE

Also in attendance at the above meeting were Mr I Milton, Assessor and Electoral Registration Officer (ERO), Ms M Bruce, Audit Scotland, Mrs L Paisey, Treasurer to the Board and Mrs T Sutherland, Committee Services Officer (both Moray Council).

1. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 25 and the Councillor's Code of Conduct, there were no declarations from group leaders or spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Members' interests in respect of any item on the agenda.

2. Minute of Previous Meeting on 26 January 2018

The minute of the meeting of the Board dated 26 January 2018 was submitted and approved by the Board.

3. Written Questions **

The Committee noted that no written questions were submitted.

4. Unaudited Annual Accounts for 2017-18

A report by the Treasurer to the Board recommended that the Board considers the unaudited Annual Accounts of the Grampian Valuation Joint Board for the year ending 31 March 2018.

The Treasurer highlighted the £56k overspend which was in line with previous projections and also that capital fund monies had been used to replace the telephone system in the Assessors office within Woodhill House, Aberdeen.

Councillor Whyte sought clarification on the £52k underspend on postage. In response, the Assessor and ERO explained that due to an increase in residents using automated methods when responding to the annual canvass the postage used with pre-paid envelopes has reduced.

Councillor McKail asked for further information on the spend within text and reference books. The Assessor and ERO clarified that this budget line is spend on several essential online subscription services as well as a book called Armour on Valuation for Rating, which is an authority on valuation that is updated continuously to reflect changes in the law and court decisions.

Following consideration the Board noted the unaudited Annual Accounts for the Grampian Valuation Joint Board for the year ending 31 March 2018.

4a. Reports to those Charged with Governance 2017-18

A report by the Treasurer of the Board was submitted to consider the covering memo and draft Annual report for the 2017/18 audit from the External Auditor.

The External Auditor highlighted an issue that has been raised by Audit Scotland in respect of the Assets valued for IAS19 adjustments relating to the pension scheme. The issue relates the volatility of the markets since the Actuary calculated the value of the assets resulting in a significant difference between the estimated values used by the actuaries when calculating the IAS19 figures and the actual values disclosed in the accounts of the Pension Fund. This issue is not solely affecting the GVJB pensions but all other bodies who are part of the North East Pension Fund. She further added that given the issues identified, she would be unable to sign off the audited accounts following the meeting until the pension liability in the financial statement has been amended.

Following consideration the Board agreed the accounts subject to any IAS19 amendments which would be circulated to the Board before the accounts are signed off prior to the 30 September 2018 deadline.

4b. Audited Accounts Year Ending 31 March 2018

A report was submitted by the Treasurer to the Board asking the Board to approve the signing of the Annual Accounts and to note the £56,000 deficit for 2017/18.

The Treasurer asked the Board to note that the Cash and Cash Equivalents figure was £56k higher and the Short Term Creditors figure was £56k lower than previously reported which therefore had no impact on the overall balance sheet value.

Following consideration the Board agreed to note the £56,000 deficit for 2017/18 and

for the Annual Accounts to be signed subject to any IAS19 adjustments as previously indicated in Item 4a.

5. Internal Audit Annual Report 2017-18

A report was submitted by the Treasurer of the Board to consider the Internal Audit Report for 2017/18 and to note the generally satisfactory audit opinion derived from the audit work completed.

Following consideration, the Committee agreed to note audit work completed during 2017/18.

6. Revenue Budget Monitoring Statement 1 April to 30 June 2018

A report was submitted by the Treasurer to the Board to consider the Revenue Monitoring Statement to 30 June 2018.

Councillor Brown raised concern that the General Fund Reserve was used to fund the deficit for 2017/18 and that alternative ways of funding any future deficits should be looked at as the reserves could not be relied upon for this use.

The Assessor and ERO in response said that the organisation relies on grant funding and money from the 3 local authorities and he was aware that all organisations are looking at reducing budgets. He further added that it was not his intention to use reserves to fund any deficit this year but warned Members that the grant from the Cabinet Office was substantially lower than had been expected.

The Convener queried whether there is a minimum level of reserves which must be held. In response, the Treasurer replied that the Board can retain up to 3% of the budget in reserves but there is no plan to look at setting a minimum level for reserves.

Councillor Allard sought clarification on the timing of the grant award and was the notification later than normal. In response the Assessor and ERO confirmed that the timing of the grant award was as per previous years. He further confirmed that application forms have already been received for a Justification Led Bid with a submission deadline of January 2019. He asked that if the Board were minded to add their support to the Bid, it would be helpful. The Board agreed to support the bid.

Following consideration the Board agreed to note the Revenue Monitoring Statement to 30 June 2018.

7. Homologation Report

A report was submitted by the Assessor and ERO asking the Board to consider and homologate the decisions made by the Convenor regarding:

- i. the approval of attendance at the IRRV conference;
- ii. the revised performance threshold; and
- iii. the data protection policy

The Convener asked that any Councillors who would wish to attend the IRRV conference please notify the Assessor and ERO as 2 places are available.

Councillor Findlater confirmed that he was unable to attend the conference due to

other commitments and requested that any information received from the Conference be circulated all Members of the Board.

It was agreed that should no Members of the Board be available to attend the Conference, the 2 places be offered to Assessor staff to attend.

