

## Notice of Meeting and Agenda

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**Monday 28 November 2016 at 11:30am  
in the City Chambers, High Street, Edinburgh**

**Please note start  
time of meeting**

**1 Order of Business**

Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

**2 Declaration of Interests**

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

**3 Minute of the Lothian Valuation Joint Board of 5 September 2016**

(circulated) – submitted for approval as a correct record

**4 Period 7 Financial Statement 2016/17 – report by the Treasurer (circulated)**

**5 Revenue Budget 2017-2018 – Financial Planning – report by the Treasurer (circulated)**

**6 Mid-Term Review – Treasury Management Activity – report by the Treasurer (circulated)**

**7 Assessor's Progress Report – November 2016 – report by the Assessor and Electoral Registration Officer (circulated)**

**8 Appointment of Assessor and Electoral Registration Officer – report by the Chief Executive and Clerk (to follow)**

**Andrew Kerr**  
Chief Executive and Clerk

## Membership

### **The City of Edinburgh Council (9)**

Councillor Nigel Bagshaw  
Councillor Karen Doran  
Councillor Ricky Henderson  
Councillor Karen Keil  
Councillor Alex Lunn  
Councillor Mark McInnes  
Councillor Adam McVey  
Councillor Jason Rust  
Councillor Norman Work (Convener)

### **Midlothian Council (2)**

Councillor Jim Bryant  
Councillor Margot Russell

### **West Lothian Council (3)**

Councillor Dave King  
Councillor Greg McCarra  
Councillor Barry Robertson (Vice-Convener)

### **East Lothian Council (2)**

Councillor Jim Gillies  
Councillor John McNeil

## Notes:

- (1) If you have any questions about the agenda or meeting arrangements, please contact Lesley Birrell | Committee Services | Strategy and Insight | Chief Executive | City of Edinburgh Council | Business Centre 2:1 | Waverley Court | 4 East Market Street | Edinburgh | EH8 8BG | tel 0131 529 4240 | email [lesley.birrell@edinburgh.gov.uk](mailto:lesley.birrell@edinburgh.gov.uk)
- (2) A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the Main Reception Office, City Chambers, High Street, Edinburgh.
- (3) The agenda, minutes and public reports for this meeting can be viewed online by going to [www.edinburgh.gov.uk/meetings](http://www.edinburgh.gov.uk/meetings). Members and Officers of the City of Edinburgh Council can also view them by going to the Orb home page and clicking on Committee Business.



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# Lothian Valuation Joint Board

Edinburgh, 5 September 2016

**Present:**

**City of Edinburgh Council** – Councillors Work (Convener), McVey and Rust.

**East Lothian Council** – Councillors Gillies and McNeil.

## 1 Minute

**Decision**

To approve the minute of the Lothian Valuation Joint Board of 20 June 2016 as a correct record.

## 2 Lothian Valuation Joint Board 2015/16 Audit Report

The External Auditor's report on the audit of the Joint Board's 2015-16 financial statements was presented. The report set out relevant matters arising from the audit which required to be reported under International Standard on Auditing (UK and Ireland) 260 (ISA 260).

Carol Foster, Senior Audit Manager, Audit Scotland highlighted the principal areas covered by the report and responded to questions from members.

**Decision**

To note the annual audit report.

(Reference – report by Audit Scotland, submitted)

## 3 Audited Annual Accounts for the Year Ended 31 March 2016

The audited financial statements for the year ended 31 March 2016 were presented. There were no significant issues identified during the course of the audit and no qualifications to the auditor's opinion.

**Decision**

- 1) To note the Audited Annual Accounts for the year ended 31 March 2016 and to authorise the Annual Accounts for signature.
- 2) To approve the retention of the £0.153m underspend from the financial year 2015/16.

(Reference – report by the Treasurer, submitted)

#### **4 Period 4 Financial Statement**

The Board's actual and budgeted expenditure for the period to 31 July 2016 was reported together with a year end projection to 31 March 2017.

At this stage, the projected outturn against the core budget indicated a forecast spend of £6.077m resulting in a net underspend of £0.041m.

##### **Decision**

To note the projected outturn position for 2016-2017.

(Reference – report by the Treasurer, submitted)

#### **5 Assessor's Progress Report – September 2016**

The Assessor presented an update on the service overview and priorities, current issues and the future direction of the Joint Board.

The Valuation Board's Depute ERO and Head of Administration provided an update on electoral registration and engagement strategies to encourage registration particularly amongst under-registered groups and schools.

Information was also given on progress with the revaluation roll for 2017. Return rates had been poor and work was continuing to improve the data for analysis and rateable value accuracy for all types of subject categories.

##### **Decision**

- 1) To note the updates in the report.
- 2) That a briefing note be circulated to members on the impact of changes to valuations across the business sector.

(Reference – report by the Assessor and Electoral Registration Officer, submitted).

