

AYRSHIRE VALUATION JOINT BOARD

Minutes of the meeting held on Tuesday 5 September 2017 at 10.30 a.m. within
Cunninghame House, Bridgegate, Irvine

Item 1 - Sederunt

Present:

East Ayrshire	Councillors:	Gordon Jenkins, John McFadzean (Chair), Jim McMahon and Maureen McKay
North Ayrshire	Councillors:	Margaret George, Jean McClung, Donald Reid, and Donald L Reid
South Ayrshire	Councillors:	Siobhian Brown, and Chris Cullen

In Attendance: Helen McPhee, Assessor and Electoral Registration Officer (ERO); John McConville, Head of Valuation Services and Assistant ERO; Tim Baulk, Head of Finance and ITC, South Ayrshire Council; Tom Simpson, Corporate Accounting Manager, South Ayrshire Council; Wynne Carlaw, Democratic Governance Manager (Clerk), South Ayrshire Council; Steven Hill, Senior Accountant, East Ayrshire Council; Gwyneth McKinlay, Finance, North Ayrshire Council; Nick Rayner, External Auditors and Alison Nelson, Co-ordinator, Democratic Services.

Apologies: Councillors Jim Roberts EAC, John Easdale and John Glover NAC, Andy Campbell, Iain Campbell and Martin Dowe, SAC. Harry McCormick, Principal Admin and ICT Officer, AVJB.

Item 1 – Sederunt

As detailed above.

Item 2- Declaration of Interests

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct

Item 3 - Minutes of Previous Meeting

It was noted that on the Minutes of the 15 June 2017 under Item 2 Councillor George Jenkins should have read Councillor Gordon Jenkins. Thereafter the Minutes of the meeting of the AVJB held on 15 June 2017 were submitted and approved as a correct record.

Proposed by Councillor Chris Cullen and seconded by Councillor Siobhian Brown.

Item 4 – Matters Arising

There were no matters arising.

Item 5 – 2016/17 Annual Audit Report to Members and the Controller of Audit

There was submitted (circulated) a report dated 1 September 2017 by the Treasurer to the Board presenting to the Members of the Board the 2016/17 Annual Audit Report to Members and the Controller of Audit.

Tom Simpson, Corporate Accounting Manager introduced Nick Rayner, Deloitte, External Auditors to the Board who subsequently went through the key findings of the 2016/17 audit.

Councillor Donald Reid raised the issue of financial planning in the medium to longer term and how challenging this was for the Board when central government dictated when parliamentary elections/referendums took place. Nick Rayner accepted this was a difficult area however every effort should be made to try and anticipate when elections/by elections are likely to take place and incorporate this into the budget planning process.

Decided: to accept the contents of Deloitte LLP's annual audit report.

Item 6 – AVJB – Annual Accounts for period ended 31 March 2017

There was submitted (circulated) a report dated 1 September 2017 by the Treasurer to the Board advising Members of the Board of the Annual Accounts for period ended 31 March 2017.

Discussion ensued and the Board agreed to the recommendations contained within the Report, Proposed by Councillor Cullen and Seconded by Councillor Gordon Jenkins as detailed below:

Decided:

- (1) approve the Annual Accounts for the year ended 31 March 2017.
- (2) authorise the Chair, Assessor and Electoral Registration Officer and Treasurer to sign and issue the Annual Accounts by 30 September; and
- (3) note that the accumulated General Fund surplus as at 31 March 2017 of £483,095 will be utilised to fund expenditure in future years, as previously approved by the Board.

Item 7 – Revenue Budget Monitoring Report 2017/18 Position Statement at 31 July 2017

There was submitted (circulated) a report dated 23 August 2017 by the Treasurer to the Board advising Members of the Board of income and expenditure for the period ended 31 July 2017 (monitoring period 4) as compare with the approved revenue budget.

This was the standard report presented to the Board for Period 4 – Position Statement at 31 July 2017. No significant variances from budget were identified.

Decided: to approve the Revenue Budget Monitoring Report 2017/18 as at 31 July 2017.

Item 8 – 2018/19 Revenue Budget

There was submitted (circulated) a report of 23 August 2017 by the Treasurer to the Board updating Members of the Board regarding the 2018/19 revenue budget.

