

# PERFORMANCE REPORT 2014/2015

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## 1 INTRODUCTION

This report is provided to accompany the unaudited accounts to allow members of the Board to consider performance and budgetary achievements together. Key Performance Indicators for the work of Assessors in Scotland are in place for Valuation Roll and Council Tax and are submitted annually to the Scottish Government. Internal performance standards are also set for staff to ensure the organisation meets appropriate standards in all work undertaken. Due to the transition to Individual Electoral Registration performance standards for the work of EROs were revised to a nominal level by the Electoral Commission and merely sought to establish that the transition had taken place and appropriate actions had been carried out. It is anticipated that once a “business as usual” position is reached under IER that the Electoral Commission shall re-established a suite of appropriate performance standards.

## 2 ELECTORAL REGISTRATION

During 2014/15 Electoral Registration dominated much of the workload within the organisation. In conjunction with major elections, an Independence Referendum was held and the transition to Individual Electoral Registration (IER) commenced.

The transition to IER has created period of major change with every element of the electoral process including internal procedures subject to review and revision. This transition remains ongoing however following completion of the 2015 Household Canvass, the first under IER legislation, a position of stability is expected.

### 2.1 European Parliamentary Election 22<sup>nd</sup> May 2014

The registration process associated with this election along with the necessary interaction with our Returning Officers ran smoothly. By the closing date for applications for the election 7,576 electors had been added to the register. The number of eligible electors who could take part in the election was 613,445 with 122,044 opting for postal votes.

### 2.2 Scottish Independence Referendum 18<sup>th</sup> September 2014

The Scottish Independence Referendum was not only a momentous event in Scottish history but also a huge event in terms of participation in the electoral process.

As a result of careful project management, an effective deployment of resources, the creation of a callcentre, and most importantly total commitment by all staff involved, we were able to provide the Lothian electorate with a first class service during the referendum period.

The impact on the register was significant with 31,066 electors being added to the register and an additional 23,344 postal vote applications being processed.

In addition to this the Referendum saw for the first time the franchise being amended to include young voters, 16/17 year olds. This involved extra work for the organisation but 15,319 young voters were added to the register and able to participate in the Referendum.

### **2.3 Individual Electoral Registration 19<sup>th</sup> September 2014**

The transition to Individual Electoral Registration commenced on the 19<sup>th</sup> September 2014. The work and preparation required to undertake this transition commenced some two years prior to that date. The introduction of IER has brought with it a degree of modernisation to the registration process. This has enabled on line and telephone registration both of which have assisted with a relatively smooth transition process so far.

Our call centre has continued to provide an excellent service throughout the transition process with the vast majority of enquiries being dealt with at the first point of contact.

At the outset 93,390 electors within Lothian failed the matching process and were not automatically registered under IER. These electors however have not been removed from the electoral register and if eligible were able to participate in the recent General Election. We continue to focus on this group and as a result of our direct actions and the election, the number of electors not IER registered is currently 35,097.

Due to the IER timetable the publication of the 2014 Electoral Register was delayed until 27 February 2015. Contrary to fears, the size of the Lothian electorate held steady over the first phase of the transition and at register publication in February 2015 the electorate number stood at 660,030 as compared with 639,401 as at publication on 10 March 2014.

IER has also introduced the need to carry out increased canvass activity. Every form that is issued throughout the year, if not returned, is subject to a canvass call as part of the reminder process. To enable this we have created a permanent canvass team who undertake canvass duties on a constant basis. In order to minimise the use of paper and maximise the opportunities for registration, our canvass team utilises tablet style field devices. These allow the registration process to be conducted at the doorstep as well as offering an efficient manner to collect other canvass information.

The processing of a registration application under IER is considerably more complex than was previously the case. This has resulted in staff receiving extensive training and re-training to ensure they are able to carry out the necessary actions. We are currently implementing a number of IT based solutions to assist with this process.

In August 2015 we shall commence the next phase of the IER transition with the 2015 Household Enquiry Canvass. This is the first household canvass under IER requirements. This activity shall have additional complexity due to the intended change to the voting franchise for certain elections that shall see 16/17 year olds eligible to vote.

