

**ASSESSOR'S NOVEMBER 2017
PROGRESS REPORT
TO LOTHIAN VALUATION JOINT BOARD**



20 November 2017

1.0 PURPOSE OF THE REPORT

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

2.0 ELECTORAL REGISTRATION SERVICE OVERVIEW AND PRIORITIES

2.1 2017 Household Canvass

The 2017 Household canvass commenced in early August with an issue of 409,380 forms. This was followed in September with a first issue of 200,208 reminder forms, and a final reminder issue during October of 150,265 forms.

Door to door canvass commenced between the first and final reminder stage and it is anticipated approximately 80,000 to 100,000 calls shall be made.

Although canvass is still ongoing the current return rate is noted below. In addition information is provided reflecting the different methods by which returns are made.

| Council Area | %age return | Of which (electronic returns) | | |
|-------------------|-------------|-------------------------------|----------|-----------|
| | | Internet | SMS text | Telephone |
| City of Edinburgh | 72.2% | 30.2% | 5.6% | 3.4% |
| East Lothian | 78.4% | 25.7% | 5.7% | 3.9% |
| Midlothian | 74.1% | 27.4% | 6.8% | 4% |
| West Lothian | 72.4% | 29.3% | 6.5% | 3.8% |
| Overall | 73.1% | 29.2% | 5.9% | 3.6% |

The level of electronic engagement is encouraging with a steady increase witnessed since 2015 (90,479), and 2016 (106,212). Electronic returns for this canvass are currently 116,207.

The system of Individual Electoral Registration requires that where new electors are notified on the Household Enquiry Form (HEF) an Invitation to Register (ITR) is issued. During the canvass 38,152 ITRs have been issued so far. Any unreturned forms shall be subject to door step canvass.

- 2.1/** Following requests as part of the canvass return 14,216 absent vote applications forms have been issued and so far we have received 6,138 completed applications and these are currently being processed.

We have commenced our engagement with Young Persons (YPs) and have recently written to the Chief Executives of the City of Edinburgh, Midlothian and East Lothian Councils seeking support with our direct engagement activity with schools. In collaboration with West Lothian Council, we have already agreed a programme of visits (starting in February 2018) to all eleven of their secondary schools as part of their ongoing Democracy Challenge initiative.

2.2 Individual Electoral Registration Funding

The Board has received £334k during 2017, by way of additional funding from the Cabinet Office, reflecting the additional annual costs associated with IER. A request for additional top up funding shall be made during February 2018 via the established Justification Led Bid (JLB) process. Based on previous years we shall request an additional £100k.

Investigations remain ongoing through various pilot exercises, to identify alternative processes or significant changes to existing ones, which shall provide cost reductions. The expectation is that these changes shall be evaluated and initiated by 2019/20.

2.3 Absent Vote Identifier Refresh

Legislation demands that signatures provided by electors as part of the absent vote process be refreshed every five years. This represents a rolling annual activity commencing during January. After the initial issue of forms, reminders are issued after which electors are advised that they shall be removed from the absent voters list should they fail to make a return. Assistance is provided to those who may have difficulty providing a signature. Approximately 13,000 signature refresh forms shall be issued in January 2018.

2.4 Other matters

A number of other matters are ongoing which warrant brief mention.

Changes are expected to the current requirements in respect of anonymous registration so as to make this option more accessible. The designation of those able to counter sign these forms has been widened. Also, the range of documents that can be used as proof of identity, during the registration process, in the absence of a national insurance number, is to be increased.

The Scottish Government's consultation on Electoral Reform has been delayed until November 2017 however on release comment shall be provided by the Electoral Registration Committee of the Scottish Assessors Association. The Board shall be kept updated on this matter in due course.

The Electoral Commission is currently reviewing the guidance available on its web site and intends to make this more user friendly and interactive. This guidance is provided to assist EROs, Returning Officers, elected members and candidates.

2.4/ The Boundary Commission for Scotland has published its revised proposals for reform of Westminster Parliamentary constituency boundaries and these are now out to consultation.