With regards to the Valuation Roll and Council Tax Report, the Board joined Councillor Allard in congratulating the Assessors Office on their performance and in particular with the Revaluation Appeals.

Following consideration the Board agreed to homologate the decisions made by the Convener.

8. Register of Electors Report

A report was submitted by the Assessor and ERO asking the Board to consider the content of the report.

The Assessor and ERO highlighted that:

- i. 20,000 planned visits had taken place over the summer;
- ii. 73% of households have responded to the canvass
- iii. 95,000 households had responded to the canvass electronically

Following consideration the Board agreed to note the contents of the report.

9. Risk Report

A report was submitted by the Assessor and ERO to the Board to consider and note the current version of the risk register.

Following consideration, the Board agreed to note the current version of the risk register.

10. Complaints Report

A report was submitted by the Assessor and ERO to the Board to consider and note the complaints handling performance for 2017/18.

Following consideration the Board agreed to note the complaints handling performance for 2017/18.

11. Non Domestic Rates Consultation

A report by the Treasurer to the Board to determine whether to respond to the consultation on non-domestic rates reform and to consider the draft response provided in Appendix 3.

The Treasurer confirmed that the response as detailed in Appendix 3 is on behalf of the Board and that the Assessor and ERO will be responding on behalf of the Assessor's office and that it was her belief that each constituent Local Authority of the Board would be responding as a response from Moray Council had been drafted.

Following consideration the Board agreed the draft response to the Scottish Government consultation on non-domestic rates reform.

12. Revised Schedule of Meetings Report

A report was submitted by the Clerk to the Board to approve the revised schedule of meetings for the period August 2018 to June 2022.

Councillor Donnelly seconded the motion raised by Councillor McKail to rotate the venue for the meetings between Elgin and Aberdeen, with the location for the Aberdeen meetings to be held at Woodhill House, Aberdeen.

As there was no-one otherwise minded the motion became the finding of the meeting.

Councillor Donnelly requested that the October meetings be re-scheduled so that they did not clash with the October school holidays.

It was further agreed that the Committee Services Officer would revise the schedule and venue of meetings of the Board until 2022 in consultation with Committee staff in Aberdeen City and Aberdeenshire Councils.

13. Question Time ***

There were no questions raised.



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 16 NOVEMBER 2018

SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2018

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 30 September 2018.
- 1.2 To consider the Estimated Outturn position for the year 2018/19.

2 RECOMMENDATION

2.1 It is recommended that the Board considers and notes:

- (i) **The Revenue Monitoring Statement for the period 1 April 2018 to 30 September 2018 and;**
- (ii) **The estimated outturn forecast for the financial year 2018/19.**

3. CURRENT POSITION

- 3.1 At its meeting on 26 January 2018 the Board agreed the Revenue Budget for 2018/19 and approved that the requisitions from constituent authorities be set at £4,292,000.
- 3.2 **APPENDIX 1** shows the monitoring position to 30 September 2018. It gives details of the 2018/19 revenue budget, the actual to date and the variance to date. It also shows the estimated outturn and the estimated variance for the year. Total net expenditure to 30 September 2018 is £2,140,000 which results in an underspend against budget to date of £88,000.
- 3.3 To date there is a £95,000 under spend within employee costs. Salaries, including on costs, are £119,000 under spent; £91,000 of this relates to vacant posts.

- 3.4 It was reported at budget setting time that a vacancy management provision would be introduced to take into account the anticipated underspend on salary costs. The credit budget of £52,000 is intended to absorb any variance created by vacancies until there is someone recruited and in post. At the half way point of the year this provision is £26,000. When offset against the underspend in staffing, training and other employee costs, this brings the total employee costs to £95,000 under budget.
- 3.5 The 2018/19 pay award included in the budget is at rates contained in the Public Sector Pay Policy, set out by the Scottish Government in December 2017. The key features of the pay policy, which acts as a benchmark for all major public sector workforce groups across Scotland, are: an increase of 3% for those earning £30,000 or less; a limit of 2% for those earning above £30,000 and below £80,000; limiting the pay increase for those earning £80,000 or more to £1,600. Of the variance in employee costs to date, £28,000 of this relates to the pay award that hasn't yet been agreed or implemented.
- 3.6 The service has recently successfully appointed an Assistant Assessor with an internal secondment after the post became vacant earlier in the year. As a result this has created a Principal Valuer vacancy within the service and it is hoped this can also be filled internally, and the post subsequently vacated would eventually be filled by an external applicant.
- 3.7 Accommodation charges to date are £12,000 over budget; £6,000 of this relates to NDR for the three office locations and a further £9,000 relates to the unbudgeted Land and Buildings Transaction Tax (LBTT), which is a tax applied on the purchase and lease of both residential and non-residential/commercial properties. The LBTT due on the Woodhill House lease was calculated by applying various rates and bands to the Net Present Value of the rent payable under the 10 year lease. There are other minor variances within this heading that reduce the overall overspend.
- 3.8 Transport costs are over budget by £3,000 to date which is a result of canvassing expenditure.
- 3.9 The total expenditure on Supplies and Services is £323,000 which is £8,000 underspent against budget to date of £331,000, with minor overspends and underspends across the headings.
- 3.10 The IT maintenance and support budget shows an overspend to date of £23,000.
- 3.11 When the budget was set in January 2018 an increase in the IT budget was approved to allow for a replacement Electoral Management System (EMS). The capital costs were anticipated to be £31,000 in year one and £31,000 of revenue spread over five years. A further £24,000 of costs were expected in 2018/19, on the basis that the system was operational from August 2018, rising to £32,000 in 2019/20 and £30,000 annually thereafter. Having now been through the procurement process and receiving advice from external IT specialists on appropriate system design, the preferred specification has