The Board had experienced a 2.5% reduction in the level of requisitions provided by each authority, net expenditure of £2,317,280 was approved, to be funded by total requisitions of £2,092,409. The balance of £224,871 was funded from the Board's reserves.

It was recognised that a similar level of support from reserves would not be sustainable beyond 2017/18 if reserves were to be held at the preferred level of at least 2% of annual net expenditure (approximately £50,000).

Given the pressures expected to face local government budgets, the Assessor and Treasurer would shortly begin discussions with the constituent authorities in order to ascertain their positions regarding future requisition levels and to outline the consequences for service delivery and performance of further reductions.

The Assessor and ERO and Treasurer had also started to review existing budgets in order to identify potential savings. Options under review included reducing existing service contracts and identifying potential new income streams. However, with employee costs accounting for 73% of budgeted gross expenditure, these budgets will inevitably also come under review.

The Chair enquired as to what could be an income stream. The Assessor and ERO advised that at the moment they occupy 9 Wellington Square, Ayr which comprises two parts, the front building which looks onto Wellington Square and the back building which looks onto Mews Lane. One option might be to move all staff from the front building into the rear building and lease the front of the building. The AVJB may also be in a position to provide reception services for another organisation if the agreement was in the form of a serviced office agreement.. Selling the building, renting and moving out of Ayr are all options to be considered. The Assessor and ERO would investigate all options available to her and report back to future meetings of the Board.

Decided:

- (1) to request that the Assessor and the Treasurer progress discussions with the three constituent authorities, in order to bring forward proposals for the two year period 2018/19 and 2019/20 that will address the Board's projected funding gap on a sustainable basis and ensure that uncommitted reserves remain at an appropriate level and;
- (2) to request that the Assessor and ERO write to each constituent Chief Executive, on behalf of the Board, expressing concern about the projected funding gap should a 2.5% reduction in the level of requisitions continue in 2018/19 and 2019/20.

Proposed by Councillor Siobhian Brown and seconded by Councillor Jim McMahon

Item 9 – Service Plan 2017-2020

There was submitted (circulated) a report dated 7 August 2017 by the Assessor and Electoral Registration Officer (ERO). The Report presented to the Board the revised Service Plan for 2017-2020.

Appendix 2 of the report contained the proposed Service Plan for 2017/20. The changes to the Service Plan reflected where the AVJB were in the Revaluation cycle and the challenges and statutory deadlines which have to be met over the coming three years.

Decided: to note the contents of the Report.

Item 10 – Valuation and Performance

There was submitted (circulated) a report of 25 August 2017 by the Head of Valuation Services and Assistant ERO advising Members of the Board on the progress achieved in Valuation and Council Tax for the period 1 April 2017 – 31 July 2017.

The Head of Valuation Services and Assistant ERO highlighted the key areas within the report, Appendix 1 reported on Valuation and Performance in both Council Tax and Non-Domestic Rates for the first four months of the financial year 2017/2018. Appendix 1 also detailed the outstanding Council Tax and Non Domestic Valuation Appeals as at 31 July 2017.

Decided: to note the contents of the Report.

Item 11 – Electoral Registration

There was submitted (circulated) a report of 25 August 2017 by the Principal Admin and IT Development Officer updating members on the current position with regard to the Board's function concerning Electoral Registration.

The ERO advised that letters would be issued shortly to permanent postal voters whose vote was not counted due to their security statement failing. This is a legislative requirement that requires to be undertaken within 3 months of an electoral event.

The ERO intimated that to date there had been a 47% response rate to the canvass, this would be followed up by door to door canvassing, for non- responders, during October and November.

Councillor Reid commented on the 36.5% return in Ward 4 Stevenson which was particularly low and enquired if press releases had been used. The ERO advised that radio adverts had been used this time.

The ERO also informed the Board that the new Electoral Management System was now in place and working well however there were minor addressing issues still to be resolved.

Decided: to note the contents of the Report.

Item 12 – Revaluation 2017

There was submitted (circulated) a report of 24 August 2017 by the Head of Valuation Services and Assistant ERO advising Board Members on issues relating to Revaluation 2017.

The report attempted to highlight the main issues encountered during the very early stages of the introduction of Revaluation 2017. Appeals were now being received.