#### **6 Emergency Motion – Assessor and Electoral Registration Officer**

The Assessor and Electoral Registration Officer announced her retirement with effect from 31 December 2016.

The Convener ruled that the following item, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Committee to give early consideration to this matter.

Lothian Valuation Joint Board  
5 September 2016

The following motion by Councillor Work was submitted in terms of Standing Order 28:

**“Retirement of Assessor and Electoral Registration Officer**

- 1) To note the retirement of the current Assessor and Electoral Registration Officer with effect from 31 December 2016.
- 2) To thank the Assessor for her exceptional and outstanding service to the work of the Joint Board and to agree to host a retiral dinner.
- 3) To note that the membership and remit of the Appointments Committee had been approved by the Joint Board at their meetings on 11 June 2012 and 1 February 2013 as follows:  
  
The City of Edinburgh Council (2 Members) - Councillor Work (Convener)  
Councillor Bagshaw  
  
East Lothian Council (1 Member) - Councillor Gillies  
  
Midlothian Council (1 Member) - Councillor Russell  
  
West Lothian Council (1 Member) - Councillor King
- 4) To delegate authority to the Chief Executive and Clerk to take forward the recruitment process and prepare a draft timetable, job description and job advert for approval by the Appointment Committee.”

**Decision**

To approve the motion.

## Period 7 Financial Statement 2016/17

28<sup>th</sup> November 2016

### 1 Purpose of report

This report summarises the projected revenue budget outturn position to 31<sup>st</sup> March 2017, based on the position at period ending 31<sup>st</sup> October 2016. The report has been prepared in consultation with the Assessor.

### 2 Main Report

#### Projected Revenue Outturn 2016/17

2.1 The table below compares projected revenue outturn 2016/17 with the budget. The forecast variance, based on the position at 31<sup>st</sup> October, is an under spend of £0.100m, with no requirement for a draw-down from reserves.

|                          | Core Budget     |                   |                   | IER Budget      |                   |                   | EU Referendum   |                   |                   | Total           |                   |                   |
|--------------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|
|                          | Budget<br>£'000 | Forecast<br>£'000 | Variance<br>£'000 | Budget<br>£'000 | Forecast<br>£'000 | Variance<br>£'000 | Budget<br>£'000 | Forecast<br>£'000 | Variance<br>£'000 | Budget<br>£'000 | Forecast<br>£'000 | Variance<br>£'000 |
| <b>Expenditure</b>       |                 |                   |                   |                 |                   |                   |                 |                   |                   |                 |                   |                   |
| Employee costs           | 4,499           | 4,467             | (32)              | 254             | 229               | (25)              | 0               | 19                | 19                | 4,753           | 4,715             | (38)              |
| Premises costs           | 605             | 605               | 0                 | 0               | 0                 | 0                 | 0               | 0                 | 0                 | 605             | 605               | 0                 |
| Transport costs          | 101             | 96                | (5)               | 13              | 13                | 0                 | 0               | 0                 | 0                 | 114             | 109               | (5)               |
| Supplies & Services      | 797             | 795               | (2)               | 138             | 217               | 79                | 0               | 53                | 53                | 935             | 1,065             | 130               |
| Third Party Paymts       | 95              | 85                | (10)              | 0               | 147               | 147               | 0               | 0                 | 0                 | 95              | 232               | 137               |
| Support Services         | 67              | 67                | 0                 | 0               | 0                 | 0                 | 0               | 0                 | 0                 | 67              | 67                | 0                 |
| <b>Gross Expenditure</b> | <b>6,164</b>    | <b>6,115</b>      | <b>(49)</b>       | <b>405</b>      | <b>606</b>        | <b>201</b>        | <b>0</b>        | <b>72</b>         | <b>72</b>         | <b>6,569</b>    | <b>6,793</b>      | <b>224</b>        |
| <b>Income</b>            |                 |                   |                   |                 |                   |                   |                 |                   |                   |                 |                   |                   |
| Sales, Fees & Chgs       | (43)            | (39)              | 4                 | 0               | 0                 | 0                 | 0               | 0                 | 0                 | (43)            | (39)              | 4                 |
| IER Grant                | 0               | 0                 | 0                 | (405)           | (606)             | (201)             | 0               | 0                 | 0                 | (405)           | (606)             | (201)             |
| EU Referendum Grt        | 0               | 0                 | 0                 | 0               | 0                 | 0                 | 0               | (127)             | (127)             | 0               | (127)             | (127)             |
| Interest                 | (3)             | (3)               | 0                 | 0               | 0                 | 0                 | 0               | 0                 | 0                 | (3)             | (3)               | 0                 |
| <b>Total income</b>      | <b>(46)</b>     | <b>(42)</b>       | <b>4</b>          | <b>(405)</b>    | <b>(606)</b>      | <b>(201)</b>      | <b>0</b>        | <b>(127)</b>      | <b>(127)</b>      | <b>(451)</b>    | <b>(775)</b>      | <b>(324)</b>      |
| <b>Net Expenditure</b>   | <b>6,118</b>    | <b>6,073</b>      | <b>(45)</b>       | <b>0</b>        | <b>0</b>          | <b>0</b>          | <b>0</b>        | <b>(55)</b>       | <b>(55)</b>       | <b>6,118</b>    | <b>6,018</b>      | <b>(100)</b>      |

