

Notice of Meeting and Agenda

Monday 6 February 2017 at 10:00am
in the City Chambers, High Street, Edinburgh

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 Appointments – report by the Chief Executive and Clerk (circulated)

4 Minute of the Lothian Valuation Joint Board of 28 November 2016
(circulated) – submitted for approval as a correct record

5 Revenue Budget 2017/18 – report by the Treasurer (circulated)

6 Budget Report 2017/18 – report by the Interim Assessor and Electoral Registration Officer (circulated)

7 Period 9 Financial Statement 2016/17 – report by the Treasurer (circulated)

8 Annual Investment Strategy – report by the Treasurer (circulated)

9 Future Meeting Arrangements – June 2017 to June 2018 - report by the Chief Executive and Clerk (circulated)

Andrew Kerr
Chief Executive and Clerk

Membership

The City of Edinburgh Council (9)

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

Midlothian Council (2)

Councillor Jim Bryant
Councillor Margot Russell

West Lothian Council (3)

Councillor David Dodds
Councillor Dave King
Councillor Greg McCarra

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
- (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. 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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Appointments

6 February 2017

Purpose of report

- 1 To advise of an appointment to the Joint Board following the resignation of a member from West Lothian Council.
- 2 To appoint a Vice-Convener of the Joint Board following the resignation of the existing Vice-Convener.

Membership of the Joint Board

- 3 On 13 December 2016, West Lothian Council appointed Councillor David Dodds to serve on the Lothian Valuation Joint Board in place of Councillor Barry Robertson who had resigned.

Vice-Convener of the Joint Board

- 4 On 1 February 2013, the Joint Board appointed Councillor Barry Robertson as its Vice-Convener.
- 5 Councillor Robertson has now resigned as Vice-Convener and the Joint Board is invited to appoint a replacement. In accordance with the Joint Board's Standing Orders, the Convener and Vice-Convener must represent different Councils.

Recommendations

- 6 The Joint Board is asked:
 - 6.1 To note the appointment of Councillor David Dodds to represent West Lothian Council.
 - 6.1 To appoint a Vice-Convener.

Andrew Kerr
Chief Executive and Clerk

Appendices

None.

Contact/tel

Lesley Birrell, Office of the Chief Executive and Clerk
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**Background
Papers**

Letter from West Lothian Council 14 December 2016

Lothian Valuation Joint Board

Edinburgh, 28 November 2016

Present:

City of Edinburgh Council – Councillors Work (Convener), Bagshaw, Doran, Ricky Henderson, Keil, McVey and Rust.

East Lothian Council – Councillor Gillies.

West Lothian Council – Councillor McCarra.

1 Minute

Decision

To approve the minute of the Lothian Valuation Joint Board of 5 September 2016 as a correct record.

2 Period 7 Financial Statement 2016/17

The Board's actual and budgeted expenditure for the period to 31 October 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 £6.018m resulting in a net underspend of £0.100m.

Decision

To note the projected outturn position for 2016-2017.

(Reference – report by the Treasurer, submitted)

3 Revenue Budget 2017-2018 – Financial Planning

Details were given of the financial planning being undertaken to present a revenue budget for 2017/18 to the Board in February 2017.

The Board had maintained a "flat cash" requisition of £6.118m for five years from 2012/13 to 2016/17. Budget planning for 2017/18 was being undertaken on the basis of continuation of no change in total council requisition from 2016/17.

For 2017/18 the Board would continue to incur Individual Electoral Registration (IER) costs and it was considered unlikely that all IER costs would be fully contained in the core budget.

Lothian Valuation Joint Board
28 November 2016

Decision

- 1) To note the financial planning assumptions currently being progressed for the 2017/18 revenue budget.
- 2) To note that the revenue budget for 2017/18 would be presented to the Board for approval at its meeting on 6 February 2017.

(Reference – report by the Treasurer, submitted)

4 Mid-Term Review – Treasury Management Activity

The mid term review of the Board's treasury management activity for the first half of the 2016-2017 financial year was presented.

Decision

To note the investment activity undertaken on behalf of the Board.

(Reference – report by the Treasurer, submitted)

5 Assessor and Electoral Registration Officer Progress Report

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

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.

The Control of Smoking at Work policy had been reviewed to incorporate vaping devices and had been agreed with Unison.

Concerns had been expressed by Unison about the current level of staffing and the workload required to carry out the Board's statutory duties. The Assessor had carried out a minor review of the technical department. This had resulted in a reviewed structure and creation of a new post to carry out tasks graded at lower pay grades thereby alleviating the workload of professional and technical staff.

Decision

- 1) To approve the minor adjustments to the Control of Smoking at Work Policy.
- 2) To note the alterations to the Career Development Salary Progression Schemes, Job Descriptions and Person Specifications.
- 3) To otherwise note the remaining updates in the report.

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

6 Appointment of Assessor and Electoral Registration Officer

The Board, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 3, 12 and 14 of Part 1 of Schedule 7(A) of the Act.

The Board had delegated authority to the Chief Executive and Clerk to take forward the recruitment process to appoint a successor to the current Assessor and Electoral Registration Officer who would be retiring on 31 December 2016.

Information was provided on the outcome of the recruitment process and the short listing and interviews carried out by the Board's Appointment Committee.

Decision

- 1) To approve the recommendations contained in the report as detailed in the Confidential Schedule signed by the Convener relevant to this minute.
- 2) That a report on progress be brought back to the Board at the appropriate time.

(References – Lothian Valuation Joint Board 5 September 2016 (item 6); report by the Chief Executive and Clerk, submitted)

Revenue Budget 2017/18

6th February 2017

1 Purpose of report

The purpose of this report is to present the revenue budget for 2017/18 for approval. The report has been prepared in consultation with the Assessor and Electoral Registration Officer.

2 Summary

- 2.1 Following the report to Lothian Valuation Joint Board meeting of 28th November 2016 [Revenue Budget 2017/18 – Financial Planning](#), further work has been undertaken to develop a revenue budget for 2017/18.
- 2.2 The Board is requested to approve a budget for 2017/18 of £6.118m, funded through a flat-cash requisition of £6.118m. The requisition has been held at £6.118m since 2012/13.
- 2.3 Recognising the financial pressures facing constituent councils and following an assessment of the financial risks facing the Board, it is proposed to give a refund to constituent councils of the equivalent of 3% of requisition (£0.184m), funded from the Board's unallocated Reserve.
- 2.4 The Assessor and ERO intends to commence a service review during 2017/18 in recognition of the need to move towards a sustainable budget position for 2018/19, taking account of the likely financial environment.
- 2.5 The Board will continue to incur Individual Electoral Registration costs (IER) in 2017/18. The Cabinet Office has stated its commitment to fully fund IER until the end of the current Parliament. The revenue budget for 2017/18 is based on the Cabinet Office fully funding IER costs.
- 2.6 The table below estimates a closing reserve position at 31st March 2018 of £0.719m based on the 2016/17 forecast presented to the Board in the report 'Period 9 Financial Statement', elsewhere on this agenda, the proposed 2017/18 revenue budget and refund of unallocated reserve.