Decided: to note the contents of the Report.

Item 13 – Corporate Risk Register

There was submitted (circulated) a report of 15 May 2017 by the Assessor and ERO updating Board Members on the risks currently faced by the Board.

The report outlined the current corporate risks; the potential effects of these and the control measures in place to mitigate the risks.

The Assessor and ERO advised that she was currently working on a Data Sharing Agreement but was unclear, at the moment, as to whether it would require to be one document encompassing all three local authorities or three individual documents.

The recommendations included in the Barclay Review had been included. These recommendations would be updated to take into account any guidance issued by the Scottish Government.

Decided: to note the contents of the Report

Item 14 –Staffing

There was submitted (circulated) a report of 24 August 2017 advising Board Members of current staffing issues.

Decided:

- (1) to approve the closure of the office in the period between Christmas and New Year, subject to staff using their annual leave and/or flexi time.
- (2) to note the contents of the remainder of the Report.

Proposed by Councillor Gordon Jenkins and Seconded by Councillor Donald L Reid.

Item 15 – Any Other Competent Business

The Clerk updated the Board on Indemnity Insurance for the Assessor and ERO in relation to a future data breach.

The Clerk advised insurance cover has been arranged under, a recently extended, Directors', Trustees' and Officers' Liability Policy which would include cover for civil fines or penalties imposed by the Information Commissioner's Office.

Item 16 – Date and Time of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 9 January 2018 at 10.30 a.m.** within the County Buildings, Wellington Square, Ayr.

The meeting ended at 12.15 p.m.

AYRSHIRE VALUATION JOINT BOARD

Minutes of the meeting held on Tuesday 9 January 2018 at 10.30 a.m. within
County Buildings, Wellington Square, Ayr

Item 1 - Sederunt

Present:

East Ayrshire	Councillors:	Gordon Jenkins, John McFadzean (Chair), Elena Whitham and Maureen McKay. Councillor McKay left the meeting at 11.20am and return again at 11.45am
North Ayrshire	Councillors:	John Easdale, Donald Reid and Donald Lees Reid
South Ayrshire	Councillors:	Siobhian Brown, Iain Campbell, Chris Cullen, and Martin Dowey

In Attendance: Helen McPhee, Assessor and Electoral Registration Officer (ERO); John McConville, Head of Valuation Services and Assistant ERO; Harry McCormick, Principal IT and Administration Officer; Tim Baulk, Head of Finance and ICT, South Ayrshire Council; Tom Simpson, Corporate Accounting Manager, South Ayrshire Council; Wynne Carlaw, Democratic Governance Manager (Clerk), South Ayrshire Council; Amanda Laing, Finance, East Ayrshire Council; and Alison Nelson, Co-ordinator, Democratic Services.

Apologies: Councillors Margret George, John Glover, Jean McClung EAC and Councillor Andy Campbell, SAC.

Item 1 – Sederunt

As detailed above.

Item 2- Declaration of Interests

There were no declarations of interest by Members in terms of the Councillors' Code of Conduct

Item 3 - Minutes of Previous Meeting

The Minutes of the meeting of the AVJB held on 5 September 2017 were submitted and approved as a correct record.

Proposed by Councillor Donald Lees Reid and seconded by Councillor Gordon Jenkins.

Item 4 – Matters Arising

The Assessor and ERO referred to the discussion, under Item 8 of the Agenda, regarding the property currently occupied by the Board and intimated that she had not finalised the Property Report and would report back to a future meeting regarding options available.

Under Item 13 of the Agenda the Assessor and ERO advised that a draft Data Sharing Agreement, with respect to the three local authorities, had been prepared and had been forward to the Clerk.

Item 5 – Revenue Budget Monitoring Report- Position Statement at 30 November 2017

There was submitted (circulated) a report dated 18 December 2017 by the Treasurer to the Board advising Members of the Board of income and expenditure for period ended 30 November 2017 (monitoring period 8) as compared with the approved revenue budget.

The Corporate Accounting Manager explained the main variances from the budget which were:-

Employee Costs – a year-to-date underspend of £18,000 which was attributed to vacancies, offset by overtime costs. A full year underspend of £14,000 was projected.

