

Agenda Item 3

Minute

Draft

Minute of Meeting of the Central Scotland Valuation Joint Board held remotely on Friday 25 June 2021 at 9.30 a.m.

Councillors: David Balfour (Convener)
Martha Benny
Lorna Binnie
Craig Holden
Jeremy McDonald
Alan Nimmo
John Patrick
Robert Spears
Jim Thomson

Officers: Elizabeth Hutcheon, Assistant to the Treasurer
Brian Pirie, Assistant to the Clerk
Lindsay Sim, Treasurer
Pete Wildman, Assessor and Electoral Registration Officer

VJB1. Apologies

Apologies were intimated on behalf of Councillors Coombes, Earle, Gibson and Grant.

VJB2. Declarations of Interest

No declarations were made.

VJB3. Minute

The minute of the meeting held on 26 February 2021 was approved.

VJB4. Revenue Budget 2020/21 – Draft Financial Outturn at 31 March 2021

The Board considered a report by the Treasurer advising the Joint Board of the draft financial position for the year ending 31 March 2021.

The budget for the financial year 2020/21 was £2.938 million. The projected outturn against the budget showed an underspend of £0.246m, which was a favourable movement of £0.109m, since last reported on 26 February 2021.

The underspend was mainly due to the delay in recruitment of posts in relation to the Barclay review and for established posts caused by the COVID-19 pandemic. The recruitment process had begun but had been delayed by the ongoing Covid-19 limitations. There were also Covid-19 related underspends in supplies and services.

Decision

The Board noted on the draft financial position for the year to 31 March 2021.

VJB5. Annual Audit Plan 2020/21

The Board considered a report by the Treasurer presenting the attached external audit planning report (Appendix A) whose purpose is to set out the planned audit activity in respect of the audit of the financial year 2020/21.

The Plan for 2020/21 comprised:-

- Risk and Planned Work
- Audit Scope and Timing

The Board questioned if the plan was bespoke for the Central Scotland Joint Board and whether any comparisons were made for best practice nationally. Ursula Lodge clarified that plans were tailored to the needs and characteristics of Central Scotland Valuation Joint Board, however, noted that some risks are required by law. In terms of comparisons, Audit Scotland held forums which allowed for discussion and ideas to be shared.

Ms Lodge further explained that costs for this service were set at an expected fee centrally for each type of local authority body – further information on specifics would be passed onto members or could be found on Audit Scotland website.

Decision

The Board noted the external audit plan for the financial year 2020/21.

VJB6. Internal Audit Annual Assurance Report 2020/21

The Board considered a report by the Internal Audit Manager reporting on Internal Audit work undertaken during 2020/21, and provided an assurance on arrangements for risk management, governance, and control based on that work.

Based on work undertaken, Internal Audit was able to provide Substantial Assurance on the adequacy of the Board's arrangements for risk management, governance, and control for the year to 31 March 2021.

In providing that opinion, Internal Audit had taken account of the findings arising from reviews of:-

- Valuation Process – Transactions Testing; and
- Input to the Annual Governance Statement of Assurance Questionnaire process.

Decision

The Board noted that Internal Audit was able to provide Substantial Assurance in respect of the Board's arrangements for risk management, governance, and control for the year to 31 March 2021.

VJB7. Internal Audit Plan 2021/22

The Board considered a report by the Internal Audit Manager which Provided details of the development of the 2021/22 Internal Audit Plan, summarised planned work, and set out the mechanism for reporting on findings arising from that work.

The considering for the Plan must include the impact of the COVID-19 pandemic. Priorities, resource, and capacity had fluctuated and would change over the course of 2021/22, and so this Plan should be considered indicative and flexible.

It was intended that the focus of Internal Audit's work during 2020/21 would be on:

Records Management: this work would focus on governance and operational roles and responsibilities, as well as processes and procedures for ensuring compliance with the Public Records (Scotland) Act 2011; and

Governance: we would review and challenge the conclusions reached by the Assessor in his completion of the Annual Governance Statement Assurance Questionnaire.

The Internal Audit Manager explained that when stated 'broadly compliant', it was in regard to the workings of the Internal Audit team abiding by the Public Sector Internal Audit Standards. He continued to differentiate this from the Internal Audit plan which laid out the intended areas of work in the coming 4-5 year period.

Decision

The Board agreed planned Internal Audit coverage for 2021/22.

VJB8. Draft Financial Statements 2020/21

The Board considered a report by the Treasurer presenting the draft financial statements 2020/21.

The Board was required by law to prepare a statement of accounts in accordance with 'proper practices' which would set out its financial position at the end of each financial year. This was defined as compliance with the terms of the Code of Practice in Local Authority Accounting in the United Kingdom prepared by CIPFA/LASAAC Joint Committee.