changed from a single server option to an infrastructure of 4 host servers. A SAN disk storage replacement wasn't included when costing the EMS project but has now been recommended as part of the implementation, an additional cost of £12,500. In total the EMS project revenue costs will be £43,000 in year one and £10,000 annually thereafter in years two to five. The capital costs, all incurred in year one, are £56,000 and it is recommended that the capital costs are met from the Capital Fund. The current balance of the capital fund is £55,000.

- 3.12 In total the project budget comes within the original five year estimate, excluding the purchase of the SAN replacement. The service has identified a saving within an IT Analyst post that would offset this.
- 3.13 The support services charge is processed at 31 March as part of the year end closedown.
- 3.14 Income from government grants and recharges are expected to be below budget. During budget preparations the Assessor assumed the Individual Electoral Registration (IER) grant would be no less than the amount awarded in the previous year: £151,000. It was considered likely that the level of direct funding would decrease, but the extent was unknown and so a mid-point of £125,000 was agreed for the budget. The Cabinet Office issued a letter in June 2018 setting out the initial grant allocations to Electoral Registration Officers in Scotland for costs relating to IER for 2018/19. The initial grant awarded to Grampian VJB is £102,835. Later in the financial year they will run a Justification Led Bid (JLB) process which will give an opportunity to claim for additional IER-related costs that have been incurred in the year. Any such costs and JLB claims will be reported to future Board meetings.
- 3.15 There are no other significant variances to report at this stage.

4. **ESTIMATED OUTTURN 2018/19**

- 4.1 The revenue budget is expected to be underspent by the year end and at this halfway point in the year the variance is estimated to be an underspend of £108,000.
- 4.2 The largest underspend anticipated is in employee costs, at £108,000. With expected vacancies throughout the year, and the effect that internal recruitment has on vacant posts, the estimated variance in salaries including National Insurance and Superannuation is £160,000. This underspend is reduced by the vacancy management provision of £52,000. Paragraph 3.5 above explains the Public Sector Pay Policy that was budgeted for. That pay award hasn't been accepted and negotiations are ongoing. The latest pay offer is a 3% pay increase for all employees earning up to £80,000, and a flat rate increase of £1,600 for those earning £80,000 and above. The estimated actual figures in Appendix 1 have been calculated on the basis of this revised offer and include it backdated to the 1 April 2018 application date.

- 4.3 Property costs are expected to be £16,000 over budget. As mentioned above, NDR is over budget for the three offices and the renewal of the Woodhill House rental lease incurred an expense for LBTT that wasn't budgeted for.
- 4.4 Supplies and Services are estimated to be £25,000 over budget mainly due to IT projects, in particular the EMS implementation that has altered slightly from the original strategy.
- 4.5 Expenditure to date on postages is below budget to date but depending on how many reminder forms are needed, spend on postages could be less in the second half of the year. At this stage the year end forecast is to be within budget.
- 4.6 Income from sales of the electoral register is difficult to predict with most sales occurring in the second half of the year. The outturn has been estimated at the budget level.
- 4.7 As stated in paragraph 3.14 the IER grant allocation awarded to Grampian VJB this year is £102,835. The Assessor is not yet in a position to estimate if there will be a justification led bid this year.
- 4.8 The estimated outturn as shown in Appendix 1 is an underspend of £36,000.

5. CAPITAL FUND

- 5.1 The Capital Fund was established in 2002/03 using the Boards share from the sale of Woodhill House. The fund was retained in order to assist with any capital expenditure relating to office accommodation. As indicated in paragraph 3.11 the procurement of the new EMS system is in progress and it is proposed that the capital elements are funded from the Capital Fund. The capital costs are expected to be £56,000 this year. In 2017/18 the replacement telephone system was funded from capital in 2017/18 and the remainder of these costs due will be capitalised this year, a further £8,000. The combination of these two capital projects will use up the balance of the Capital Fund altogether, with the balance to come from revenue.

6. CONCLUSION

- 6.1 The total net expenditure as at 30 September 2018 is £2,140,000; an underspend against budget to date of £88,000.
- 6.2 The estimated outturn is an underspend of £36,000.
- 6.3 An update on the estimated outturn and anticipated additional funding from the Cabinet Office will be reported to the Board at the meeting in January 2018.
- 6.4 The Assessor and his Senior Management Team closely monitor and control budgets in order to keep within agreed levels and generate savings wherever possible throughout the year.