#### Forecasts to 31<sup>st</sup> March 2017

2.2 At this stage, the projected outturn indicates a forecast spend of £6.018m which would result in a net under spend of £0.100m. The variance relates to;

- Core budget – under spend £0.045m. A forecast under spend of £0.041m was reported at the last meeting of the Board.
- EU Referendum Grant – under spend £0.055m. Grant forecast to be fully spent reported at the last meeting of the Board.

### **Core budget variance - £0.045m under spend**

- 2.3 As reported at the last meeting in September, the forecast under spends are relatively minor and spread between employee costs, supplies and services and third party payments. Employee costs are forecast to be under budget due to vacancy management controls applied since the start of the financial year. It should be noted though that the Assessor has initiated external recruitment of 10 posts. The Board will be provided with an update on these in the Assessors November Progress Report, presented separately on this agenda.

### **EU Referendum - £0.55m under spend**

- 2.4 The Board received grant of £0.127m towards costs arising from the EU referendum. At present there is an under spend of £0.055m against this grant, however further electoral registration costs may be allocated before the year-end. Any unspent grant will be carried through the Board's general reserve.

### **Individual Electoral Registration (IER)**

- 2.5 IER expenditure will be fully funded 2016/17 so there will be no requirement to drawdown from the reserve (approval given for up to £0.364m during 2016/17). The current forecast assumes that all IER funds will either be fully spent during 2016/17 or any balance carried forward to 2017/18. The current estimate of grant carry-forward is £0.147m.

| <b>Individual electoral registration</b> | <b>Forecast<br/>£'000</b> |
|--|---------------------------|
| IER expenditure                          | 459                       |
| IER grant unallocated                    | 147                       |
| IER Income                               | (606)                     |
| Reserve drawdown                         | 0                         |
| <b>Funded by requisition</b>             | <b>0</b>                  |

### **Budget 2017/18**

- 2.6 A separate report on financial planning for the 2017/18 budget will be presented on this agenda.

## **3 Conclusions**

- 3.1 At this stage, there is a projected net under spend of £0.100m relating to Financial Year 2016/17.
- 3.2 The general reserve balance available to the Board at 31<sup>st</sup> March 2016 is £0.749m, and based on this year-end outturn would increase to £0.849m.

## **4 Recommendations**

- 4.1 The Board is recommended to note the projected outturn position for 2016/17

**Hugh Dunn,  
Treasurer.**

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|                           |                                 |
|---------------------------|---------------------------------|
| <b>Appendices:</b>        | None                            |
| <b>Contact/Tel:</b>       | Mr. T.MacDonald: 0131 469 3078  |
| <b>Background Papers:</b> | Held at the Office of Treasurer |

## Revenue Budget 2017/18 – Financial Planning

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28<sup>th</sup> November 2016

### 1 Purpose of report

- 1.1 The purpose of this report is to provide details of the financial planning being undertaken to present a revenue budget for 2017/18 to the Board for approval in February 2017. The report has been prepared in consultation with the Assessor and Electoral Registration Officer.

### 2 Local Government Finance Settlement

- 2.1 The UK Government Autumn Statement is anticipated to be announced on 23 November 2016. As was the case for 2016/17, it is the Scottish Government's intention to issue the Scottish Draft Budget and Local Government Finance Settlement in mid-December, with both announcements on the same day. Scottish Government Ministers have confirmed that the announcement will cover only one year.
- 2.2 The most recent forecast of external council funding (excluding Council Tax) points to a reduction of 3.5% to 5% per year in cash terms over the period to 2020/21. While necessarily based on a range of projections and assumptions, the recently-published Fraser of Allander Institute report on the Scottish Budget 2016 also suggested that the Scottish budget could be cut by between 3% – 4% percent in real terms by 2020-21 and up to 6% under a worst case scenario.
- 2.3 It is not anticipated that the forthcoming Local Government Finance Settlement will make provision for any budget pressures affecting Valuation and Electoral Registration Services.