The Code specified the principles of accounting required to give a 'true and fair' view of the financial position and transactions of the Board, following completion of the audit.

The Board was legally obliged to complete the draft accounts and submit them by 30th June to the appointed External Auditor so that they could be scrutinised for accuracy and completeness.

Following conclusion of the audit, a final audited set of accounts along with the auditor's report, would be presented to the Board at the next appropriate meeting.

The Board referred to the previous decision to delay recruitment to which the Assessor and Electoral Registration Officer clarified early 2020 was primarily focused on establishing remote working. Posts had since been advertised and filled, for example, admin officer vacancies, meaning that the recruitment process was coming to an end.

After queries regarding expenditure of the reserves, the Assessor and Electoral Registration Officer explained that partial funds were kept aside for property maintenance which would become relevant in the forthcoming years due to the lease of Hillside House coming to an end in 2023 and to maintain flexibility, reserves would be needed.

Following a request for a report on detailed information on pensions, the Treasurer confirmed this report would be presented to members in the future.

Concerns were raised in regard to the possibility members of the public would wish for a rebate due to the high levels of reserves. The Treasurer offered their perspective as an employee of the Council by suggesting a reduction in contributions for the forthcoming year, whereas as the Treasurer, she suggested that the Board faced a budget gap and future pressures (such as events delayed due to Covid-19) would use these reserves. The Board was in a strong position at the time, but this would not be expected to continue in years to come. The Treasurer was open to looking at methods of maintaining financial stability for the Board whilst reducing contribution from member councils.

In regard to the format of the report, the Treasurer explained it was governed by the Accounting Code of Practice and Guidelines making it difficult for the report to be more concise.

The Board referred back to the previous statement of forthcoming expenditure of reserves to which the Treasurer clarified the budget gap referred to areas such as increase in pay. She assured the Board that no new issues were arising, however, the consistent risk of reduced funding from member areas or the Scottish Government remained present. The Assessor and Electoral Registration Officer echoed by explaining that a change in appeal system would entail costs which were covered by the Scottish Government, but this income could not be guaranteed. He continued to express the expected increase in workload for the team in the forthcoming years resulting in a further reason to not cut back funding.

Decision

The Board noted the 2020/21 Draft Statement of Accounts and agreed to their submission to the controller of Audit.

VJB9. Valuation Appeals Progress Report

The Board considered a report by the Divisional Assessor which was an update on the Valuation Appeals Progress.

The Assessor is required to carry out a general Revaluation of all Nondomestic properties normally every 5 years. The 2017 Revaluation required the revaluation of 11,856 nondomestic properties with a total Rateable Value of £348,650,340. Following the 2017 Revaluation the Assessor received 4,574 appeals, a 17% increase on the number of appeals received following the 2010 Revaluation.

In addition, following the Land Reform (Scotland) Act 2016 and the removal of the exemption from the Valuation Roll for Shooting Rights and Deer Forests, a further 532 entries were made in the Valuation Roll in September 2017 resulting in 163 additional appeals with effect from 1st April, 2017.

Appeals on the basis of a Material Change in Circumstance could be made at any time while the Roll is in force (and for 6 months after). The effect of the Covid-19 pandemic had been cited as a Material Change in Circumstance affecting value on a number of appeals received since March 2020.

The Assessor was also required to maintain the Valuation Roll which included the addition of new entries and amendments to existing entries to reflect a number of circumstances including physical changes to

properties. These changes, together with changes to proprietors, tenant or occupier may also result in appeals being lodged by relevant parties.

The Board noted the complexity of re-evaluation and sought clarification as to why other processes were not prioritised to which the Assessor and Electoral Registration Officer explained all problems were attempted to be resolved prior to any input from Third Parties given the incurred charges. However, if decisions could not be made prior to a deadline, it would be agreed in principle that Third Parties would become involved. Furthermore, given the technicality and complexity of some appeals, it would be more appropriate to automatically refer them elsewhere.

Following a question, the Assessor and Electoral Registration Officer clarified that Covid-19 could be a ground of appeal. In 2021, appeals had not been so explicit therefore demanding a discussion as to what the material changes were.

In regard to the gap of number of Council Tax appeals lodged in comparison to those accepted, noting the volume withdrawn/rejected, members questioned if the general public were lodging appeals on inappropriate grounds. The Assessor and Electoral Registration Officer noted tenants had the capacity to lodge a complaint within the first 6 months of tenancy. Council Tax was based upon property valuations held in 1991 and due to experience, relevant officers had become knowledgeable and refined their skills. He continued to express the aim of was correct valuation and the figure reported was a reflection of correct work.