General reserve	£'000
Balance March 2016	(749)
2016/17 forecast under spend	(154)
Estimated closing balance 31.03.17	(903)
Proposed Refund to Constituent Councils	184
Estimated closing balance 31.03.18	(719)

3 Revenue Budget 2017/18

3.1 A revenue budget of £6.118 million is proposed for 2017/18. The proposed revenue budget includes:

- Provision of £55,000 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, set at 0.5% of each employer's pay bill;
- A re-alignment of non-employee cost budgets to address anticipated business needs in 2017/18 and contain the additional costs of pay award, increments and apprenticeship levy.

For 2017/18, the Board will continue to incur IER costs, estimated at £0.426m. In September 2016, the Cabinet Office stated its commitment to fully fund IER until at least the end of the current Parliament. 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. The draft revenue budget for 2017/18 is based on the Cabinet Office fully funding IER costs in 2017/18, in line with the Cabinet Office commitment.

The proposed revenue budget for 2017/18 is detailed in Appendices 1 and 2.

3.2 As detailed in the 'Budget Report 2017-2018' by the Assessor and ERO, elsewhere on this agenda, in recognition of the need for financial sustainability, work will commence on a service review following the Local Government elections in May 2017.

4 Local Government Finance Settlement and Constituent Councils budgets

4.1 The draft Local Government Finance Settlement has reduced General Revenue Grant by 3.9% across Scotland, based on a year-on-year comparison of grant funding and excluding funding provided for specific new commitments. The rate of reduction varies from council to council.

4.2 The terms of the Settlement mean that the additional income raised through changes to Council Tax band multipliers (estimated at £110.5m across Scotland) will be retained by the councils, where this income is collected. When this additional income is offset against the reduction in General Revenue Grant, the net reduction in funding in the Settlement is estimated at 2.8% across Scotland, excluding funding provided for specific new commitments.

4.3 Longer-term funding assumptions remain subject to uncertainty. There remains a considerable risk that there will be further cash-reductions in funding provided through the Scottish Block grant for 2018/19 and beyond.

5 Budget pressures and Risk

5.1 Individual Electoral Registration (IER)

5.1.1 In September 2016, the Cabinet Office stated its commitment to fully fund IER until at least the end of the current Parliament and the draft revenue budget for

2017/18 is based on this commitment. There will be an unbudgeted cost to the Board if the costs of IER are not fully funded by the Cabinet Office. Based on the proposed revenue budget for 2017/18, the maximum level of risk is £0.426m.

5.2 Revaluation 2017

- 5.2.1 The previous National Non-Domestic Rates (NNDR) revaluation saw large numbers of appeals lodged. The cost of managing these appeals was contained within the revenue budget of the Board. A risk remains as to what appeal levels shall be recorded during 2017.

5.3 The Future of Council Tax

- 5.3.1 This represents an area of uncertainty. In the event that Assessors are requested to become involved in the valuation for a new or altered local property tax, it can be expected that any additional funding required for implementation and maintenance would be provided by the Scottish Government.

5.4 Other budget risks

- 5.4.1 Strategic and operational planning, along with risk management, are already being undertaken by the Assessor and ERO. The combination of the major risks referred to in this section and the uncertainty of legislation and timetabling results in ongoing risk to the Board.

6 Unallocated Reserve

- 6.1 The Board has the ability to retain a general reserve; this balance currently stands at £0.749m. As reported in the report 'Period 9 Financial Statement 2016/17' elsewhere on this agenda the reserve is forecast to increase by £0.154m to £0.903m by 31st March 2017. This level of unallocated reserve would represent 14.7% of the Board's proposed net revenue expenditure for 2017/18.
- 6.2 The Board has retained an unallocated Reserve on the basis it may become necessary to consider deploying the Board's policies on voluntary early release (VERA) and incur significant one-off exit costs, as a consequence. The Reserve would be utilised to fund approved VERA cases. All VERA applications are subject to a business case based on affordability and service requirements. Since 2010, the Board has approved two voluntary early release cases with a total cost of £93,000.
- 6.3 It is the responsibility of the Treasurer to advise the Board about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.
- 6.4 Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - A contingency to cushion the impact of unexpected events and emergencies;
 - A means of building up funds to meet known or predicted liabilities, for example, costs of voluntary early release schemes.
- 6.5 In order to assess the adequacy of the unallocated reserves, it is necessary to take account of the strategic, operational and financial risks facing the Board. The assessment should take account of controls in place to manage identified

risks together with the overall financial standing of the Board and general arrangements to support effective financial risk management.

- 6.6 Budget pressures and risks are identified in Section 5 of this report. Not all of these risks can be quantified at this stage. Risks are inherent in any budget process. It is essential that risks are monitored regularly and, where necessary, action is taken to control and manage risks.
- 6.7 The Board has an established track record of managing expenditure pressures within its budgetary provision, with services being delivered within the approved revenue budget throughout the existence of the Board.
- 6.8 In the light of identified risks and the established track record of managing expenditure pressures within budget and recognising the financial pressures facing constituent councils, it is proposed to give a refund to constituent councils of the equivalent of 3% of requisition (£0.184m), funded from the Board's unallocated Reserve, effective on 1st April 2017.
- 6.9 If this proposal is approved, it is estimated that the Board's unallocated reserve at 31st March 2018 will be £0.719m. This level of unallocated reserve is still considered to provide adequate assurance for the Board.
- 6.10 The proposed refund for 2017/18, is detailed in the table below:

Refund of Unallocated Reserve 2017/18

	Proposed Refund £
City of Edinburgh	112,300
Midlothian	16,800
East Lothian	20,100
West Lothian	34,300
Total	183,500

7 Requisition allocation basis between constituent councils

- 7.1 The apportionment of the 2017/18 requisition is based on the constituent councils share of GAE lines in the Scottish Government's 2016/17 Green Book.

8 Recommendations

- 8.1 The Board is recommended to approve the proposed budget for 2017/18 and the issue of requisition requests from the Treasurer to constituent councils as follows:

Constituent Council	Requisition 2017/18 £	%
Edinburgh	3,741,157	61.19%
Midlothian	562,244	9.16%
East Lothian	666,862	10.94%
West Lothian	1,147,737	18.71%
Total	6,118,000	100.00%

8.2 The Board is recommended to approve a refund of unallocated reserve of £183,500 on 1st April 2017 as follows:

	Proposed Refund £
City of Edinburgh	112,300
Midlothian	16,800
East Lothian	20,100
West Lothian	34,300
Total	183,500

8.3 Note that the Assessor and ERO will report to the Board on development of the Service review during 2017/18;

8.4 Note that the Assessor and ERO will update the Board in due course of any changes to IER with service/financial implications.