### 3 Lothian Valuation Joint Board budget 2016/17

- 3.1 Lothian Valuation Joint Board's approved revenue budget for 2016/17 is £6.482m, to meet core statutory duties of compiling, maintaining and dealing with appeals for the Electoral Register, Council Tax Valuation List and Valuation Roll.
- 3.2 The approved budget included costs of £0.468m for Individual Electoral Registration. The Board's 2016/17 budget was approved on the basis of £0.364m drawdown from reserve to meet Individual Electoral Registration (IER) costs in 2016/17.
- 3.3 Following approval of the Board's revenue budget for 2016/17, IER funding of £0.560m was confirmed by the Cabinet Office in April 2016. There is now no requirement to drawdown from the Board's reserve in 2016/17.



| <b>Approved Budget 2016/17</b> | <b>Core<br/>£'000</b> | <b>IER<br/>£'000</b> | <b>Total<br/>£'000</b> | <b>%</b>      |
|--------------------------------|-----------------------|----------------------|------------------------|---------------|
| Employee                       | 4,472                 | 249                  | 4,721                  | 72.8%         |
| Premises                       | 605                   |                      | 605                    | 9.3%          |
| Transport                      | 101                   | 13                   | 114                    | 1.8%          |
| Supplies                       | 720                   | 206                  | 926                    | 14.3%         |
| Third Party                    | 95                    |                      | 95                     | 1.5%          |
| Support                        | 67                    |                      | 67                     | 1.0%          |
| Income                         | (46)                  |                      | (46)                   | -0.7%         |
| <b>Net Budget</b>              | <b>6,014</b>          | <b>468</b>           | <b>6,482</b>           | <b>100.0%</b> |
| <b>Funded by:</b>              | Requisition           |                      | (6,118)                |               |
|                                | Reserve drawdown      |                      | (364)                  |               |
|                                | <b>Total Funding</b>  |                      | <b>(6,482)</b>         |               |

#### **4 Lothian Valuation Joint Board budget 2017/18**

- 4.1 The Board has maintained a 'flat-cash' requisition of £6.118m for five years from 2012/13 to 2016/17. Budget planning for 2017/18 is being undertaken on the basis of continuation of no change in total council requisition from 2016/17.
- 4.2 For 2017/18, the Board will continue to incur IER costs. In September 2016, the Cabinet Office stated its commitment to fully fund IER until at least the end of the current Parliament. It is anticipated the Board will continue to review IER costs to identify potential process savings and absorption of costs into the core service budget, but it is considered unlikely that all IER costs will be fully contained in the core budget. Financial planning for 2017/18 is based on the Cabinet Office fully funding IER costs in 2017/18, in line with the Cabinet Office commitment.
- 4.3 Financial planning has been undertaken to develop a base budget for the Board for 2017/18, on the basis of continuation of no change in council requisitions and the Cabinet Office fully funding IER costs in 2017/18. The draft budget includes:
- Provision of £68,000 for employee cost pressures of pay award (1%) and increments;
  - Provision of £16,400 for the UK Government's apprenticeship levy. The Chancellor of the Exchequer's Autumn Statement in 2015 confirmed the introduction of an apprenticeship levy for larger employers from April 2017. Payment will be set at 0.5% of each employer's pay bill. The Scottish Government will determine how revenue raised in Scotland is allocated. While it is anticipated that an element of this revenue will be "recycled" to councils, the full sum has been included in the Board's budget planning on a prudent basis;
  - A re-alignment of employee and non-employee cost budgets to address anticipated business needs in 2017/18 and contain the additional costs of pay award, increments and apprenticeship levy.

#### **5 Board Reserves**

- 5.1 The Board has a reserve balance of £748,000 at 31st March 2016. This represents 11.5% of the Board's approved budget for 2016/17.
- 5.2 The Board has under spent against budget each year from 2010/11 to 2015/16. £93,000 of this under spend was used to absorb costs of early release in 2013/14. The remainder of the under spend is retained by the Board as a reserve in order to fund future liabilities in the event of the Board's policy on

voluntary early release being deployed. The following table shows the level of under spend and retained reserve since 2010/11.

| <b>Requisition under spend retained</b> | <b>£'000</b> |
|---|--------------|
| 2010/11                                 | (228)        |
| 2011/12                                 | (42)         |
| 2012/13                                 | (127)        |
| 2013/14                                 | (117)        |
| 2014/15                                 | (175)        |
| 2015/16                                 | (152)        |
| <b>Total</b>                            | <b>(841)</b> |
| Drawdown 2013/14 (2 x leavers)          | 93           |
| <b>Balance held at 31st March 2016</b>  | <b>(748)</b> |

- 5.3 The Board will be required to under-write the risk of the Cabinet Office not fully funding IER costs in 2017/18 through use of the Board's reserve. There are currently no other commitments earmarked for use of the reserve.
- 5.4 Audit Scotland's Annual Audit Report for 2015/16, presented to the Board on 5<sup>th</sup> September 2016, highlighted the issue of financial sustainability. Whilst the Board has taken measures to establish a general reserve to increase its flexibility around use of funding, longer term financial plans will be required to demonstrate the continuing financial sustainability of the organisation.
- 5.5 In view of potential funding pressures beyond 2017/18, it may become necessary to consider deploying the Board's policies on voluntary early release (VERA) and the Board may incur significant one-off exit costs, as a consequence. The reserve would be utilised to fund approved VERA cases, in this case. All VERA applications would be subject to business cases based on affordability and service requirements.