Supplies and Services Costs – a full year underspend of £99,000 was projected, of which £90,000 was attributed to slippage in the implementation of the new electoral management system (EMS) as a result of the General Election in June 2017.

Administrative Costs – a year-to-date overspend of £9,000 was attributed to the lease of mobile tablet devices to help improve the efficiency of the annual canvass (funded from the IER budget). This was expected to be offset by compensatory underspends and a full year underspend of £48,000 was projected. This underspend related to postage (£50,000) and training (£10,000), offset by a number of small projected overspends. The projected underspend on postage was due to improved rates from a new supplier, as well as being permitted to issue more correspondence than before by email. As IER progresses, expenditure on postage was expected to reduce; however it was anticipated that this would be reflected in the level of IER funding made available by the Cabinet Office. The training underspend was due to the slippage in the project as outlined at 4.2.2 of the report.

Support Services Costs – a full year underspend of £7,000 was projected based on estimated support charges from South Ayrshire Council.

Third Party Payments – a full year underspend of £18,000 was projected, mainly attributed to the costs of valuation appeals. This budget was increased by £10,000 in 2017/18 in anticipation of additional Council Tax banding appeals following legislative changes but these have not materialised to the extent anticipated.

Financing Costs – a full year overspend of £2,000 was projected based on estimates of interest due from South Ayrshire Council.

At monitoring period 8, the Board's net expenditure was underspent by £15,000 against budget, as outlined in Section 4 of the report. At the year end, net expenditure was projected to underspend by £184,000 of which £100,000 was due to slippage in the project to implement a new operating system.

The impact of the full year underspend would be to reduce the Board's contribution from reserves in the current financial year, set at £224,871 in the approved budget to approximately £41,000.

Councillor Easdale sought clarity on the slippage figure, the Corporate Accounting Manager confirmed that £90,000 was the cost associated with the new system and £10,000 was for training.

The Chair enquired as to whether the £100,000 should be clearly identified in the accounts as a 'one-off' spend, although it would not be spent in 2018, it would in 2019. The Corporate Accounting Manager intimated that this was a valid point however this issue would be further explained in the financial report to the Board at the March meeting.

Decided: to approve the Report.

Item 6 – 2018/19 Revenue Report

There was submitted (circulated) a report dated 18 December 2017 by the Treasurer to the Board updating Members of the Board regarding the 2018/19 revenue budget.

The Assessor, supported by the Treasurer, had briefed the three constituent authority Chief Executives on the projected future financial position of the Board as outlined in the report. The Assessor was requested, through the Treasurer, to write to the chief finance officers of each constituent authority setting out proposals designed to address the Board's future funding issues.

The two proposals for consideration were:-

- (a) to maintain the Board's requisition level of financial years 2018/19 and 2019/20 at the level agreed for 2017/18; and
- (b) that the constituent authorities provide capital funding for financial years 2018/19 and 2019/20 to support the Board's modernisation programme instead of utilising the Board's revenue reserves.

Maintaining the existing requisition level will result in a real terms reduction in available funding. However, permanent savings of approximately £20,000 had been identified that would, subject to Board approval, be achieved during 2018/19.

The Board's modernisation programme was underway with the implementation of the new electoral management system (EMS). Annual maintenance costs for the new system of approximately £11,500 would be funded from the Board's existing resources. The Board also leased mobile devices in order to improve the Individual Electoral Registration (IER) canvass at a cost of £20,700 for three years, which has been funded from the UK Cabinet Office grant for IER.

As a consequence of the delay in the implementation of the new electoral management system (EMS) the new core operation system project and the Digitisation Phase 1 project would now commence in 2018/19 and 2019/20 respectively. Following the EMS implementation a new core windows-based system, would be procured, to replace the existing outdated, character-based system. This project would be central to delivering future efficiencies as it would facilitate the streamlining of key processes and would eradicate double-handling of data. The Board also recognised the need to digitise manual records (200,000) in order to improve efficiencies.

The above projects were originally being funded from the Board's reserves, as part of the revenue budget. Both projects had subsequently been identified as capital projects and it was proposed that the constituent authorities fund them from their capital programmes over the two year period. This would require a contribution of between £21,000 - £25,000 per constituent authority for each of the two years.

