



## **2010/11 PERFORMANCE REPORT To LOTHIAN VALUATION JOINT BOARD**

### **1.0 INTRODUCTION**

Key Performance Indicators for the work of Assessors in Scotland are in place for Valuation Roll and Council Tax. Internal performance standards are also set for staff to ensure the organisation meets appropriate standards in all work undertaken. Performance is monitored on an ongoing basis and formally assessed in line with the Performance Review and Development policy

### **2.0 ELECTORAL REGISTRATION**

Performance standards for the work of EROs are submitted to the Electoral Commission in January each year following the Annual Canvass. I am pleased to say that, each year since the introduction in 2009, we have matched or exceeded the required performance standards.

A separate electoral report provides details of the performance achieved and tasks undertaken.

### **3.0 VALUATION ROLL**

The Valuation Roll operates under a five year rolling programme. A revaluation is carried out 5 yearly with the last revaluation being effective from 1 April 2010 and the next revaluation scheduled for 2015.

In general terms the assessor will take three years to dispose of revaluation appeals and two years to prepare for the next revaluation. During the quinquennium the Roll is constantly updated to take account of physical and economic factors which affect value and this consequently generates an additional appeals workload.

The statistics in this report provide sufficient history to allow comparison with similar or corresponding years' pressure points.

#### **3.1 /...**

### 3.1 Alterations to the Valuation Roll

The principal indicator in this area relates to the length of time taken to amend the Valuation Roll to reflect changes which have taken place. The number of amendments is shown and also the change in the total annual value of the Valuation Roll in each year.

In general terms, stakeholders prefer the Valuation Roll to be amended as quickly as possible after a change has taken place in order to facilitate stable financial planning and improving the cash flow to the rating pool. The KPIs show actual performance against estimated performance for 2005/6, 2006/7, 2007/8, 2008/9, 2009/10, 2010/11 and targets for 2011/12.

Valuation Roll	No changes	Rateable Value 1/4	Rateable Value 31/3	0 – 3 months %		3 – 6 months %		> 6 months %	
				Target	Actual	Target	Actual	Target	Actual
2005/6	3531	903,178,666	1,042,428,524	52	62.8	26	19.1	22	18.2
2006/7	3314	1,042,428,524	1,050,213,188	57	74.9	28	13.9	15	11.2
2007/8	4206	1,050,213,188	1,058,508,620	65	83.26	25	11.63	10	5.11
2008/9	4258	1,058,508,620	1,056,910,140	70	80.77	20	11.53	10	7.7
2009/10	3792	1,056,910,140	1,068,384,758	80	78.1	15	11.1	5	10.8
2010/11	3,476	1,259,913,732	1,259,913,732	82	78.02	14	13.55	4	8.43
2011/12				80		15		5	

Unfortunately the Board has not managed to meet its target performance figures for 2010/11. It has been a very difficult year dealing with an abundance of appeals with reduced staff numbers and perhaps my targets were a little ambitious in the circumstances. The economic decline has resulted in many more taxpayers lodging appeals and proceeding to appeal hearing. Such appeals are very costly and also very time intensive for staff therefore having a knock on effect on all professional work.

For the first time I have reduced the target for the current year from the previous target.

### 3.2 Appeal Settlements

For each of the relevant years the Assessor provides figures for the total amount of adjustment to net annual value arising from appeal settlements. This figure is expressed as a percentage of the total net annual value of the Valuation Roll as at 1 April in the relevant year. This indicator allows the Scottish Government to estimate the financial implications arising from the settlement of rating appeals.

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3.2/

Valuation Year	No of Appeals Settled	Target Percentage	Actual Percentage
2005/6	1,239	1%	0.12%
2006/7	3,938	2%	0.365%
2007/8	3,641	1%	1.491%
2008/9	1625	1%	1.66%
2009/10	1,224	0.5%	1.06%
2010/11	1,700	1%	0.09%
2011/12	(7,000)	2%	

The target number of appeals to be disposed of during 2010/11 was 1,400. As a result of the ever increasing number of appeals being received it was decided to increase the rate of disposal. I am pleased to say that an additional 300 appeals were resolved during the year providing a good start to the appeal disposal programme. I am delighted to see the appeals loss being lower than expected which I believe demonstrates the level of accuracy at the revaluation.