## **6 Budget pressures / service risk**

- 6.1 Valuation Notices require to be issued to proprietors, tenants and occupiers of all NDR properties by 31<sup>st</sup> March 2017 and from then work increases to address enquiries and appeals. The previous revaluation saw large numbers of appeals lodged. A risk remains as to what appeal levels shall be recorded during 2017/18.
- 6.2 Whilst the development of the Board's budget for 2017/18 has been undertaken recognising the budget restraint being implemented across Scottish local authorities, the Assessor and ERO considers it a risk to service delivery to approve reductions in staffing beyond the proposed changes built in to the re-alignment of the 2017/18 employee budget. Efficiencies of 4.7% were built in to the 2016/17 budget, which includes a net reduction of seven posts (6% head count reduction)

## **7 Indicative Requisition**

- 7.1 Indicative requisitions, based on the financial planning assumptions included in this report, are shown in the following table. The apportionment of the 2017/18 indicative requisition is calculated based on each constituent council's share of Grant Aided Expenditure included in the 2016-17 Settlement - Grant Aided Expenditure Green Book.

| Constituent Council | Indicative Requisition 2017/18 | %              |
|---------------------|--------------------------------|----------------|
| Edinburgh           | £3,741,157                     | 61.15%         |
| Midlothian          | £562,244                       | 9.19%          |
| East Lothian        | £666,862                       | 10.9%          |
| West Lothian        | £1,147,737                     | 18.76%         |
| <b>Total</b>        | <b>£6,118,000</b>              | <b>100.00%</b> |

## 8 Recommendations

The Board is recommended to:

- 8.1 note the financial planning assumptions currently being progressed for the 2017/18 revenue budget;
- 8.2 the revenue budget for 2017/18 will be presented to the Board for approval at its meeting of 6<sup>th</sup> February 2017.

**Hugh Dunn,  
Treasurer**

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**Appendices:** Nil

**Contact/Tel:** Mr. I.Shaw: 0131 469 3117

**Background Papers** Held at the Office of Treasurer



## Mid Term Review – Treasury Management Activity

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**28 November 2016**

### 1. Introduction

- 1.1 The purpose of this report is to review the investment activity undertaken on behalf of the Board during the first half of the 2016/17 Financial Year.

### 2. Background

- 2.1 Following the introduction of new Investment Regulations in Scotland the Board adopted the appropriate Codes of Practice and approved an Annual Investment Strategy at its meeting on the 8th February 2016.

### 3. Mid Term Review - Annual Investment Strategy

- 3.1 The Board's Investment Strategy has been to maintain its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Board. Interest is given on month end net indebtedness balances between the Council and the Board in accordance with the Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). In line with recent short term interest rates, the investment return continues to be small, but the Board gains security from its counterparty exposure being to the City of Edinburgh Council. Net end of month balances for the first half of the year were:

|                 |              |
|-----------------|--------------|
| Opening Balance | 1,301,955.25 |
| April           | 1,273,323.07 |
| May             | 1,199,290.65 |
| June            | 1,175,096.97 |
| July            | 1,316,268.83 |
| August          | 1,165,594.12 |
| September       | 1,489,107.13 |

- 3.2 Although interest is not calculated until March, in line with the guidance note, the interest rate averaged 0.193% during the first half of the financial year. The reduction in interest rate is mainly due to the cut in UK Bank Rate by the Bank of England in August.

#### **4. Recommendations**

- 4.1 It is recommended that the Board notes the investment activity undertaken on behalf of the Board.

**Hugh Dunn**  
Treasurer

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**Appendix**                      None

**Contact/tel**                      Innes Edwards, Tel: 0131 469 6291  
([innes.edwards@edinburgh.gov.uk](mailto:innes.edwards@edinburgh.gov.uk))

# ASSESSOR'S NOVEMBER 2016 PROGRESS REPORT TO THE JOINT BOARD



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**28 November 2016**

## **1.0 PURPOSE OF REPORT**

To advise and update members as to the service overview and priorities, current issues and the future direction of the Joint Board.

## **2.0 ELECTORAL REGISTRATION SERVICE OVERVIEW AND PRIORITIES**

### **2.1 Electoral Registration – Service Overview 22<sup>nd</sup> August 2016 – 18<sup>th</sup> November 2016**

#### **2.1.1 2016 Canvass**

On the 1<sup>st</sup> August we commenced the issue of 405,592 Household Enquiry Forms (HEF) as the first step in the annual canvass process as required under the regime of Individual Electoral Registration (IER). Following its completion we shall publish the revised register on 1st December 2016. This year we are encouraging recipients to accept the registers in electronic format to reduce printing and postage time and costs.