Support for these proposals would have a significant positive impact on the Board's reserves as detailed in 4.9 of the Report. This revised position would be further improved by future efficiency measures which would complement the modernisation programme without significantly impacting on service delivery. These measures would further reduce annual net expenditure and reduce reliance on the Board's reserves. Without these proposals and with reserves consequently exhausted, significant savings would require to be made before efficiencies could be realised, which would result in reduced service delivery and performance.

No decision had been taken regarding either funding or potential savings. The proposals were with the three constituent local authorities for their consideration. The Corporate Accounting Manager believed the proposals to be fair, reasonable and a sustainable way to go forward. Discussions would be concluded shortly and a proposed 2018/19 budget would be provided to the next Board meeting.

Councillor Easdale enquired as to when the scanning project would commence, the Principal Administration and IT Development Officer advised that it would be towards the end of March 2019.

Councillor Donald Reid referred to discussions relating to Item 8, of the previous meeting, when discussions took place regarding the options for the building (9 Wellington Square) and if reserves would be sufficient to meet these demands. The Corporate Accounting Manager suggested that there were no firm plans yet for the building and funding for any approved options would be addressed at the time.

In terms of the Core System Councillor Dowey enquired as to whether an in-house system would be developed or would a system be procured externally. The Principal Administration and IT Development Officer advised that systems currently used within other local authorities and external suppliers were being considered.

The Chair raised concerns about the level of reserves for 2019/20 (£17,000) particularly if there were any major issues with the property at 9 Wellington Square. The Assessor and ERO advised that she would be considering current vacancies and consequently staff re-structures in order to increase this figure, the introduction of new IT systems could also generate savings.

The Chair asked if selling the building to the three Ayrshire authorities and renting it back would be an option. The Head of Finance and IT advised that this would be a capital receipt and this funding could not be used to pay rent. Councillor Donald Reid intimated that he had hoped that selling the building maybe an option that would be considered in the Property Report that the Assessor and ERO was preparing for the Board.

Decided:

- (1) note the progress made in identifying budget proposals for consideration by the three constituent authorities; and
- (2) request that the Assessor and Treasurer bring forward final budget proposals to the next meeting for the two year period 2018/19 and 2019/20 that will address the Board's projected funding gap on a sustainable basis and ensure that uncommitted reserves remain at an appropriate level.

Item 7 – Valuation and Performance

There was submitted (circulated) a report of 18 December 2017 by the Head of Valuation Service and Assistant ERO advising Members on the progress achieved in Valuation and Council Tax for the period 1 April 2017 to 30 November 2017.

The Head of Valuation Service and Assistant ERO informed the Board that substantial progress had been made relating to the number of appeals referred to the Lands Tribunal for Scotland, 114 was reported to the September Board meeting, as at 30 November 2017 this figure had been reduced to 40. Discussions would continue with regard to these appeals in an effort to resolve them.

With regard to outstanding appeals not referred to the Lands Tribunal for Scotland, there were 34, 2010 Running Roll appeals which remained outstanding. The figure previously reported was 240.

As at 30 November 2017, 161 (previously reported 185) valid Council Tax appeals remained outstanding, in addition a total of 69 (previously 128) invalid appeals were currently outstanding.

46 appeals were listed for Hearing by the Ayrshire Valuation Appeal Panel on 21 September 2017 and a further 50 were listed for Hearing by the Appeal Panel on 23 November 2017.

The Ayrshire Valuation Appeal Panel would sit in late March to hear valid and invalid proposals and would sit in mid-April to clear outstanding 2010 non-Domestic Running roll appeals.

The tables at 4.1 and 4.2 of the report relating to Alterations to the Council Tax List and Non-Domestic Rates – Time taken to make statutory amendments to the Valuation Roll for the period 1 April 2017 until 30 November 2017 appeared favourable.

The table at 4.3 of the report outlined performance in Domestic Alterations with Sales for period 1 April to 30 November 2017 when dealing with band increases when a dwelling had been altered and sold. A total of 353 bands had been considered for review resulting in 73 bands being increased.

Councillor Easdale sought clarity on the remaining 280 bands, the Assessor and ERO advised that these bands remained the same. Councillor Brown enquired if there was any dialogue with the Planning Service once planning applications had been approved in order to take account of the resultant alterations to the property. The Assessor and ERO informed the meeting that she did not have the resources to implement such a process; bands were only re-assessed when a house was sold.