8.5 Note the risks identified in section 5 of the report.

**Hugh Dunn,
Treasurer**

Appendices:

Appendix 1 - Analysis of Budget Change
Appendix 2 - Revenue Budget 2017/18

Contact/Tel:

Mr. I Shaw: 0131 469 3117

Background papers:

Held at the Office of Treasurer

Appendix 1 - Analysis of Budget Change

	£'000	£'000	% Change
REVISED BUDGET 2016/17 (CORE)		£6,118	
<u>1. Core Budget Movement</u>			
<u>Employee budget - annual pressures</u>			
Pay Award	£37		
Increments	£18		
Modern Apprenticeship Levy	£17	£72	
Total employee cost budget pressure		£72	1.2%
<u>Efficiencies</u>			
· Reductions in general premises and transport budgets	-£12		
· Reduction in supplies (mainly ICT and Advertising)	-£47		
· Reduction in third party budgets	-£13	-£72	(1.2%)
<u>2. IER Budget</u>			
<u>Pressures:</u>			
· Implementing a permanent canvasser team (12)	£124		
· Employing Customer Support Assistants (4)	£86		
· Printing, Stationery and ICT	£91		
· Postage	£125		
		£426	7.0%
Income (Cabinet Office / Shortfall mitigated by Reserve)		-£426	(7.0%)
<u>3. Requisition</u>			
· One-off refund to Councils (3% Reserve balance at 31st March 2016)	£184		
· Refund to be funded by Reserve	-£184	£0	0.0%
PROPOSED BUDGET 2017/18		£6,118	0.0%

Appendix 2 – Revenue Budget 2016/17 – Subjective Analysis

Core Budget	Budget 16/17 £'000	Budget 17/18 £'000	Movement £'000
Employee Costs			
Wages and Salaries	3,246	3,311	65
National Insurance	330	333	3
Superannuation	660	664	4
Canvass Staff	127	127	0
Unfunded Pensions	122	122	0
Pension Deficit	3	3	0
Allowances	3	3	0
Agency Staff	6	6	0
	4,497	4,569	72
Premises Costs			
Rents	305	305	0
Rates	194	194	0
Cleaning & Domestic Supplies	37	35	-2
Energy Costs	29	29	0
Water Services	16	16	0
Building Repairs, Alterations & Maintenance	15	11	-4
Premises Insurance	5	5	0
Grounds Maintenance Costs	4	4	0
	605	599	-6
Transport Costs			
Car Allowances	63	63	0
Public Transport	24	22	-2
Transport Insurance	10	10	0
Contract Hire & Operating Leases	4	0	-4
Direct Transport Costs	1	1	0
	102	96	-6
Supplies & Services			
Postages	302	299	-3
ICT	246	227	-19
Printing, Stationery & Gen Office Exp	97	87	-10
Telephony	40	40	0
Services	34	30	-4
Expenses	23	20	-3
Insurance	21	21	0
Equipment, Furniture & Materials	21	14	-7
Audit fee	7	7	0
Miscellaneous Expenses	3	3	0
Grants & Subscriptions	2	2	0
Catering	1	0	-1
Clothes, Uniform & Laundry	1	1	0
	798	751	-47
Third Party Payments			
Appeals Committee	60	50	-10
Maintenance Contractors	34	31	-3
Other Agencies	1	1	0
	95	82	-13
Support Services			
Central Support Costs	67	67	0
	67	67	0
Income			
Customer & Client Receipts	-43	-43	0
Interest	-3	-3	0
	-46	-46	0
Total core services	6,118	6,118	0

BUDGET REPORT

2017 - 2018



1 INTRODUCTION

The proposed budget provision for the year 2017/18 has been agreed with the Treasurer and his report reflects expected costs, income and risk to the Board.

I will endeavour to manage the services within the organisation to meet appropriate performance standards while making every effort to maximise the efficient use of resources. I attach the 2017-2018 Corporate and Service Plans which outline the key activities that shall be undertaken across the service delivery areas.

In particular, emphasis shall be on responding to enquiries following the release of Revaluation Notices and the subsequent administration and disposal of Revaluation Appeals. As regards Electoral Registration focus is on the 4th May Local Government elections, the ongoing chase of non-returned ITR's, and the 2017 annual canvass of all households which shall commence during August.

2 PROPOSED BUDGET 2017/18

The proposed budget for 2017/18 represents a flat-cash settlement of £6.118 million. This reflects unavoidable growth of £69k offset by minor reductions across a range of expenditure heads such as premises, transport, supplies and services and 3rd party payments.

3 POSSIBLE BUDGET RISKS

3.1 Individual Electoral Registration

Previous reports to the Board have highlighted the ongoing issue with additional costs associated with Individual Electoral Registration.

The Treasurers Financial Planning report to the Board dated 28th November 2016 indicated an annual additional expenditure requirement of £468k.

This additional requirement is funded currently by annual grants from the Cabinet Office. The UK Government has indicated that it shall continue to provide funding until the end of the current government term in 2020.

Clearly this position represents a long term risk to the financial arrangements of the Board and its ability to continue to deliver the IER service.

In an attempt to address this matter the Cabinet Office has initiated pilot schemes. The aim of which is to create amendments to the current prescriptive legislative requirements that shall reduce costs while maintaining completeness and accuracy of the registration process.

In addition to this the internal processes, procedures and organisational changes adopted within the organisation in order to provide the IER service shall be reviewed. This shall seek to contribute to the cost savings requirement.

3.2 Valuation Roll

Draft Revaluation 2017 values were published on the Scottish Assessor's Association web portal on the 15th December 2016. This coincided with the Scottish Government's budget announcements which included information on business rates relief. The draft values shall become live with effect from 1st April 2017 with Revaluation Notices being issued to all proprietors, tenants and occupiers of lands and heritages that appear in the Revaluation Roll around 15th March 2017. A high level of initial enquiry from ratepayers can be expected in conjunction with those ratepayers who lodge appeals either directly or via appointed agents. Ratepayers have until the 30th September 2017 to lodge appeals against entries in the Revaluation Roll. Dealing with enquiries and the disposal of appeals is a very resource intensive activity and considerable pressure shall be upon the staff resources at this time.

The Barclay Review of Business Rates in Scotland is ongoing with an initial report to ministers during July 2017. The Scottish Assessors Association has been involved with the consultation process and continues to provide information on request.

The Land Reform (Scotland) Bill has been passed by Parliament and there is now a requirement to enter shootings and deer forests in the Revaluation Roll. While a relatively limited number of entries can be expected in Lothian, especially in comparison to other areas, this work is proving time consuming.