Author of Report:	Susan Souter, Accountant.
Background papers:	Held within Accountancy Section, Moray Council

**GRAMPIAN VALUATION JOINT BOARD REVENUE MONITORING STATEMENT
FOR PERIOD 1 APRIL TO 30 SEPTEMBER 2018**

Line No.	2018-19 Total Budget	2018-19 Budget to Date	Actual 30 Sept 2018	Variance 30 Sept 2018	2018-19 Estimated Outturn	2018-19 Estimated Variance
	£'000	£'000	£'000	£'000		
<u>Employee Costs</u>						
1 Salaries	2,552	1,276	1,187	89	2,428	124
2 National Insurance	261	130	120	10	248	13
3 Superannuation	490	245	225	20	467	23
4 Additional Pensions	23	12	11	1	23	0
5 Other Employee Costs	14	8	9	(1)	14	0
6 Training	10	5	3	2	10	0
7 Vacancy Management	(52)	(26)	0	(26)	0	(52)
Total Employee Costs	3,298	1,650	1,555	95	3,190	108
<u>Property Costs</u>						
8 Accommodation Charges	319	204	216	(12)	335	(16)
9 Repairs and Maintenance	4	2	2	0	4	0
10 Energy Costs	8	4	4	0	8	0
11 Cleaning	4	2	2	0	4	0
Total Property Costs	335	212	224	(12)	351	(16)
<u>Transport Costs</u>						
12 Staff Travel and Subsistence	69	35	38	(3)	78	(9)
Total Transport Costs	69	35	38	(3)	78	(9)
<u>Supplies & Services</u>			Item 5			
13 Equipment, Furniture & Materials	7	3	1	2	4	3
14 Protective Clothing	0	0	0	0	0	0
15 Text & Reference Books	10	1	2	(1)	10	0
16 Printing & Stationery	34	16	7	9	34	0
17 Postages	280	140	133	7	280	0
18 Telephones	7	4	4	0	7	0
19 Advertising	2	0	1	(1)	8	(6)
20 IT Maintenance & Support	170	85	108	(23)	191	(21)
21 Canvass Expenses	75	37	29	8	75	0
22 Valuation Appeals	56	28	19	9	56	0
23 Fees, Charges & Subs	3	0	0	0	1	2
24 Specialist Services	23	17	18	(1)	25	(2)
25 Other Supplies & Services	0	0	1	(1)	1	(1)
Total Supplies & Services	667	331	323	8	692	(25)
<u>Support Services</u>						
26 Lead Authority Charge	57	0	0	0	57	0
Total Support Services	57	0	0	0	57	0
Gross Expenditure	4,426	2,228	2,140	88	4,368	58
<u>Income</u>						
28 Sales and Other Income	(6)	0	0	0	(6)	0
29 Government Grant and recharges	(125)	0	0	0	(103)	(22)
30 Interest on Revenue balances	(3)	0	0	0	(3)	0
Total Income	(134)	0	0	0	(112)	(22)
31 Net Expenditure	4,292	2,228	2,140	88	4,256	36
32 Requisitions	(4,292)	(2,138)	(2,138)	0	(4,292)	0
33 (Surplus)/Deficit for Year	0	90	2	88	(36)	36



REPORT TO: Grampian Valuation Joint Board on 16 November 2018

SUBJECT: Public Performance Report

BY: The Assessor & ERO

1. Reason for Report

- 1.1 To seek approval for the publication of the seventeenth public performance report.

2. Recommendation

- 2.1 **The Board note the content and agree to the publication of the Public Performance Report provided as appendix 1 to this report.**

3. Background

- 3.1 The Board's Code of Corporate Governance requires publication of an annual report incorporating financial and performance information.

4. Current Position

- 4.1 The public performance report provides financial, staffing and sickness absence data along with statistical data relative to the organisation's three service strands; council tax, valuation roll and electoral register. The report does not drill down to the level of detail provided in the quarterly and annual performance reports to the Board. It does however seek to provide an overview of the organisation's performance.
- 4.2 The report focusses on the priorities identified in the management commentary to the audited accounts and provides statistical information that shows how the organisation has performed over recent years.
- 4.3 The net budget out-turn of £4.095M against a budget of £4.039M reflects the fact that funding gap between projected and actual support from government for the ongoing overhead of IER, where the income award was £31K below the budgeted figure. The out-turn also reflects the recruitment policy that proved more successful than anticipated in filling posts as they became vacant.

- 4.4 The establishment has been reduced marginally with the funding for two FTE Electoral Registration Assistant posts reallocated to the appointment of temporary canvassers in order to improve the capability of the organisation to meet demand for household visits that peak during the canvass period. As at 31 March 2018 there were 71 full time equivalent posts filled against an establishment of 75.
- 4.5 The overall percentage of days lost to ill-health absence shows a modest increase from 1.3% to 1.7%. This modest increase does not give rise to concern as the background to the absence data relates to specific absences due to known incidences of ill health.

5. Conclusion

- 5.1 The significant response to the 2017 revaluation, the snap general election for 8 June and the difficult task of ensuring shooting rights for which there was no definitive data source were properly valued were three unique challenges for the organisation to rise to meet during 2017/18. In meeting these, and the other priorities identified in the public performance report, the members of this organisation have demonstrated an extremely high degree of versatility and professionalism.

Author of Report: Ian H Milton



Grampian Assessor & Electoral Registration Officer

Public performance report for 2017/18

Introduction

The Grampian Assessor & Electoral Registration Officer (ERO) is an independent statutory official appointed by the Grampian Valuation Joint Board to value non-domestic properties for rating purposes, allocate dwellings to council tax bands and provide an electoral registration service for the Aberdeen, Aberdeenshire and Moray Council areas.