173,676 first reminders were issued between 1<sup>st</sup> and 3<sup>rd</sup> September and 107,175 second reminders were issued on 30<sup>th</sup> September/1<sup>st</sup> October this compares to 190,545 first reminders and 118,087 second reminders issued during the same period in 2015. We have continually assessed the return rate which remains lower than the levels reached under the pre-IER canvass process. As I mentioned in my last Board report the percentage of the electorate engaging electronically, which is more efficient and cost effective, has increased from 90,479 in 2015 to 106,212 in 2016.

As I have previously mentioned, the form itself is in most parts prescribed by legislation and little scope exists to make alterations. Advertising and publicity events have taken place but have again proved not to be cost effective.

As I have previously advised that when names are added to the returned HEF I am required to send an Invitation to Register (ITR) to any new or altered name advised. Only on return of the ITR or an on-line application can I add any potential elector to the register. The return rates for ITR forms is particularly low and this is similar across the country. We will continue to do what we can to get those who are eligible to register, registered.

Another concern is the low numbers of young persons registering. I have asked Chief Executives of the 4 Council areas to encourage Head Teachers to make an announcement at school assemblies etc. about the need to register. Electoral staff will continue with initiatives to get the register as complete and accurate as possible, particularly approaching the Local government elections in May 2017.

Although returns rates for forms are not as high as I would like, thus costing the public purse unnecessary expense, the canvass now continues throughout the year with the key date for electoral registers to be complete and accurate now accepted as being for electoral events.

### **2.1.2 Absent Voters List**

Since my last report the number of postal voters across the 4 constituent councils has changed as follows;-

- East Lothian 17,488 to 17,485
- Edinburgh 83,003 to 83,438
- Midlothian 14,005 to 14,065
- West Lothian 26,299 to 26,423

A number of request for absent vote applications made on ITRs has still to be actioned.

### **2.1.3 Local Government Elections 4<sup>th</sup> May 2017**

Work has commenced in drafting timetables and work plans for the elections in May. Much of the high level tasks now come under the remit of the Electoral management Board for Scotland. Lothian has fed into the various parts of consultations and the convenor has now published her directions.

### **2.1.4 Local Government Boundary Review**

The new local government boundaries are now in force and will take effect for elections from 4<sup>th</sup> May 2017. It is hoped that all Lothian registers will be published on 1<sup>st</sup> December 2016 in the new ward boundaries.

### **2.1.5 Cabinet Office Funding**

As you know EROs throughout the UK receive funding for the additional duties required for Individual Electoral Registration. Lothian has already been awarded the finance for this year but has the option of applying for additional funds, if required, through a justification led bid. We will continue to assess our expenditure requirements and then consider the appropriateness of a bid by the due date mid-January.

I have advised the Cabinet Office that funds for future years e.g. 2017/18 must be made known to EROs by the end of November the previous year at the latest to allow EROs to plan for their budget bids to Boards and Councils as required. I have been assured that we will be given an assurance statement as soon as possible.

### **2.1.6 Absent Vote Refresh**

Please note that there will be a refresh of absent vote signatures in January 2017 for those absent vote signatures that are over 5 years old. This is a requirement and I ask you to advise any electors who are not happy with this refresh that the refresh is a necessity under current legislation.

## **2.2 Electoral Registration – Service Priorities November 2016 – February 2017**

### **2.2.1 The service priorities over the next 3 months**

- Conclude the household canvass, processing all applications received;
- Publish the Electoral Register on 1st December 2016;
- Continue processing all received applications such as registration applications, postal vote requests, change's to opt out status, change of name etc.;
- Continue all doorstep canvass requirements as required under IER;
- Continue engagement activities to encourage registration by 14 to 17year olds;
- Carry out the refresh of signatures for absent voters whose signatures are now five years old, and
- Commence preparation work for the 2017 Local Government elections.

## **3.0 COUNCIL TAX OVERVIEW AND PRIORITIES**

### **3.1 Council Tax – Service Overview 20<sup>th</sup> August 2016 – 18<sup>th</sup> November**

#### **3.1.1 Council Tax – New Dwellings**

As at 19<sup>th</sup> August 2016 there were 408,402 chargeable dwellings in Lothian which has risen slightly to 409,727 as at 18<sup>th</sup> November 2016, an increase of 1,323 dwellings in 3 months. This figure can be compared to the same period in 2015 where 1,365 dwellings were added.

#### **3.1.2 Council Tax – Altered Bands**

During the period, as a result of alterations carried out prior to the date of sale and re-appraisal of bandings, the bandings of 80 dwellings have been altered which compares to 53 altered bands during the same period in 2015.