3.3 Council Tax

From the 1st April 2017 the payment ratios between Council Tax Band D and the higher bands E, F, G, and H shall alter. It is likely that some council tax payers in those higher bands may seek to lodge appeals in an attempt to reduce payments. Should large numbers of enquiries and appeals be lodged this shall place considerable strain on staff resources.

The adjustments to band payment ratios has been indicated by the Scottish Government as the first element of a journey to reform Council Tax. This position shall be closely followed in order for any future changes to be impact assessed at the earliest opportunity.

4 BUDGET RESERVE

A reserve fund was established a number of years ago in order to meet the one-off costs associated with the operation of the Board's policies on Voluntary Early Release. More recently the Board has approved that the fund could be used to support, in the short term, the additional funding requirement for IER in the event Cabinet Office funding is unexpectedly withdrawn.

To date the fund has been utilised to a very limited extent, and as a result the reserve has reached a level that is in excess of anticipated future requirements.

The recommendation by the Treasurer to reduce the current reserve fund level is supported.

During presentation of the 2016/17 final accounts the Board shall be able to give consideration to any under spent budgetary allocation and whether this can be placed to the reserve fund.

5 FUTURE FINANCIAL SUSTAINABILITY

Financial sustainability is a key priority for any local authority organisation.

The requirement for the Board to establish a sustainable fiscal position has been identified by both the Treasurer and recent Audit Scotland reports. Audit organisations define financial sustainability in the following terms. "Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to deliver its services or the way in which they should be delivered."

The current policy of strict vacancy control has allowed the Board to deliver services within budget allocation. While this approach has been successful in terms of providing the required year on year financial outcome it is fundamentally a short term strategy. Such an approach does not allow scope or opportunity for operational reappraisal which shall allow the proper alignment of service priorities and workloads to the resources available.

To ensure services can be delivered in the medium to longer term it is necessary to investigate and test the current business model in order to establish how effectively the organisation is performing and identify where any realignment is required in order to meet future needs.

It is intended therefore that a programme of investigation shall be commenced following the 4th May 2017 Local Government election. In accordance with the existing Board policy on the Conduct of Reviews the Assessor shall in the period prior to 4th May 2017 engage with the Trade Union to consult on and establish the terms upon which the programme shall be conducted.

It is important to manage expectations as regards possible outcomes. It is of primary and essential importance that the statutory functions which the Assessor and his staff are

responsible for discharging are not in any way compromised. As the staffing resource of the Board has been repeatedly targeted under the policy of vacancy control the scope to create significant financial savings from this area of expenditure may be limited.

Further reports shall be provided to the Board as the terms of engagement and the project management framework that shall support the process, are developed.

6 KEY PERFORMANCE INDICATORS FOR THE WORK OF ASSESSORS

Key Performance Indicators for the work of Assessors are in place for Valuation Roll and Council Tax performance.

6.1 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 improve the cash flow to the rating pool.

Valuation Roll	No of changes	Rateable Value 1/4	Rateable Value 31/3	0 – 3 months %		3 – 6 months %		> 6 months %	
				Target	Actual	Target	Actual	Target	Actual
2009/10	3,792	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	1,277,094,790	78	75.78	12	13.44	10	10.78
2015/16	3,578	1,277,094,790	1,269,782,464	75	72.11	13	15.36	12	12.52
2016/17				50		25		25	

The performance achieved during 2015/16 and the target set for 2016/17 reflect the impact on tasks associated with ongoing maintenance of the Valuation Roll during the period when resources are required to be diverted to undertake work associated with a Revaluation.

6.2 Council Tax

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.

Valuation List	No of Dwellings added	0 – 3 months %		3 – 6 months %		Over 6 months %	
		Target	Actual	Target	Actual	Target	Actual
2009/10	3,984	92	95.3	6	2.5	2	2.2
2010/11	3,768	94	94.98	4	4.06	2	0.96
2011/12	3,410	94	96.72	4	2.35	2	0.94
2012/13	3,171	95	95.52	3	3.09	2	1.39
2013/14	4,315	96	94.9	3	3.01	1	2.09
2014/15	4,049	96	95.73	3	2.77	1	1.50
2015/16	4,860	95	96.46	3	2.98	2	0.56
2016/17		95		3		2	

The performance achieved for 2015/16 surpassed the target set.

7 PERFORMANCE STANDARDS FOR THE WORK OF ELECTORAL REGISTRATION OFFICERS

Performance standards for the work of EROs are monitored by the Electoral Commission. Following the introduction of IER the Electoral Commission have designed two overarching performance standards that encapsulate electoral activities over an annual period. Work is ongoing to ensure material is available that provides assurance that the standards are being met. The Board shall be provided with further information on the Performance Standards at future Board meetings.

8 CONCLUSION

Subject to the risks outlined I have a reasonable level of confidence that current levels of service delivery can be maintained throughout 2017/18 and within the proposed budget allocation. During 2017/18 Budget Projection Reports and Assessor's Performance Reports shall provide the basis upon which this position can be monitored. Looking forward I have outlined the requirement of establishing a longer term financially sustainable position for the Board and the steps I intend to take in that regard.

9 RECOMMENDATION

The Board is asked to note the content of this report.

Graeme Strachan
Interim Assessor and Electoral Registration Officer

Strategic Aims & Operational Objectives 1

To ensure statutory duties are carried out for maintenance of the **Valuation Roll** and ensure timeous publication of the 2017 Revaluation Roll.

Performance Measures		Strategic Aims / Operational Objectives	
1.1	Maintain Valuation Roll in line with statutory requirements.	Maintain and update survey records in line with relevant guidance and practice.	Head of Valuation
		Consider planning and building warrants and take appropriate action to maintain records	Head of Valuation
		Prepare valuations in line with practice notes and 'tone' evidence.	Head of Valuation
		Update VR daily, issue Valuation Notices daily; provide update to constituent authorities Finance weekly.	Head of Valuation
		Continue to update rental, cost and turnover analysis to ensure accuracy of the Roll	Head of Valuation
1.2	Dispose of appeals within statutory time frame including LTS & LVAC appeals.	Correspond with appellants in line with legal requirements and LVJB standards.	Head of Valuation
		Ensure appeals are allocated to appropriate number of court dates.	Head of Valuation
		Monitor loss on appeal and reasons for loss.	Head of Valuation
		Monitor and ensure amendments are processed timeously.	Head of Valuation
		Ensure compliance with LTS and quality preparation of cases	Head of Valuation
1.3	2017 Revaluation Roll.	Ensure Revaluation Notices are issued timeously and that all necessary data files are passed to Directors of Finance.	Head of Valuation
		Provide an effective engagement service with ratepayers seeking information and discussion regarding the Revaluation.	Head of Valuation
		Administer properly all Revaluation appeals lodged within statutory time limits and commence the process of timetabled disposal in association with the Valuation Appeal Committee.	Head of Valuation
1.4	Audit processes, procedures and values.	Audit valuation processes procedures and issued values.	Audit Manager
		Audit appeal processes, procedures and outcomes.	Audit Manager

		Consider presented audit reports.	Executive
1.5	Further develop IT systems, applications and communications	Review and further develop valuation applications.	Head of Valuation/Head of ICT
		Develop new classes of information for summary valuation purposes.	Head of Valuation/Head of ICT
1.6	Maintain performance.	Maintain efficiency in survey procedures.	Head of Valuation
		Maintain quality of valuations by reference to appeal loss.	Head of Valuation
		Maintain performance in terms of KPIs and internal indicators.	Head of Valuation

Strategic Aims & Operational Objectives 2

To ensure statutory maintenance of the **Council Tax List**.