General Information

The Grampian Valuation Joint Board is a public body that funds the Assessor & ERO by means of requisitions from Aberdeen, Aberdeenshire and Moray councils. Net expenditure for 2017/18 was £4.095M against a budget of £4.039M that was net of additional grant funding of £0.177M provided under the UK government's Electoral Registration Transformation Programme for the introduction of individual electoral registration (IER). The Assessor & ERO has a full-time equivalent of 75 posts distributed between offices in Aberdeen, Banff and Elgin. As at 31 March 2017 there was 71 full-time equivalent staff in post. In the last year staff absence due to ill health was 1.7%. This compares to 1.3% for 2016/17 and 3.9% for 2015/16.

A review of our 2017/18 priorities

The following operational priorities were specifically identified in the management commentary for the year, they must however not be considered in isolation and the organisation has a wide range of on-going priorities that relate not only to operational aspects of the organisation but also to our duty to eliminate discrimination and mainstream equalities, manage our records to the satisfaction of the Keeper of Records, protect data and provide information on request and in line with current law.

Complete and accurate registers of electors for the Scottish local government elections of 4 May 2017 and the extraordinary UK Parliamentary General Election held on 8 June 2017.

The Scottish local government elections were the second elections where 16 and 17 year olds could vote as a matter of course. The 2016/17 management commentary observed that whilst there is greater certainty to the election calendar as a result of the establishment of fixed terms for parliaments, the experience of 2016 where the service encountered an unplanned extension to the registration application deadline for the EU referendum following a national system failure, stood the service in good stead for 2017 when on the 18 April the Prime Minister unexpectedly announced that an UKPGE would take place on 8 June. Our publicity and engagement activities resulted in a year on year increase in 16 and 17 yr olds being registered to vote with 10,007 registered to vote on 4

May 2017 compared to 9,186 registered for 5 May 2016 Scottish Parliamentary elections. The Electoral Commission's report on the 2017 Scottish local government elections was that they 'ran smoothly' and that this was 'a testament to the significant efforts of the electoral community'. The Commission's subsequent report into the UKPGE concluded that the election was 'well run' and identified areas where registration or returning officer errors had been made – none of which were in Scotland.

Conduct a full household canvass under the individual electoral registration (IER) regime.

The canvass of 279,165 households achieved a return rate of 83% by 1 December 2017. This was an improvement on the corresponding return rate of 79% as at 1 December 2016. We continued to chase up non-returns and by 31 March 2018 the return rate had risen to 86%. We have also managed to increase the number of households who respond using automated response channels such as online, text or automated telephone options from 79,606 in 2016 to 95,704 in 2017. Automated responses are more efficient as they cost less and do not require back-office processing. The two-stage nature of the canvass under the IER framework means that canvass related activity extends well beyond the 1 December and registration application activity is now an all year round process.

Publish revised registers 1 December 2017.

The Electoral Commission reported that all EROs in Scotland met their performance standards. The electorate on the revised local government registers published by 1 December 2017 was 438,674.

Respond to enquiries following the 2017 revaluation of all non-domestic properties.

The 2017 revaluation had a significant impact on ratepayers in the North East and the volume of enquiries and appeals was greater than had been the case in previous revaluation years. The sensitivity of the situation was principally due to the slowdown in the NE property market that became apparent after the valuation date of 1 April 2015 but before the revaluation values came into force on 1 April 2017. The service responded to the increased sensitivity with a high profile strategy of media engagement and presentations at public events to ensure that stakeholders could appreciate the rationale behind the revaluation including what issues were within scope for an appeal against a revaluation rateable value. A significant decision published by the Lands Valuation Appeal Court in March 2018 supported our interpretation of the law concerning changes in the economy.

Value all shooting rights and deer forests.

Since the exemption of shooting rights from non-domestic rates in 1995 there has been no definitive all-Scotland data source that would provide the location and owner/occupier information for shooting rights. Following the removal of this exemption by the Land Reform Act in 2016, Assessors have been working closely with national agencies, such as SNH, to obtain address data and local bodies, such as branches of the National Farmers Union and other stakeholders, to ensure that the sector is fully engaged in the process. A total of 2,359 new entries with a combined value of £2.47M were added to the valuation rolls in Grampian.

Maintain complete and accurate valuation lists and rolls

In terms of overall volumes, the number of assessments of domestic and non-domestic properties being made within the 90 day target period increased by 9% with 4,648 assessments in 2017/18 compared to 4,267 for 2016/17. The significant increase in

volume of our workload and the addition of a further 2,359 new entries for shooting rights however meant that we did not manage to maintain our target of 94% of new dwellings and 77% of amendments to the valuation roll within the 90 day target period. The corresponding percentages are 91% and 65% and essentially reflect the capacity of our organisation to handle such a large overall increase in workload without additional resourcing.

In overall terms the organisation met its priorities for 2017/18. It delivered registers and the related absent voting records for the Scottish local government elections and the snap UK parliamentary general election whilst adding over 2,000 entries for shootings to the valuation roll during 2017/18 and supporting ratepayers in understanding the rationale behind the 2017 revaluation against a sensitive and difficult economic background. Meantime it continued to deliver routine business as usual canvass, rolling registration, running roll and council tax update.