### **3.1.3 Council Tax – Altered Houses with no sales**

During the period, the records of 499 dwellings have been updated, as a result of alteration work being carried out to existing dwellings compared to 521 dwellings during the same period in 2015. As previously reported the updated information should improve the time taken to alter the bands of any altered dwellings which are subsequently sold and also ensure preparation for any future revaluation or property tax. These figures represent the number of dwellings which would have a band change made if statute did not preclude changing the Valuation List

### **3.1.4 Council Tax – Proposals and Appeals**

The numbers of Council Tax proposals/appeals outstanding continues to stand at reasonable levels. As at 19<sup>th</sup> August 2016 there were 98 cases outstanding. As at 18<sup>th</sup> November 2016 there were 61 cases outstanding. Appeal hearings continue to be arranged regularly to ensure the disposal of cases at least equates to the number received thus maintaining low numbers outstanding.

### **3.1.5 Local Tax Commission**

As you are aware the Scottish Government set up a Commission to consider options for a Council Tax replacement and they subsequently published their report on 14<sup>th</sup> December.

In March 2016 the Scottish Government published its proposals for reform of Council Tax. The proposals (to vary the rates collected in bands E-H) have now been approved by Parliament. The Parliament has also lifted the freeze on council tax payment rates to the extent of allowing no more than a 3% increase.

## **3.2 Council Tax – Service Priorities November 2016 – February 2017**

The main service priorities in Council Tax are as normal:-

- Update my records by carrying out the survey of Council Tax subjects which have been altered and not sold and
- Continue to resolve proposals and appeals against Council Tax banding.

## **4.0 NON DOMESTIC RATING OVERVIEW AND PRIORITIES**

### **4.1 Non-Domestic Rating – Service Overview 20<sup>th</sup> August 2016 – 18<sup>th</sup> November**

I shall repeat at the start of this report that I have prioritised the valuation workload to give priority to the task of Revaluation. General maintenance of the valuation roll has therefore been set aside for most of this financial year.

#### **4.1.1 2010 Revaluation Appeals**

The number of 2010 Revaluation appeals outstanding at Lands Tribunal is very low. The remaining appeals include Ikea and Telecommunication subjects.

#### **4.1.2 Running Roll**

Professional and technical staff have continued, to a very limited extent, to survey and value subjects that have been newly constructed, altered or demolished. From 20<sup>th</sup> August 2016 to 18<sup>th</sup> November 2016, there have been 278 additions, 148 valuation alterations and 208 deletions. This can be compared to the previous period in 2016 where there was 346 additions, 229 valuation alterations and 323 deletions.

#### **4.1.3 Running Roll Appeals**

During the period 20<sup>th</sup> August 2016 to 18<sup>th</sup> November, 80 appeals have been resolved. As at 18<sup>th</sup> November the number of outstanding running roll appeals stood at 489. Courts to deal with the outstanding appeals are scheduled for the rest of November and December and between May and June.

1 decision of the Local Valuation Appeal Panel has been appealed by the Ratepayer and is currently progressing through the process to be heard by the Lands Valuation Appeal Court. The cases involve a Research centre occupied by Edinburgh Pharmaceuticals.

#### **4.1.4 2017 Revaluation**

Work towards publishing the 2017 revaluation roll is reaching the final stages.

The Scottish Government requested that the SAA provide them with draft RVs for all subjects by 30<sup>th</sup> September this year to allow them to carry out modelling for reliefs, poundages etc. All Lothian properties were revalued and uploaded in line with this request.

Progress has been hampered by late notification of proposed decapitalisation rates and finalised legislation. The date the revalued figures will be made available on-line to ratepayers is not yet finalised but hoped to be round 15<sup>th</sup> December 2016.

Legal Opinion regarding a Supreme Court case Woolway (VO) v Mazars LLP (2015) was received and we continue to amend entries in line with that opinion. The number of entries in the Lothian Valuation Roll will rise from approximately 32, 500 entries to 35,500 entries.

The Land Reform (Scotland) Act 2016 received Royal Ascent on 22<sup>nd</sup> April this year re-introducing 'Shootings' to the Valuation Roll. I have issued forms to collect information to approximately 780 properties. The analysis and valuation of this category of subject will be carried out on return of relevant data for hopeful completion of Net Annual values by 31<sup>st</sup> March 2017.

#### **4.1.5 Scottish Government Consultations and Bills Affecting Non-Domestic Rates**

The Scottish Government has completed a consultation on Transitional Relief '2017 Non-domestic Rating Revaluation – Consultation on Possible Transitional Arrangements' the outcome of the consultation is awaited.

Further to the Scottish Government consultation 'Supporting Business – Promoting Growth' a further review 'Barclay Review of Business Rates in Scotland' is taking place and is due to report to Ministers in July 2017.