2.1	Maintain CT List in line with statutory requirements	Ingather and analyse sales evidence.	Head of Valuation
		Maintain and update survey records.	Head of Valuation
		Prepare reviewed bandings and amend for sold houses.	Head of Valuation
		Ensure accuracy of all amended and new bands.	Head of Valuation
		Update CT daily, issue band change notices daily and notify councils weekly.	Head of Valuation
2.2	Dispose of proposals & appeals	Correspond with appellants in line with legal requirements and LVJB standards.	Head of Valuation
		Administer properly all proposals and appeals and commence the process of timetabled disposal in association with the Valuation Appeal Committee.	Head of Valuation
		Monitor band reductions.	Head of Valuation
		Ensure amendments are processed timeously.	Head of Valuation
2.3	Audit processes, procedures and Bands	Audit banding processes, procedures and issued bands	Audit Manager
		Audit appeal processes, procedures and outcomes.	Audit Manager
		Consider presented audit reports.	Executive
2.4	Further develop IT systems, applications and communications	Consider workflow and work improvements	Head of Valuation
		Ensure all new and altered records are saved in electronic format	Head of Valuation
2.5	Maintain performance	Maintain efficiency in survey procedures.	Head of Valuation
		Maintain quality of bandings by reference to band reductions on appeal.	Head of Valuation
		Maintain performance in terms of KPIs and internal indicators.	Head of Valuation

Strategic Aims & Operational Objectives 3

To ensure timeous publication and maintenance of the **Electoral Register** through full Individual Electoral Registration.

Performance Measures		Strategic Aims / Operational Objectives	
3.1	Prepare and publish ER by 1 st December 2017 and annually thereafter	Publish Electoral Register in paper format and electronic format by 1 st December 2017 and each year thereafter.	Assessor
		Carry out postal and door to door canvass in line with legislation and to maximise registration.	Head of Administration
		Ensure appropriate advertising/publicity initiatives are in place in conjunction with EC public engagement strategy.	Head of Administration
		Action all postal vote applications received during and outside the canvass period.	Head of Administration
		Distribute register in requested format to persons as defined by statute	Head of Administration
		Actively encourage recipients to accept the register in electronic format to reduce costs	Head of Administration
		Liaise with external contractors and manage/mitigate risks	Head of Administration
3.2	Maintain ER for statutory updates each month.	Update ER monthly updates per legislative requirements	Head of Administration
		Issue Notices in line with statutory requirement	Head of Administration
		Improve contact with hard to reach groups through partnership working initiatives.	Head of Administration
		Identify and improve appropriate advertising/publicity channels re registration.	Head of Administration
		Refresh AVPIs as required in January 2017.	Head of Administration
3.3	Dispose of any registration appeals	Correspond with appellants in line with statutory requirements.	Head of Administration
		Ensure hearings are set up and conducted timeously.	Assessor/Head of Administration
3.4	Prepare for refresh of AV personal identifiers in January 2018	Identify quantities and additional required expenditure.	Head of Administration
		Establish required processes, timetable for collection and processing.	Head of Administration

		Provide reports as required to Executive and Board.	Head of Administration
3.5	Prepare for and ensure effective management of registration duties for LG Election 4 May 2017 and any other elections or referendums as required.	Ensure all applications for registration are processed accurately and timeously.	Head of Administration
		Ensure all AVPI applications for registration are processed accurately and timeously.	Head of Administration
		Prepare and maintain all necessary timetables including the identification of all key risks associated with election preparation requirements	Head of Administration
		Undertake engagement activities and ensure staff are trained and available to answer all telephone and email enquiries.	Head of Administration
		Ensure staffing resource in place at all peak periods and as required during polling hours.	Head of Administration
3.6	Audit processes, procedures and accuracy to ensure quality registration delivery.	Develop and monitor audit reports for ER updates.	Audit Manager
		Audit personal identifiers with canvass signatures.	Audit Manager
		Audit name changes to ensure accuracy.	Audit Manager
		Consider all audit reports for appropriate actions.	Executive
3.7	Further develop IT systems, applications and communications.	Improve address data management to maximise data matching.	Depute Assessor/Head of ICT
		Deliver electorate statistics to NRoS. (RPF 29)	Head of Administration
3.8	Maintain performance	Improve efficiency in the delivery of the canvass processes and procedures.	Head of Administration
		Review performance reports and consider new targets.	Head of Administration
		Deliver performance standards self-assessment and data returns to Electoral Commission.	Head of Administration

Strategic Aims & Operational Objectives 4

To systematically develop, prepare and publish reports to improve customer knowledge & ensure attainment of improved **Community Focus**

Performance Measures		Strategic Aims / Operational Objectives	
4.1	Prepare and publish statutory reports	Annual assessor's report to LVJB and staff re service planning, performance & target setting.	Assessor
		Annual treasurer's un-audited accounts.	Treasurer
		Annual Audit reports to LVJB.	Treasurer
		Report on equalities April 2017 and two yearly thereafter.	Depute Assessor
		Annual proposed Revenue Report to LVJB.	Treasurer
4.2	Prepare and present reports to LVJB	Quarterly progress report to LVJB.	Assessor
		Reports as required.	Executive
4.3	Develop and improve customer targeted policies	Oversee development of performance statistical analysis and monitoring.	Executive
		Monitor adherence to equality principles.	Senior Management Team
		Quarterly progress report to LVJB.	Assessor
		Liaise with the Electoral commission to ensure a robust public engagement strategy is in place for general registration and focused electoral events.	Assessor
4.4	Maintain appropriate public participation schemes	Liaise with universities, further education establishments and schools to maximise student registration	Head of Administration
		Liaise with care homes to maximise registration for residents	Head of Administration
		Identify improvements to LVJB internet site and review contents.	Senior Management Team
		Maintain and update the internet site to ensure currency and accuracy especially at key electoral events during 2017.	Executive/Senior Management Team
		Identify improvements to LVJB intranet site and review contents.	Senior Management Team
4.5	Maintain, update and improve websites	Maintain and update the intranet site to ensure current and accurate	Senior Management Team
		Maintain and update the internet site to ensure current and accurate	Senior Management Team
		Integrate Sharepoint to improve records management	Senior Management Team