### **2.4/..**

## **2.4 Household Notification Letter**

At the end of February 2015 we issued for the first time a Household Notification Letter (HNL) to every household in Lothian. This gave details of the current electors residing at the address. If the elector details were accurate and correct there was no requirement for any contact with the office. If however there was some inaccuracy, or changes were required, or new electors were present, the letter invited electors to get in touch with us so any necessary action could be taken.

The intention of the HNL firstly as a check against the activity on the register following the introduction of IER, and secondly providing an opportunity to make changes ahead of the issue of poll cards for the general election. This initiative was well received and there was considerable recourse to our call centre following the issue. Although it is hard to quantify it is also likely that the HNL reduced some of the impact of the public recourse to the office in the days leading up to the General Election. While costs is a major factor, consideration shall be given as whether any similar issues shall be made in the future.

## **2.5 General Election 7<sup>th</sup> May 2015**

The turnout at the General Election in May showed that in Scotland there was considerable engagement by the electorate. This was reflected not just at the ballot box but also through electoral registration and associated processes.

For ERO's throughout the country this election held additional pressures as it was the first major election event conducted after the recent introduction of Individual Electoral Registration. IER has resulted in major changes to the electoral management system used within the organisation and many of the internal procedures and processes that support the electoral activity have required to be re-engineered. Such recent changes place considerable additional pressure upon resources when coupled with a major election event.

IER also saw the introduction of on-line and telephone registration. This has proved to be very successful with many electors and resulted in reduced numbers of paper applications being received. In many instances however the elector misunderstood the role of the on-line application system and thought it enabled an existing elector to check their registration status. This led to numerous duplicate registration applications being received. This was resolved by the introduction of various checking procedures.

From the 3<sup>rd</sup> April to Election Day we dealt with 13,158 telephone calls and 4,722 emails. Since the Call Centre went live on the 5<sup>th</sup> August 2014 we have dealt with 108,623 electoral registration telephone and email enquiries.

The impact on the register during this election period was significant with 10,068 electors being added during the period 27 February to 29 April. During the period 1<sup>st</sup> April to 21 April 11,382 additional postal vote applications were processed and applied. In the days leading up to the election 2,206 proxies were applied and 104 emergency proxies were approved. On Election Day itself 55 clerical errors were identified and the electors affected were able to cast their vote.

Following discussions with Returning Officers a new procedure was put in place on Election Day that enabled polling staff direct contact with senior staff within the ERO's office. 250 calls were

received. This ensured that any registration enquiries encountered by polling staff could be quickly resolved.

### 3 VALUATION ROLL

The Valuation Roll is legislated to operate under a five year rolling programme with the last revaluation being effective from 1 April 2010. During the quinquennium the Roll is constantly updated to take account of internal and external changes to properties which affect value and this consequently generates an additional appeals workload. To maintain comparability with England the Scottish Government legislated to delay the 2015 revaluation to 2017.

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

#### 3.2 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 2006/7 to 2014/15 and targets we aim to achieve for 2015/16.

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
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	1,274,347,293	82	78.02	14	13.55	4	8.43
2011/12	3,114	1,274,347,293	1,277,889,313	80	71.77	15	15.35	5	12.88
2012/13	3,188	1,277,889,313	1,275,905,939	75	74.09	13	12.30	12	13.61
2013/14	3,275	1,275,905,939	1,269,386,086	75	74.32	15	13.07	10	12.61
2014/15	3,489	1,269,386,086	1,274,141,333	78	75.78	12	13.44	10	10.78
2015/16		1,274,141,333		75		13		12	

The organisation did not achieve the performance target for 2014/15. This has been principally due to the increase in Self Catering subjects and properties being combined or sub-divided; such changes are very difficult to monitor and, in my view, reflect changes to achieve a favourable rating liability. For the forthcoming year, I have reduced the target recognising these challenges

and that my resources will be focused on the 2017 Revaluation. I hope that through hard work and sound management that target can be met.

### 3.3.1 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.

Disposed between 1/4/10 and 31/03/15					
	No subjects dealt with	Original RV of subjects	Revised RV of subjects	RV %age loss	Subjects Outstanding
East Lothian	1020	£42,997,610	£40,941,265	4.78%	20
West Lothian	1690	£145,675,175	£140,625,300	3.47%	36
Midlothian	878	£48,276,915	£46,205,490	4.29%	29
Edinburgh City	6635	£682,938,214	£659,511,885	3.43%	78
<b>Total</b>	<b>10223</b>	<b>£919,887,914</b>	<b>£887,283,940</b>	<b>3.54%</b>	<b>163</b>

The 163 revaluation appeals that are outstanding are deemed complex appeals and have been referred to the Lands Tribunal for Scotland for hearing. The timetable for disposal is out with my control. I should add that my team are close to resolving a large number of Health Centres and Clinic appeals which will significantly reduce the outstanding total.