2.5 Electoral Registration – Service Priorities

- Conclude the annual household canvass, processing all returned forms as necessary.
- Publish the revised Electoral Register on 1 December 2017.
- Continue processing all applications, such as registration forms, absent vote applications, etc.
- Continue doorstep canvass, post publication this involves chasing outstanding ITRs.
- Carry out absent vote signature refresh.
- Continue engagement activities with YPs and schools.
- With the expectation of no major elections during 2018 develop engagement strategies to support and encourage registration levels.

3.0 COUNCIL TAX

3.1 New Dwellings

Noted below are the total number of dwellings shown on the Council Tax list by local council area and by band.

| Council Tax - Dwellings by Local Council area and Band as at 31/10/17 | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| Council Area | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H | Total |
| Edinburgh | 23,992 | 47,451 | 44,172 | 39,519 | 41,727 | 25,444 | 21,631 | 4,013 | 247,949 |
| Midlothian | 980 | 12,508 | 10,837 | 5,306 | 4,832 | 3,359 | 2,080 | 171 | 40,073 |
| West Lothian | 17,628 | 24,757 | 9,981 | 8,233 | 9,602 | 5,957 | 2,687 | 190 | 79,035 |
| East Lothian | 1,197 | 9,414 | 15,060 | 6,191 | 6,141 | 4,859 | 4,021 | 667 | 47,550 |
| Total Dwellings | 43,797 | 94,130 | 80,050 | 59,249 | 62,302 | 39,619 | 30,419 | 5,041 | 414,607 |

The number of new dwellings added since 1st April 2017 is shown below. New housing construction continues apace throughout all council areas with the expectation that this shall increase over the coming years. Entering new houses onto the list is and shall remain the principal Council Tax activity.

| Council Tax - New Dwellings Added to the List from 01/04/2017 to 31/10/2017 | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|-----------|--------------|
| Council Area | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H | Total |
| Edinburgh | 347 | 98 | 193 | 499 | 635 | 401 | 222 | 33 | 2,428 |
| Midlothian | 2 | 30 | 101 | 49 | 52 | 112 | 52 | 2 | 400 |
| West Lothian | 11 | 48 | 34 | 83 | 85 | 111 | 23 | 5 | 400 |
| East Lothian | 3 | 48 | 159 | 113 | 48 | 33 | 116 | 4 | 524 |
| Total New Properties | 363 | 224 | 487 | 744 | 820 | 657 | 413 | 44 | 3,752 |

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3.2 Altered Bands - Point of Sale

Sold houses continue to be assessed for potential band changes where material physical alterations have been carried out prior to the point of sale.

Noted in the table below are the number of point of sale changes that have been carried out since 1 April 2017 by Council area.

| Council Tax - Dwellings by Local Council area and Band from 01/04/2017 to 31/10/2017 | | | | | | | | | |
|--|----------|----------|-----------|-----------|-----------|-----------|-----------|----------|------------|
| Council Area | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H | Total |
| Edinburgh | 0 | 1 | 6 | 17 | 23 | 16 | 24 | 2 | 89 |
| Midlothian | 0 | 0 | 3 | 4 | 4 | 4 | 1 | 0 | 16 |
| West Lothian | 0 | 4 | 4 | 8 | 7 | 9 | 6 | 0 | 38 |
| East Lothian | 0 | 0 | 2 | 2 | 7 | 5 | 2 | 1 | 19 |
| Total Point of Sale | 0 | 5 | 15 | 31 | 41 | 34 | 33 | 3 | 162 |

3.3 Council Tax Appeals

Dealing with and disposing of Council tax appeals is an ongoing activity.

Since 1 April, 125 appeals have been dealt with 83 remaining outstanding. The Valuation Appeal Committee hears appeal cases at periods throughout the year and the next hearings are scheduled during January 2018.

3.4 Council Tax – Service Priorities

The main service priorities for Council tax are;

- Continue to update the Council Tax List arising from new build dwellings, demolitions, splits and mergers.
- Continue to monitor point of sales.
- Continue to dispose of outstanding Council Tax appeals.
- Continue to monitor building warrants taken out against domestic property.