Strategic Aims & Operational Objectives 5

To set standards and undertake corporate improvement in **Service Delivery Arrangements** and review the performance management and planning framework to ensure continuous improvement

Performance Measures		Strategic Aims / Operational Objectives	
5.1	Maintain VR key and internal performance indicators	Agree and set KPIs for VR.	Assessor/ Head of Valuation
		Agree and set a suite of internal indicators for VR performance.	Assessor/ Head of Valuation
		Monitor, analyse and report on VR performance quarterly.	Assessor/ Head of Valuation
5.2	Maintain CT key and internal performance indicators	Agree and set KPIs for CT.	Assessor/ Head of Valuation
		Agree and set a suite of internal indicators for CT performance.	Assessor/ Head of Valuation
		Monitor, analyse and report on CT performance quarterly.	Assessor/ Head of Valuation
5.3	Meet new ER key and internal performance indicators	Agree and set Internal PIs for ER.	Executive/Head of Admin
		Produce and submit targets for ER performance to Electoral Commission.	Executive/Head of Admin
		Produce and submit statistical monitoring & indicators for ER performance to Electoral commission.	Executive/Head of Admin
		Monitor, analyse and report on ER performance monthly.	Executive/Head of Admin
5.4	Prepare, monitor and review service plan	Monitor Corporate and Service Plans.	Assessor/Senior Management Team
		Ensure adherence to Service Plan and Performance Indicators.	Assessor/Senior Management Team
		Review Performance & Development Review procedure to meet staff comments and meet organisational requirements.	Assessor/Senior Management Team

Strategic Aims & Operational Objectives 6

To review roles, responsibilities, **Structures and Processes** to ensure effective balance of responsibility and authority.

Performance Measures		Strategic Aims / Operational Objectives	
6.1	Review Standing Orders, Scheme of Delegation and Financial Regulations 5 yearly	Review contents of Standing Orders 5 yearly; Reviewed Feb 2016.	Assessor/LVJB
		Review contents of Scheme of Delegation 5 yearly; Reviewed Feb 2016.	Assessor/LVJB
		Review contents of Financial Regs 5 yearly; Reviewed Feb 2016.	Assessor/Treasurer/LVJB
6.2	Adhere to Standing Orders, Scheme of Delegation and Financial Regulations	Report to LVJB re review of contents of Standing Orders 5 yearly.	Assessor
		Report to LVJB re review of contents of Scheme of Delegation 5 yearly.	Assessor
		Report to LVJB re review of contents of Financial Regs 5 yearly.	Assessor/Treasurer
6.3	Consider structure and responsibilities with staff changes and new tasks	Review PRD to ensure compliance with Standing Orders, Scheme of Delegation and Financial Regs for executive and managers.	Executive
		Annually monitor through PRD, compliance with Standing Orders, Scheme of Delegation and Financial Regs for executive and managers.	Executive
		Review staffing and post requirements when staff leave, reduce hours or alter posts.	Executive

Strategic Aims & Operational Objectives 7

To review, monitor and maintain organisational **Risk Management and Internal Controls** to ensure efficient and effective delivery of service.

Performance Measures		Strategic Aims / Operational Objectives	
7.1	Identify risks	Consider new risks for addition to risk registers at all management meetings.	Executive
		Consider new risks to be added to the strategic business risk register on a 6 monthly basis at senior management meetings.	Executive
		Consider risks within each service delivery planning timetable on an ongoing basis.	Executive
		Consider risks as legislative changes are considered.	Executive
7.2	Mitigate risks	Ensure mitigation strategy is considered timeously.	Executive
		Implement mitigation decisions effectively.	Executive
7.3	Monitor & review risks	Monitor budget spend and variances quarterly at senior management meetings.	Depute Assessor
		Monitor budget spend and variances and include in quarterly progress report.	Executive
		Monitor actions resulting from audit reports at all management meetings.	Executive
		Liaise with the treasurer to the Board to ensure appropriate monitoring and accounting.	Executive
		Review strategic risk register at senior management meetings	Executive
7.4	Maintain task specific and strategic risk registers.	Maintain work timetables with corresponding risk management monitoring regularly at all relevant meetings.	Senior Management Team
		Consider new risks to be added to timetables/risk registers on an ongoing basis	Executive
		Mitigate all risks on timetables/risk registers on an ongoing basis	Executive

7.5	Report risks to LVJB and review risk strategy framework as required	Report to Board on identified key risks on quarterly basis as part of progress report.	Assessor
		Report to Board on budget variances, past and proposed, on quarterly basis as part of progress report.	Assessor/Treasurer
		Submit external & internal auditors' reports and actions carried out resulting from recommendations to the Board.	Assessor

Strategic Aims & Operational Objectives 8

To develop, adopt and review formal documentation and put in place appropriate systems to ensure **Standards of Conduct** are adhered to.

Performance Measures		Strategic Aims / Operational Objectives	
8.1	Maintain a PRD process to monitor compliance to legislation and LVJB policies and procedures.	Review PRD scheme to monitor compliance with LVJB standards.	Executive
		Ensure compliance with LVJB employment legal requirements on a day to day basis and assess at annual PRD.	Managers
		Ensure compliance with LVJB policies on a day to day basis and assess at annual PRD.	Managers
8.2	Monitor and review compliance to Records Management, FOI, Data Protection and, Equalities.	Ensure compliance with legal requirements e.g. Records management, FOI, Data Protection, Equal Opportunities etc. on a day to day basis and assess at monthly management meetings.	Management Teams
		Ensure Complaints policy and procedure meet required standards	Executive
		Ensure Records management policy and procedures meet required standards	Executive
8.3	Report on Whistle Blowing	Ensure the policy and procedures are reviewed as appropriate to ensure staff concerns are addressed.	Assessor
		Report on items raised as appropriate.	Assessor
8.4	Provide management, guidance and support timeously	Ensure that policies are reviewed regularly, advised to the Board and staff briefed	Assessor
		Monitor adherence to Policy review timetable and encourage Unison input and agreement	Executive
		Ensure that appropriate guidance is developed and training given for new tasks introduced	Executive and Heads of Service
		Ensure that policies are available, preferably on the LVJB intranet	Executive
		Ensure an appropriate support structure is in place for all employees	Assessor

Strategic Aims & Operational Objectives 9

To plan and deliver an **organisational development strategy** considering corporate initiatives to ensure efficiency and quality of service delivery

Performance Measures		Strategic Aims / Operational Objectives	
9.1	Maintain annual service plan	Prepare annual service plan and present to LVJB.	Assessor
		Ensure staff awareness, guidance, monitoring and assessment of compliance procedures.	Executive & Heads of Service
		Monitor compliance with the service plan on a day to day basis and assess at senior management meeting.	Executive & Heads of Service
9.2	Deliver corporate improvement.	Develop & review a suite of internal performance indicators and update KPIs to ensure improvement.	Executive & Heads of Service
		Monitor performance improvement and report at management meetings & LVJB.	Executive & Heads of Service
		Monitor and report absence levels to measure improvement.	Depute Assessor
		Discuss & develop corporate improvement strategies at executive meetings.	Executive & Heads of Service
9.3	Comply with corporate goal, LVJB Mission, vision, aims & objectives	Review corporate goals at senior management meeting.	Executive & Heads of Service
		Ensure that corporate goal is communicated to all staff and included in PRD process.	Executive & Heads of Service
		Communicate and monitor adherence to Mission, vision, aims & objectives.	Executive & Heads of Service

Strategic Aims & Operational Objectives 10

To engage in **key partnership working** to ensure the delivery of efficient government.