The target disposal number set for the following year has now been increased from 5,000 to 7,000 appeals.

#### 4.0 COUNCIL TAX

Council Tax continues in a rolling programme with no revaluation allowed for within the legislation.

The main work involves updating details of alterations carried out to properties, inspection and banding of all new dwellings, consideration of all domestic sales evidence and re-banding when a property which has been previously altered has been sold

#### 4.1 Council Tax – New Dwellings

The number of new dwellings entering the Council Tax List is important to local taxation as this is a potential source for additional revenue.

The table below shows that the number of new houses added in the year 2010/11 is again down from the previous year. Although the market is still very sluggish the number of dwellings on the list continues to rise year on year.

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#### 4.1/

Valuation List	No. of CT Entries@ 1/4	New Houses Added
2005/6	368,539	4,288
2006/7	372,242	5,515
2007/8	377,051	5,323
2008/9	381,301	4,345
2009/10	384,837	3,984
2010/11	387,636	3,768
2011/12	390,642	

Although the number of new dwellings entering the List has dropped my technical staff have been involved with tasks outwith their normal day to day activities. I would like to express my thanks to them for their positive attitude towards multitasking through this very busy year.

#### 4.2 Council Tax Performance

The criteria used in establishing Council Tax indicators are derived in a similar way to those for the Valuation Roll.

Council Tax payers require notification of their banded valuation, and hence their financial liability, as soon as possible after they have taken occupation of the new property. Cash flow to the authority, arising from insertions of new entries is also affected by how quickly entries are made on the Valuation List.

The KPIs show estimated performance against actual performance for 2005/6, 2006/7, 2007/8, 2008/9, 2009/10, 2010/11 and the performance targets for 2011/12.

Valuation List	0-3 months	3-6months	Over 6 months
2005/6	81.2	12.4	6.4
2006/7	84.8	11.3	3.9
2007/8	93.22	5.17	1.62
2008/9	94.13	4.53	1.33
2009/10	95.36	2.46	2.18
2010/11	94.98	4.06	0.96
2011/12	94	4	2

The time taken to add new dwellings to the Council Tax List has now reached a very acceptable level of 95% within 3 months and I aim to maintain that high standard.

#### 4.3 /...

### 4.3 Council Tax – Altered Bands 2009/10

Council Tax Bands are altered for properties where the property has been extended and subsequently sold i.e. the new tax payer will pay tax on the altered band. Council Tax Bands are not altered when a dwelling is extended or improved, it is only when the property is subsequently sold that the new Band takes effect.

Valuation List	Point of Sale Band Changes	Sales Added
2005/6	329	29,903
2006/7	189	31,998
2007/8	240	31,264
2008/9	374	16,841
2009/10	105	14,402
2010/11	163	14,537

The above table shows that the number of Council Tax Bands altered as a result of dwellings having been altered and subsequently sold remains at a relatively low number. The reduced numbers are probably reflective of the lower number of house sales taking place during the financial year which are now less than 50% of the number of sales in 2005 through to 2008.

### 5.0 BEST VALUE

I consider that the organisation has continued to review practices, policies and procedures on an ongoing basis ensuring that we operate within a Best Value framework at all times.

I am very pleased with the performance achieved and the budgetary savings made during this very difficult year especially with no salary increases available to staff.

The new structure introduced during 2010/11 has moved seamlessly into operation with an exceptional dedicated senior management team now working together with a view to attaining best practice and an efficient and effective organisation.

My thanks go particularly to the senior management team, to the staff and to the Joint Board for the support provided

**Joan M Hewton,  
Assessor & Electoral Registration Officer**

**24 June 2011**