#### **4.2 Non-Domestic Rating – Service Priorities November 2016 – February 2017**

The service priorities in Non-Domestic Rating are:-

- Carry out RV audit to improve accuracy and consistency of Rateable Values prior to publication of draft RVs scheduled for mid-December.
- Identify, survey and value remaining subjects to be created as a result of a recent Supreme Court Opinion;
- Identify, survey and value 'Shooting Rights';
- Prepare cases as may be required by the Valuation Appeal Committee;
- Schedule and action the disposal of running roll appeals;
- Survey and value new property or alterations to existing properties to ensure the Valuation Roll is as complete and accurate as possible and
- Continue to update databases and analysis with rent, cost, turnover and throughput.

### **5.0 HUMAN RESOURCES AND OFFICE MANAGEMENT**

#### **5.1 UNISON**

Regular JCC meetings continue to be held.

Policies are timetabled for review to ensure that all policies meet current legislative, management and staff requirements. The Control of Smoking at Work policy has been reviewed to incorporate vaping devices and has been agreed with Unison.

Unison had expressed their concern at the current levels of staffing and the workload required to carry out our statutory duties. As you are aware I am fully in agreement with the concerns raised and have now undertaken a minor review of my technical department. This review has resulted in a reviewed structure and creation of a new post. This new post has

been introduced to carry out tasks graded at lower pay grades thus alleviating the workload of professional and technical staff to carry out tasks more commensurate with their grading.

I have reached agreement with Unison on creation of a new job description and person specification and minor alterations to some existing job descriptions and person specifications. I have also agreed an amended career progression scheme for both Trainee Valuers and Surveying Technicians.

Job descriptions and person specifications affected include the following;-

Property Assistant – new

Trainee Technician – amended from existing Technician/Trainee Technician.

Technician – amended from existing Technician/Trainee Technician

Trainee Valuer – amended from existing Valuer/Trainee Valuer

Valuer – amended from existing Valuer/Trainee Valuer

Divisional Valuer – minor amendment

Schemes affected include;-

Career Development Salary Progression Scheme for Trainee Valuers

Career Development Salary Progression Scheme for Surveying Technicians

I have further agreed with Unison that I will commence a minor review of the administration sections with a view to attaining a similar outcome to the technical department. The intention is again to create permanent posts that will carry out lower grade tasks leaving the existing staff with tasks more commensurate with their pay grades. We also agree that a proper career structure should be in place for the administration sections.

## **5.2 Staffing**

Temporary staff numbers continue to fluctuate as is expected from the non-permanent nature of the posts. I continue to try to maintain 12 canvassers on an annual basis with 3 additional canvassers during the August to November household canvass period. Likewise I continue to try to maintain 6 Customer Support Assistants.

I have extended the contracts for the 3 Referencers recruited on temporary contracts to the end of December 2016 assisting with Revaluation 2017 tasks. The contracts for the referencers will not be extended beyond December 2016.

I have recruited an IT developer to replace the post vacated in my last report. The IT team will not fill the previous Developer vacancy reported.

I have received and accepted a resignation from a Divisional Valuer and a retirement of another Divisional Valuer. Both posts have been advertised and will be filled at the start of January 2017.

By the start of January I will have a total of 3 vacant Valuer posts, two Technician posts and finance for 3 temporary Referencers. Those posts have formed part of my restructure together with reduced hours accumulated under the flexible working scheme. I have

utilised this available finance and advertised for 1 Valuer, 2 Trainee Valuers, 1 Trainee Technician and 6 Property Assistants. I hope to complete interviews during December and have the posts filled during January/February.

The budget for the posts have been discussed with the Treasurer and I am advised I can complete this review within budget.

## **6.0 RISK MANAGEMENT**

### **6.1 Risk Registers**

The job specific risk registers continue to be updated at each service meeting ensuring that all risks are considered and mitigated as soon as practicable. The strategic risk register continues to be reviewed and updated on a regular basis.

### **6.2 Information Technology**

My IT team continue to develop and improve systems for the current revaluation work to ensure all checks are in place and that the appropriate uploads can be made at the required times.

At the moment a number of external data files are received by LVJB to assist in the Electoral Registration process. It enables targeted engagement for student registration, identification of new potential electors and classification of empty properties. Unfortunately the data often does not adhere to a standard schema and requires labour intensive manipulation and input into back office systems.

We are now in the process of analysing our current data handling and operational procedures to identify where we can programmatically handle this data into desired formats and automatically load it into our systems for processing. We are also looking to extend some of this functionality into our existing cloud based canvass data to advance our export and import techniques to further improve process efficiency.

## **7.0 FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

## **8.0 RECOMMENDATIONS**

I would ask you to approve the minor amendment to 'The Control of Smoking at Work Policy'.

I would ask you to note the the altered Career Development Salary Progression Schemes, Job Descriptions and Person Specifications.

As there are no financial implications, nor approvals sought, the Joint Board is requested to note the contents of this report.

**Joan M Hewton**  
**ASSESSOR & ERO**

**28 November 2016**