Data tables

Table 1 shows the number of new dwellings added to the lists in Grampian over the last 5 years and also the percentage that received notification within the 3 and 6 month performance windows. Table 1 also shows the performance thresholds that have been set.

Table 1 The time taken to add new dwellings to the list

Year	Number	Within 3 months		Within 6 months	
		Threshold	Actual	Threshold	Actual
2017/18	3,231	94%	91%	97%	97%
2016/17	3,345	94%	92%	97%	98%
2015/16	3,009	94%	93%	97%	98%
2014/15	2,650	92%	92%	97%	97%
2013/14	2,757	92%	95%	97%	99%

Table 2 shows the number of alterations made to the roll each year along with the percentage of alterations that were made within the 3 and 6 month performance windows. The performance thresholds are also provided. Alterations include new entries to the valuation roll for newly constructed or converted buildings as well as alterations to existing buildings. The years 2009/10 and 2016/17 are shown in *italics* as these represent years when we are revaluing all non-domestic properties in addition to our routine maintenance of the roll. For this reason our resources have to be diverted to revaluation tasks and our routine maintenance performance threshold adjusted as appropriate.

Table 2 The time taken to alter the Valuation Roll

Year	Number	Within 3 months		Within 6 months	
		Threshold	Actual	Threshold	Actual
2017/18	2,576	77%	66%	90%	83%
<i>2016/17</i>	<i>2,129</i>	<i>60%</i>	<i>56%</i>	<i>85%</i>	<i>75%</i>
2015/16	2,474	77%	61%	90%	78%
2014/15	2,200	77%	68%	90%	85%
2013/14	2,096	77%	75%	90%	88%

Table 3 provides the local government registers total electorate, the number of households we canvassed, the canvass response rate and the number of households that responded using our online/SMS text and phone response service rather than completing and posting the household enquiry form to us. The register published on 10 March 2014 was the last register revision based on the traditional household canvass prior to the introduction of individual electoral registration on 17 September 2014. A full canvass was not conducted in 2014/15 as this coincided with the national implementation of individual electoral registration (IER).

Table 3 Electorate and canvass details for Grampian

Register	Local Government Electorate	Number of households canvassed	Canvass Response Rate	Automated responses
1 Dec 2017	438,674	279,278	83%	95,704
1 Dec 2016	439,590	276,439	79%	79,606
1 Dec 2015	436,748	273,173	75%	64,040
27 Feb 2015	444,256	n/a	n/a	n/a
10 March 2014	445,541	269,163	95%	88,481

Conclusion

During 2017/18 the organisation was given plenty of opportunity to test its agility and capability to respond to external pressures. The significant response to the 2017 revaluation, the snap general election for 8 June and the difficult task of ensuring shooting rights for which there was no definitive data source were properly valued were three unique challenges for the organisation to rise to meet during 2017/18 whilst continuing to deliver our business as usual activities of maintaining the valuation roll, valuation list and electoral register. The Lands Valuation Appeal Court decision that supported our interpretation of the law has helped to crystallise rating law in relation to changes in the economic fortunes of an area and as such provided a degree of certainty to the assessment process that would otherwise be subject to significant challenge.

The performance recoded in this report is a product of the professionalism, dedication and commitment of the employees of the organisation. I am extremely grateful to my colleagues who work to ensure that the statutory duties of the Assessor and Electoral Registration Officer are delivered in a customer focussed and effective manner to the communities that make up the Grampian area.

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Grampian Assessor & Electoral Registration Officer

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REPORT TO: Grampian Valuation Joint Board on 16 November 2018

SUBJECT: Register of Electors Annual Canvass

BY: The Assessor & ERO

1. Reason for Report

1.1 Inform the Board of progress with the annual canvass.

2. Recommendation

2.1 The Board note the content of this report.

3. Annual Canvass

3.1 The 2018 canvass is the fourth full canvass since the introduction of individual electoral registration (IER). This canvass, of the 281,737 dwellings in Grampian benefitted from previous canvasses in three distinct areas:

- Early start date
- Exempted sole occupancy dwellings
- Early visits

3.2 The 2017/18 canvass commenced on 2 July 2018, thus maximising the time period available prior to publication of revised registers on 1 December 2018. The canvass commenced 2 weeks later in 2017 and 6 weeks later in 2016 as a result of the extraordinary general election on 8 June 2017 and vote on membership of the EU on 1 July 2016.

3.3 2017/18 is the first year where canvass cost saving measures have been made available to EROs. These measures mean that where a householder registers to vote and indicates that they are the sole elector resident at that address, the requirement on the ERO to carry out the following annual canvass at that address is waived. This meant that household enquiry forms were not required to be issued to 3,098 dwellings.

3.4 In a move to increase the effectiveness of the household canvass and minimise the number of visits canvassers have to make during late autumn and early winter a sample of 22,898 dwellings that had a history of non-responses were identified and visited by canvassers during the period July – September.