Decided: to note the contents of the Report.

Item 8 – Electoral Registration

There was submitted (circulated) a report of 14 December 2017 by the Principal Administration and IT Development Manager updating Members on the current position with regard to the Board's functions relating to Electoral Registration.

The Principal Administration and IT Development Manager advised that the new [REDACTED] Electoral Management System had been installed and tested. The first test of the new system would be the Canvass.

338,000 HEF forms were issued with 39,000 property visits. 70,000 of those that responded used the Freephone or Internet Service with 97.2% stating that they found the website easy to use.

Appendix 1 of the report detailed a full ward breakdown, as at December 2017, of the Canvass response rates compared with 2016. Appendix 2 displayed the electorate figures and Appendix 3 detailed the additions and deletions to the Electoral Register throughout 2017.

The Principal Administration and IT Development Officer also advised that an exercise was about to commence to refresh the signatures of absent voters whose signature had been held for over 5 years.

Councillor Jenkins noted that for his ward there was a 75% response rate to the canvass. He asked if the remaining 25% would be disenfranchised. The Principal Administration and IT Development Office advised that there were several processes, over a period of approximately 2 years, which would require to be exhausted before that would happen.

Decided: to note the contents of the Report.

Item 9 – Revaluation 2017

There was submitted (circulated) a report dated 18 December 2017 by the Head of Valuation Services and Assistant ERO advising Members on issues relating to Revaluation 2017.

A substantial number of revaluation appeals were submitted prior to 30 September 2017, the last date for lodging a Revaluation appeal. These figures however do not include Shooting Rights and Deer Forests. Plans were underway to ensure that the statutory timetable for dealing with all revaluations appeals, 30 December 2020, was met.

Councillor Donald L Reid enquired if there was a cost associated with lodging an appeal; he was advised that there was not.

Decided: to note the contents of the Report.

Item 10 – Unacceptable Actions Policy

There was submitted (circulated) a report of 14 December 2017 by the Assessor and ERO to present a new policy to the Board, the Unacceptable Actions Policy.

The Policy sets out Ayrshire Valuation Joint Board's (AVJB) approach to the service users whose actions or behaviour the AVJB considers unacceptable. The Board believe that service users have the right to be heard, understood and respected. Occasionally, the behaviour or actions of service users makes it difficult for staff to deal with other service priorities due to the time and effort required to deal with a few service users.

The Policy at Appendix 2 of the Report details how the Board would approach these types of situations.

Councillor Jenkins intimated that it was good policy and was aware that local authorities had implemented similar policies.

Decided: to note and implement the contents of the Report.

Item 11 – Staffing

There was submitted (circulated) a report of 18 December 2017 by the Head of Valuation Services and Assistant ERO advising Members of current staffing issues.

One Chartered Valuation Surveyor had tendered their resignation. This change would allow for a review of the vacant post and the vacant Trainee Valuer post with a view to creating two Trainee Valuer posts.

The [REDACTED] was retiring on 31 January after [REDACTED] years local government service. This would again allow for a review of the post and the overall clerical structure.

As at November 2017 short term absence was 0.21 % and long term absence was 2.04%

Resource was being committed to meet various corporate governance obligations i.e. Data Protection, Freedom of Information and Records Management.

Decided: to note the contents of the Report.

Item 12 – Leadership PDR – Assessor and ERO

There was submitted (circulated) a report of 15 December 2017 by the Assessor and ERO setting out the key work objectives for the Assessor and ERO, for period 1 April 2018 until 31 March 2019, in her Leadership Performance and Development Review which was contained in Appendix 2 of the Report.

Decided:

- (1) to note the contents of the Report
- (2) to agree an annual review with a Panel consisting of the Assessor and ERO, a Board Member, still to be decided, and a member of staff from Employee and Customer Services.

Item 13 – Any Other Competent Business

There were no further items of business.

Item 14 – Date and Time of Next Meeting

The Board noted that the next meeting would be held on **Tuesday 6 March 2018 at 10.30 a.m.** within the **County Buildings, Wellington Square, Ayr.**

The meeting ended at 12.20 p.m.