The Board made reference to the impending possibility of change in legislation regarding appeals related to Covid-19 being disabled as had been shown in Westminster. The Assessor and Electoral Registration Officer explained that the capacity that decisions could be made by the body would be dependent upon the legislation which had not been revealed at this point. Due to the retrospective nature of the legislation in Westminster, it could be possible that the Scottish Government may have done something similar and therefore disregard all impending appeals on this ground. As new information would be brought forward, a further report would be presented to the Board.

The Scottish Government governs the Council Tax banding, as members noted the 30 year gap since it had last been reviewed, the Assessor and Electoral Registration Officer explained that there were no intentions by the SNP of changing this at the time.

Following a question regarding the investigation of exploitation of the Single Persons Discount, the Assessor and Electoral Registration Officer confirmed to the Board that this was a matter for member councils.

Decision

The Board noted the report.

VJB10. Best Value Report 2020/21

The Board considered a report by the Assessor and Electoral Registration Officer which updated the Board on best value report 2020/21.

Reports on performance had been submitted to the Central Scotland Valuation Joint Board on a regular basis since 2000. This report covered the financial year 2020/2021, and showed performance levels on Assessor's work completed between 1st April 2020 and 31st March 2021. The report followed the same format as previous years and the figures for the past three years were shown.

The key performance indicator for the Valuation Roll was a measure of the length of time taken to action amendments to the Roll. The Assessor's powers to alter the Valuation Roll were prescribed by law. Recorded amendments include the addition of new entries, deletion of existing entries and the amendment of existing entries.

2021/2022 targets considered 2020's performance acknowledging that we will continue to work under challenging circumstances in the forthcoming year.

The Board sought clarification of whether working from home would lead to housing being business rates. Darryl Rae affirmed the Board that this would not be the case as the Assessor and Electoral Registration Officer echoed as this would only be the case if an individual was running a business. Business rates had to be taken on an individual bases as assessors would be looking for a dedicated space used for commercial use.

Decision

The Board noted the report.

VJB11. Equality Outcomes and Mainstreaming Report

The Board considered a report by the Divisional Assessor which updates members of the Valuation Joint Board of the latest Equality Outcomes and Mainstreaming Report.

The changing make up of workforces, particularly with the increase of an aging workforce is reflected in the report and noted my Mr Rae that a significant proportion of the Central Valuation Joint Board's workforce were over the age of 40. It was noted that policies were in place to allow

any person, regardless of age, to adapt their work pattern to alleviate any barriers/problems that may arise. The Assessor and Electoral Registration Officer continued that if an individual were to develop a disability, the Board has a duty to adjust appropriately to adhere to this.

The Board noted on the small sample size, 23 people, reporting back to the equality report and questioned how anonymity is maintained to which Mr Rae explained he was unsure of comparator figures but expressed figures had previously been low possibly due to the revealing and personal nature of the questions. He continued to explain that it was essential that participants understood why the questions were being asked. The Assessor and Electoral Registration Officer added the Board should report as an individual body and reflect those involved – cautious steps were taken to ensure no data that could be identifiable was published.

Decision

The Board noted the report.

VJB12. Valuation Joint Board Website

The Board considered a report by the Assessor and Electoral Registration whose scope of this report is to make recommendations to the Joint Board for the procurement, setup, design and ongoing maintenance of a web site for the Board.

The Board questioned whether website would be interactive in terms of enabling direct communication. The Assessor and Electoral Registration Officer clarified that the format of the website would be basic and would not hold personal data, however, the ability to pass on data directly to the relevant officers could be an option.

Discussion continued to encompass the provider of the website to which Mr Wildman confirmed it would be the NFA as to place this duty upon an individual council may be a burden due to additional, unplanned, work and cost.

In terms of livestreaming and recording of meetings, members evaluated different options such as the need for both, the benefit of direct access for the public, blended meetings and the necessary equipment for this. The Assistant to the Clerk expressed that there were options for what blended meetings could be and would bring forward a report discussing this in future. It was further agreed that the Assessor and Electoral Registration Officer and the Assistant to the Clerk would be happy to discuss privately the ability to livestream meetings.

Decision

The Board:-

- 1. agreed that the project assumptions are accurate and reflect the position of the Joint Board.**
- 2. approved an indicative spend of up to £7,500 for the design and set up of a new website.**
- 3. agreed to continue its determination on whether to trial the use of YouTube as the platform for live streaming, and the archiving of streamed content, or whether to investigate further the option of a managed provider until its position in regard to its meeting arrangements was settled.**
- 4. approved an indicative ongoing spend in the region of £50 per month for the ongoing hosting and maintenance costs of the website.**
- 5. approved an annual health check of the website at an indicative cost of £750 per annum.**