- 3.5 IER requires each new elector notified on the returned household canvass form to be supported by an individual application to register. If a new potential elector does not apply to register independently, the ERO is required to issue an invitation to register by post. Since 2 July the service has issued 18,869 invitations to register and processed 16,590 additions to the register.
- 3.6 Where an elector has moved out and has been crossed out on the household canvass form, IER requires further verification that the person is no longer resident before the ERO can remove an elector's name from the register. 12,873 electors who have moved away have been processed. Where it has not been possible to verify that the person in question has moved out a review must be carried out. For the period from 2 July to date, 9,225 reviews have been initiated.
- 3.7 The return statistics as at 29 October 2018 are provided in the table:-

Year	Issued	Returned		Method of Return (%)			
		Number	%	Post/Other	Phone	Online	Text
29 Oct 2018	278,639	228,276	82%	54%	6%	34%	6%
27 Nov 2017	279,280	230,631	83%	59%	6%	28%	7%
21 Nov 2016	276,440	216,598	78%	65%	6%	24%	5%
23 Nov 2015	273,181	205,264	75%	70%	2%	26%	2%

The corresponding return information prior to publication of the revised register for the previous three canvasses is provided for comparison purposes.

- 3.8 The steady change in method of return from traditional postage of a manually completed household enquiry form to automated response channels such as telephone, online or SMS text is a welcome move and has been driven by messaging in canvass materials and media releases through corresponding local authority communications teams. The messaging for the 2018 canvass has focussed on the potential cost savings for the public purse.
- 3.9 The volume and percentage of automated responses are provided in the table:-

Year	Number of automated responses	% of total canvass
29 Oct 2018	102,989	45%
27 Nov 2017	93,919	41%
21 Nov 2016	73,379	35%
23 Nov 2015	63,041	30%

6. December Register

- 6.1 The Electoral Register will be published on 1 December with copies being made available via the secure download facility to elected members, MSPs, MPs etc as prescribed. Whilst it will contain details of attainers aged 16 or over, no data for registered attainers who are under 16 will be published.

7.0 Conclusion

- 7.1 The 2018 canvass is benefitting from an earlier commencement date, exempted dwellings and a fresh approach to visiting addresses which have a history of not responding to canvass forms. These measures along with the messaging to increase the use of automated response channels are making the current canvass less 'unsustainable' ahead of anticipated changes to legislation that are currently under consideration with the objective of allowing EROs to adopt a more focussed and resource effective canvass.

Author of Report: Ian H Milton



REPORT TO: Grampian Valuation Joint Board on 16 November 2018

SUBJECT: Valuation Roll and Council Tax Valuation List

BY: The Assessor & ERO

1. Reason for Report

- 1.1 To advise the Board of current activities and performance levels achieved during the period 1 April to 31 October 2018.

2. Recommendation

- 2.1 It is recommended that the Board note the current position.

3. Background

- 3.1 The Board's Code of Corporate Governance requires annual reporting of operational performance by reference to measures set locally and nationally.
- 3.2 The performance thresholds have been set for the performance indicators that have been agreed between the Scottish Government and the Scottish Assessors Association. The Board reviewed the valuation roll and council tax valuation list performance thresholds in September 2018.

4. Current Position

4.1 Valuation Roll

- 4.1.1 **Appendix 1** provides performance information for the first 7 months of 2018/19 and the previous two whole years. The principal issue is to seek to ensure that the valuation roll is updated to reflect changes to properties as soon as is possible. At present, 70.3% of updates to the roll are made within the initial three-month period and this compares to the performance threshold of 70%.

- 4.1.2 During the last 7 months demands for the resources of the valuation service have been extremely high, with appeal resolution activity attracting a particularly high priority.
- 4.1.3 Valuation appeals are programmed for disposal by the independent Valuation Appeal Panel. They are required to dispose of the appeals made against 10,096 valuation roll entries following the revaluation by 31 December 2020. Current progress suggests that 40% of the appeal caseload will be resolved by December 2018, 80% by December 2019 and the remaining 20% scheduled for disposal by December 2020. This is however a demanding schedule for the service to respond to, given the appeals in Grampian amount to 39% of all properties and 81% of total rateable value against national averages of 32% and 73% respectively.
- 4.1.4 The Valuation Appeal Panel has also cited a significant volume of non-revaluation running roll appeals that were lodged largely as a response to the recent economic slowdown in NE Scotland. The decision of the Lands Valuation Appeal Court in the case of Grampian Assessor v Anderson, Anderson and Brown & others, 2018¹ supported the Assessor's approach to the question of the impact of changes in the local economy on the valuation roll. The volume of appeals has however had an impact on the service despite the fact that these are now being withdrawn.

4.2 Council Tax Valuation List

- 4.2.1 **Appendix 2** provides the position for the first 7 months of 2018/19 and the previous two whole years. The current rate of completions suggests that there is new vigour in the domestic market and despite a higher volume of completions, the service is managing to meet this performance threshold.

4.3 Developments

- 4.3.1 The Scottish Government's plans to implement a broad range of changes to the rating system are at a reasonably advanced stage following the consultation that the Board and Assessors both contributed to. A new non-domestic rates bill is anticipated this winter with legislation coming into force from 1 April 2020, the target date for the 2022 revaluation.