Valuation Year	No. of Appeals Dealt With
2006/7	3,938
2007/8	3,641
2008/9	1,625
2009/10	1,224
2010/11	1,700
2011/12	6,655
2012/13	11,757
2013/14	6,152
<b>2014/15</b>	<b>962</b>
2015/16	500

The target number of revaluation and running roll appeals to be disposed of during 2014/15 was 1,000. The resolution of 962 appeals was in line with my expectations.

The target disposal number set for the 2015/16 year has been set at 500 appeals as I do not expect a large volume of appeals to be lodged in the forthcoming year. You may wish to note that 365 appeals have recently been received following the introduction of the reduced drink drive limit and I anticipate litigation in respect of some these appeals in the future.

## 4 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 2014/15 was around 6% lower than the previous year. However, the new houses added continue to indicate a general increase in comparison to the post recession years. This is the change we have all hoped for and suggests that the Lothian housing market continues to strengthen.

Valuation List	No. of CT Entries @ 1 <sup>st</sup> April in each year	New houses added
2006/7	392,370	5,515
2007/8	398,886	5,323
2008/9	401,471	4,345
2009/10	405,017	3,984
2010/11	407,710	3,768
2011/12	410,440	3,410
2012/13	412,859	3,171
2013/14	415,450	4,315
2014/15	419,652	4,049
2015/16	422,492	

### 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 actual performance for 2005/6 to 2014/15 and the performance targets for 2015/16.

Valuation List	0-3 months	3-6 months	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	96.72	2.35	0.93
2012/13	95.52	3.09	1.39
2013/14	94.9	3.01	2.09
2014/15	95.73	2.77	1.50
2015/16	(95)	(3)	(2)

The time taken to add new dwellings to the Council Tax List continues at a high level and my aim is to continue to maintain this high standard.

#### 4.3 Council Tax – Altered Bands

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
2011/12	180	15,492
2012/13	172	15,863
2013/14	203	19,397
2014/15	257	21,077

The above table shows that the number of Council Tax Bands altered as a result of dwellings having been altered and subsequently sold are 25% higher than the previous year although continue to be lower than the high in 2007/08. The number of house sales taking place has increased by over 8% again indicating that the market is strengthening.

## **5 MANAGEMENT, STAFFING & BEST VALUE**

### **5.1 Policies & Procedures**

The organisation reviews policies, procedures and procedures on a continuous basis to ensure it complies with any legislative employment changes and we operate within a Best Value framework at all times.

A major policy reviewed in 2014/2015 was the Absence Management Procedure which is currently at the consultation stage with Unison.

In line with legislative requirements we published the equalities mainstreaming update report for 2014.

### **5.2 Staffing**

I consider we have continued to review requirements to meet the demands of the organisation but maintain efficiencies for the Board.

There has been additional staff employed during 2014 to provide resources to support the implementation of IER and the referendum. In the year 2014/2015 I employed 12 temporary customer support assistants, 12 temporary canvassers. There remains 6 customer support assistants on fixed term contracts to November 2015 and 11 canvassers on fixed term contracts to June 2016. The 24 temporary staff have been employed to assist in the duties required under the transition to Individual Electoral Registration and the salaries are met within the budget allocation provided by the cabinet Office.

As at 31 March 2015 the LVJB headcount stood at (127.30) FTE's, this compares to 99.45 FTE's in the preceding year

## **6.0 CONCLUSION**

I am very pleased with the performance achieved during this year and particularly with the ability to attain that performance level within budget.

The constant threats caused by budget cuts, possible changes to local taxation and the indecisions about electoral registration could have been detrimental to a workforce but I am pleased that staff have continued to work positively in delivery of their statutory duties.

Reviews of structure are now carried out regularly and I am pleased to say that all changes have moved seamlessly into operation this due in no small way to my dedicated senior management team who work together with a view to attaining best practice and an efficient and effective organisation.

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

**22 June 2015**