Performance Measures		Strategic Aims / Operational Objectives	
10.1	Encourage partnership working with constituent authorities	Continue partnership working with Finance departments of the 4 authorities.	Executive & Heads of Service
		Continue partnership working with the Returning Officer staff of the 4 authorities.	Executive & Heads of Service
		Continue partnership working with the Treasurer to LVJB.	Executive
		Improve partnership working with Planning and Building departments of the 4 authorities.	Executive & Heads of Service
10.2	Encourage partnership working with public and civil servants e.g. VOA, SAA, Scottish Executive, Electoral Commission etc.	Continue partnership working with the SAA.	Executive
		Continue partnership working with the VOA.	Executive
		Continue partnership working with the National Register of Scotland.	Executive
10.3	Maintain partnership working with external professional bodies e.g. RICS, IRRV, AEA, etc.	Continue partnership working with the RICS, IRRV & AEA professional bodies.	Executive

SERVICE MISSION & VISION

Lothian Valuation Joint Board's **mission** is to ensure best value and provide equitable, customer focussed, quality, professional valuation and electoral registration services for all its stakeholders.

Our **vision** is to provide valuation and electoral registration services in accordance with statute at levels of excellence which meet expectations.

AIMS & OBJECTIVES

In order that we fulfil our Mission and achieve our Vision we will:-

- Ensure that our services are delivered in accordance with all statutory requirements.
- Plan service development and delivery in accordance with the principles of Best Value.
- Take individual and collective responsibility for the services provided by LVJB.
- Monitor and report performance levels to stakeholders.
- Integrate Equalities issues into all aspects of our service provision.
- Ensure good governance in all aspects of our service provision.
- Build on our achievements to date.

Key goals of the service

1. To ensure timeous publication and maintenance of the **Valuation Roll**.
2. To ensure timeous publication and maintenance of the **Council Tax List**.
3. To ensure timeous publication and maintenance of the **Electoral Register** and registration services at elections.
4. To develop, prepare and publish reports to improve customer knowledge and ensure attainment of good **Community Focus**.
5. To set standards and undertake corporate improvement in **Service Delivery Arrangements** and review the performance management and planning framework to ensure continuous improvement.
6. To review roles, responsibilities, **Structures and Processes** to ensure effective balance of responsibility and authority.
7. To review, monitor and maintain organisational **Risk Management and Internal Controls** to ensure efficient and effective delivery of service.
8. To develop, adopt and review formal documentation and systems to ensure **Standards of Conduct** are adhered to.
9. To plan and deliver an **organisational development strategy** considering corporate initiatives to ensure efficiency and quality of service delivery.
10. To engage in **key partnership working** to ensure the integrated delivery of efficient government.

EXECUTIVE RESPONSIBILITIES

No	Task/Project	Responsibility	Performance Measures
1	To ensure statutory duties are carried out for maintenance of the Valuation Roll and ensure timeous publication of the 2017 Revaluation Roll.	Executive	<ol style="list-style-type: none"> 1. Maintain Valuation Roll in line with statutory requirements. 2. Dispose of appeals within statutory time frame including LTS & LVAC appeals. 3. Delivery of the 2017 Revaluation Roll and associated activities. 4. Audit processes, procedures and values. 5. Further develop IT systems, applications and communications. 6. Maintain performance.
2	To ensure statutory maintenance of the Council Tax List .	Executive	<ol style="list-style-type: none"> 1. Maintain CT List in line with statutory requirements. 2. Dispose of proposals & appeals. 3. Audit processes, procedures and Bands. 4. Further develop IT systems, applications and communications. 5. Maintain performance.
3	To ensure timeous publication and maintenance of the Electoral Register and registration services at elections.	Executive	<ol style="list-style-type: none"> 1. Prepare and publish ER by 1st December 2017 and annually thereafter. 2. Maintain ER for update statutory date each month. 3. Dispose of any registration appeals. 4. Prepare and ensure refresh of AV personal identifiers in January 2018. 5. Prepare for and ensure effective management of registration duties for LG Election 4 May 2017 and any other elections or referendums as required. 6. Audit processes, procedures and accuracy to ensure quality registration delivery. 7. Further develop IT systems, applications and communications. 8. Maintain performance.
4	To develop, prepare and publish reports to improve customer knowledge and ensure attainment of good Community Focus .	Executive	<ol style="list-style-type: none"> 1. Prepare and publish statutory reports. 2. Prepare and present reports to LVJB. 3. Maintain customer targeted policies. 4. Maintain appropriate public participation schemes. 5. Maintain, update and improve website.

5	To set standards and undertake corporate improvement in Service Delivery Arrangements and review the performance management and planning framework to ensure continuous improvement.	Executive	<ol style="list-style-type: none"> 1. Maintain VR key and internal performance indicators. 2. Maintain CT key and internal performance indicators. 3. Meet new Electoral performance indicators set by the Electoral Commission. 4. Preparation, monitoring and review of Service Planning.
6	To review roles, responsibilities, Structures and Processes to ensure effective balance of responsibility and authority.	Executive	<ol style="list-style-type: none"> 1. Review Standing Orders, Scheme of Delegation and Financial Regulations; 5 yearly. 2. Adhere to Standing Orders, Scheme of Delegation and Financial Regulations; 5 yearly. 3. Consider structure and responsibilities with staff changes and new tasks regularly.
7	To review, monitor and maintain organisational Risk Management and Internal Controls to ensure efficient and effective delivery of service.	Executive	<ol style="list-style-type: none"> 1. Identify risks. 2. Mitigate risks. 3. Monitor and review risks. 4. Maintain task specific, strategic and rolling risk registers. 5. Report risks to LVJB and review risk strategy framework as required.
8	To develop, adopt and review formal documentation and put in place appropriate systems to ensure Standards of Conduct are adhered to.	Executive	<ol style="list-style-type: none"> 1. Maintain a PRD process to monitor compliance to legislation and LVJB policies and procedures. 2. Monitor and review compliance to Records management, FOI, Data Protection and Equalities. 3. Report on Whistle Blowing. 4. Provide management, guidance and support timeously.
9	To plan and deliver an organisational development strategy considering corporate initiatives to ensure efficiency and quality of service delivery.	Executive	<ol style="list-style-type: none"> 1. Maintain annual service plan for each sector of the organisation. 2. Deliver corporate improvement. 3. Comply with corporate goal, LVJB mission, vision, aims & objectives.
10	To engage in key partnership working to ensure the integrated delivery of efficient government.	Executive	<ol style="list-style-type: none"> 1. Encourage partnership working with constituent authorities. 2. Encourage partnership working with public and civil servants e.g. VOA, SAA, Scottish Government, Electoral Commission, Cabinet Office, EMB etc. 3. Maintain partnership working with external professional bodies e.g. RICS, IRRV, AEA etc.