¹ <https://www.scotcourts.gov.uk/docs/default-source/cos-general-docs/pdf-docs-for-opinions/2018csih15.pdf?sfvrsn=0>

- 4.3.2 The proposed reforms will have a significant impact on the valuation service and the organisation as a whole. Early estimates suggest that the costs involved in delivering a revaluation every three years and turning around any appeals that arise from such a revaluation within that same timeframe would be significant and in this regard discussions at a national level are underway with both COSLA and the Scottish Government with a view to securing the necessary funding.

5. Conclusion

- 5.1 The service is working extremely hard to deliver on appeal resolution and routine maintenance of the valuation roll and valuation list. The figures demonstrate that it is succeeding on both fronts and are a testament to the valuers and survey staff involved.

Author of Report: Ian H Milton

Appendix 1

Valuation Roll Performance Indicators as at 31 October 2018

	Time Period	2018/2019 (part year)	2017/2018	2016/2017
Amendments within Time Periods	0 - 3 Months	978	1699	1197
The number of amendments made to the valuation roll during the year as a result of material change of circumstances and new subjects.	%	70.3%	66.0%	56.2%
	<i>Threshold</i> %	70.0%	77.0%	60.0%
	3 - 6 Months	243	427	401
	%	17.5%	16.5%	18.8%
The time period is the period between the effective date of the amendment and the date the corresponding Valuation Notice is issued.	<i>Threshold</i> %	15.0%	13.0%	25.0%
	Over 6 Months	170	450	531
	%	12.2%	17.5%	24.94%
	<i>Threshold</i> %	15.0%	10.0%	15.0%
Number of Amendments		1,391	2,576	2,129
Total Number of Entries	At 1 April	29,305	26,036	25,267
Total Rateable Value	At 1 April	£1,005.58M	£987.11M	£804.15M

Appendix 2

Council Tax Valuation List Performance Indicators as at 31 October 2018

	Time Period	2018/2019 (part year)	2017/2018	2016/2017
New Entries within time periods The time period is the period between the effective date of the amendment and the date the corresponding Banding Notice is issued.	0 - 3 Months	1,509	2,949	3,070
	%	94.4%	91.3%	91.8%
	Threshold %	94.0%	94.0%	94.0%
	3 - 6 Months	105	178	210
	%	4.5%	5.5%	6.3%
	Threshold %	3.0%	3.0%	3.0%
	Over 6 Months	26	104	65
	%	1.1%	3.0%	1.9%
	Threshold %	3.0%	3.0%	3.0%
Number of new entries added The Actual number of new dwellings added to the Valuation List during the year.		2,348	3,231	3,345
Total number of entries The actual number of properties shown in the Valuation List as at 1 April annually.		290,004	287,336	284,435
Adjusted to Band "D" equivalent	Original ratios	287,223	284,132	281,036
	2017 revised proportion ratios*	301,483	298,888	n/a

*The Council Tax (Substitution of Proportion) (Scotland) Order 2016 altered the ratio between Band A and Band H from 1:3 to 1:3.675 with effect from 1 April 2017.



REPORT TO: Grampian Valuation Joint Board on 16 November 2018

SUBJECT: IRRV Scottish Conference

BY: The Assessor & ERO

1. Reason for Report

- 1.1 To advise the Board of attendance at the Institute of Revenues, Rating and Valuation's Scottish conference.

2. Recommendation

- 2.1 **The Board note the content of this report.**

3. Background

- 3.1 The IRRV is the largest UK based professional body operating in the field of local government revenues, rating and valuation. It holds an annual conference in Scotland, which has been attended by the Assessor and Valuation Joint Board members since 1995. The Assessor is professionally qualified as a corporate member of the Institute.
- 3.2 Councillor Topping, the Assessor, a Depute and an Assistant Assessor attended the conference.

4. The 2018 Conference

- 4.1 The 2018 conference provided a total of 25 sessions focussing on a wide range of subjects relevant to valuation for local taxation, revenues, benefits, universal credit and shared service delivery models.

- 4.2 Kate Forbes MSP had been appointed as Minister for Public Finance and Digital Economy on 27 June 2018 and gave the keynote speech that focussed on the Government's position regarding Universal Credit and NDR reform. In relation to NDR reform the Minister focussed on measures to improving the quality of information available to stakeholders online. The rights of stakeholders were in her view to be balanced by the responsibilities to engage in the process and she highlighted the challenge of a system that at present is faced with a culture of appealing despite the fact that the majority of appeals are withdrawn without adjustment albeit at significant cost to the public purse in terms of Assessor resources.
- 4.3 The remaining 24 sessions available to attendees covered a wide range of lands valuation assessment and local government finance-related topics. Sessions that were directly relevant to the valuation service included the impact of Brexit, future property markets, valuation appeal panels and the Tribunals Service, technical innovations for valuers, plant & machinery assessment, harmonisation with other UK and Ireland jurisdictions, recent court decisions, and the Government's plans for reform.
- 4.4 The sessions provided a valuable insight into the challenges of property taxation, innovation and responses to the desire for more frequent revaluations.

5. Conclusion

- 5.1 Attendance at this conference provided representatives of the organisation with access to innovators and practitioners from other jurisdictions, Scottish Government officials and the Minister for Public Finance. The sessions were very informative and extremely valuable in terms of professional development.

Author of Report: Ian H Milton