Period 9 Financial Statement 2016/17

6th February 2017

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2017, based on the position at period ending 31st December 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 31st December, is an under spend of £0.154m, with no requirement for a draw-down from reserves.

	Core Budget			IER Budget			EU Referendum			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Expenditure												
Employee costs	4,499	4,413	(86)	254	238	(16)	0	19	19	4,753	4,670	(83)
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 Payments	95	85	(10)	0	138	138	0	0	0	95	223	128
Support Services	67	67	0	0	0	0	0	0	0	67	67	0
Gross Expenditure	6,164	6,061	(103)	405	606	201	0	72	72	6,569	6,739	170
Income												
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
Total income	(46)	(42)	4	(405)	(606)	(201)	0	(127)	(127)	(451)	(775)	(324)
Net Expenditure	6,118	6,019	(99)	0	0	0	0	(55)	(55)	6,118	5,964	(154)

Forecasts to 31st March 2017

2.2 At this stage, the projected outturn indicates a forecast spend of £5.964m which would result in a net under spend of £0.154m.

The variance relates to;

- Core budget – under spend £0.099m.
- EU Referendum Grant – under spend £0.055m.

2.3 The forecast variance reported in November 2016 was a £0.100m under spend so there has been a favourable movement of £0.054m. The movement is mainly due to a reduction in employee forecasts due to the following:

- Internal appointments to Assessor & ERO and Depute positions - £10k
- Recruitment savings on 10 posts notified to Board in November - £15k

- Turnover/changes to working hours since the last reported position - £28k

Core budget variance - £0.099m under spend

- 2.4 The projected outturn of £6.019m against the core budget of £6.118m would result in a net under spend of £0.099m. The principal reason for this is a forecast under spend of £0.086m within employee costs. This is principally due to the ongoing policy of review and control of vacant posts and turnover factor within the organisation. The outturn variances against other budget headings are relatively minor, although it should be recognised that there will be some movement between final year-end outturns to those forecast within this report.

EU Referendum - £0.55m under spend

- 2.5 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)

- 2.6 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 £0.138m, although again there could be movement as year-end costs between IER and the core budget are reviewed.

Individual electoral registration (IER)	Forecast £'000
IER expenditure	468
IER grant unallocated	138
IER Income	(606)
Reserve drawdown	0
Funded by requisition	0

Budget 2017/18

- 2.7 A separate report on 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 £0.154m relating to Financial Year 2016/17.
- 3.2 The general reserve balance available to the Board at 31st March 2016 is £0.749m, and based on this year-end outturn would increase to £0.903m.

4 Recommendations

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

**Hugh Dunn,
Treasurer.**

Background Papers:

Held at the Office of Treasurer

Annual Investment Strategy

6 February 2017

1. Introduction

1.1 The purpose of this report is to propose an Investment Strategy for 2017/18.

2. Annual Investment Strategy

2.1 The Board currently maintains 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 former Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). These arrangements were put in place given administration arrangements with the City of Edinburgh Council and the relatively small investment balances which the Board has. Although the investment return will be small, the Board will gain security from its counterparty exposure being to the City of Edinburgh Council.

3. Recommendations

3.1 It is recommended that the Board approves the Annual Investment Strategy in Appendix 1.

Hugh Dunn
Treasurer

Appendix

Appendix 1 – Annual Investment Strategy

Contact/tel

Innes Edwards, Tel: 0131 469 6291
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APPENDIX 1

Annual Investment Strategy

(a) Treasury Management Policy Statement

1. The Board defines its Treasury Management activities as:

The management of the Board's investments, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. The Board regards the successful identification monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

3. The Board acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive measurement techniques, within the context of effective risk management.

Treasury Management is carried out on behalf of the Board by the City of Edinburgh Council. The Board therefore adopts the Treasury Management Practices of the City of Edinburgh Council. The Board's approach to investment is a low risk one, and its investment arrangements reflect this.

(b) Permitted Investments

The Board will maintain its banking arrangement with the City of Edinburgh Council's group of bank accounts. The Board has no Investment Properties and makes no loans to third parties. As such the Board's only investment / counterparty exposure is to the City of Edinburgh Council.

(c) Prudential Indicators

The Board has no Capital Programme and therefore also has no long term borrowing. The indicators relating to debt are therefore not relevant for the Board. By virtue of the investment arrangements permitted in (b) above, all of the Board's investments are variable rate, and subject to movement in interest rates during the period of the investment.



Future Meeting Arrangements June 2017 to June 2018

6 February 2017

Purpose of Report

- 1 To advise members of the proposed schedule of meetings for the Lothian Valuation Joint Board for the period to June 2018 and arrangements for meetings of the Joint Consultative Group.

Main report

- 2 The meetings of the Lothian Valuation Joint Board have been arranged on an approximate twelve-week cycle adjusted, as far as possible, to take into account the meeting schedules of the constituent authorities represented on the Board.
- 3 It has been normal practice to schedule meetings of the Joint Consultative Group (JCG) approximately two weeks in advance of the Board. However, as these meetings have been infrequent, agreement has been reached with the trade union (UNISON) that meetings will be arranged on an "on request" basis.
- 4 Proposed dates for meetings of the Joint Board for the period to June 2018 are shown below. Specific meetings are included to consider the Joint Board's Revenue Budget for 2018/19 as well as the Unaudited Accounts for 2016/17 and 2017/18.

Proposed Date	Time
Monday 26 June 2016 (Unaudited Accounts)	10:00am
Monday 4 September 2017	10:00am
Monday 13 November 2017	10:00am
Monday 5 February 2018 (Revenue Budget)	10:00am
Monday 16 April 2018	10:00am
Monday 25 June 2018 (Unaudited Accounts)	10:00am

Recommendations

- 5 The Board is asked:
- 5.1 To approve the schedule of meetings as detailed for the period June 2017 to June 2018.
 - 5.2 To agree that meetings of the Joint Consultative Group would be held on an “on request” basis.

Andrew Kerr
Chief Executive and Clerk

Appendices None

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**Background
Papers** None