4.0 NON-DOMESTIC RATING – THE VALUATION ROLL

4.1 Revaluation 2017

At the conclusion of the period within which appeals were required to be lodged following the 2017 Revaluation some 13,000 appeals had been received. This represents a considerable increase from the last Revaluation in 2010 when 11,000 appeals were lodged. This workload presents a challenge to the organisation over the coming three years especially when an additional 1,000 running roll appeals can be expected every year.

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4.1/ The tables below indicates Revaluation appeals by Council area and principal property categories.

| Location | Revaluation Appeals |
|-------------------|----------------------------|
| City of Edinburgh | 8,262 |
| Midlothian | 1,058 |
| West Lothian | 2,498 |
| East Lothian | 1,107 |
| TOTAL | 12,925 |

| Category | Revaluation Appeals |
|----------------------|----------------------------|
| Offices | 3396 |
| Shops | 3374 |
| Industrials | 1426 |
| Others | 1408 |
| Licensed | 1174 |
| Public Buildings etc | 942 |
| Car Parks | 841 |
| Ground | 214 |
| Advertising | 150 |

A citation programme has been agreed with the Secretary of the Valuation Appeal Committee with the first hearings scheduled for February and March 2018. Current planning indicates 20 to 30 hearings shall be held annually over the next three years with 300 cases cited for each hearing.

The allocation of resources to achieve the necessary disposal of these appeals places considerable strain on the other tasks associated with the Valuation Roll. However detailed planning and workload analysis is underway to ensure that resources can be deployed to maximum effect aimed at achieving best possible performance across all key activities.

Current performance associated with running roll changes following the 2017 Revaluation, where 2,385 numbers of amendments have been made since 1 April 2017, stands at just under 75% within 3 months of notification.

4.2 Revaluation 2010

Appeals arising from running roll activity in the last year of the 2010 Valuation Roll continue to be disposed of, with 918 cases being cited for hearing up until late December.

There remain a number of appeal referrals at the Lands Tribunal. These relate almost wholly to telecommunication subjects and progress is being made to achieve their disposal. It is not expected that these cases shall continue forward to be dealt with by the Tribunal.

4.3 /...

4.3 Barclay Review of Non-Domestic Rating

The Board have been updated at its previous meeting on the outcome of the Barclay Review and of the response by the Scottish Government.

The Scottish Assessors Association have now had to time to consider the specific recommendations contained within the Review and have implemented an Action Plan in response. A copy of this Action Plan is attached as Appendix 1. All Assessors are acting towards satisfying the Action Plan requirements and the SAA are in close contact with Scottish Government seeking clarification on various matters. The SAA have also been asked to attend meetings of the Barclay Implementation Group set up by the Scottish Government where progress against the Action Plan shall be monitored.

Preliminary planning in respect of the move towards a 3 yearly Revaluation cycle shall commence during 2018 when a headline implementation plan shall be developed. At this stage it is envisaged that investment in IT development aimed at assisting the Revaluation process shall be a significant priority.

A number of the Barclay Review recommendations deal with matters of ratepayer engagement. To this end a review of the letterhead used within the organisation in respect of Valuation Roll and Council Tax has been undertaken. The existing and proposed letterheads are attached as Appendix 2. This is favoured as it provides greater immediate clarity on the nature of the communication and activities of the Board.

4.4 Valuation Roll - Service Priorities

- Continue with running roll survey and valuation activities.
- Continue with the disposal of remaining 2010 running roll appeals.
- Commence the disposal of appeals arising from the 2017 Revaluation.
- Continue to support the SAA Barclay Review Action Plan.
- Continue to identify and undertake ratepayer engagement activities.

5.0 TRANSFORMATION AND CULTURAL CHANGE PROGRAMME

5.1 Process Investigation

Investigation into the current processes adopted within the organisation remains ongoing. While a number of “quick win” beneficial changes have already been identified and implemented, the major areas around which further investigation are proposed are, mobile technology in the field, methodology supporting work allocation, forms issue systems, streamlining of existing validation protocols, and external engagement. Detailed proposals shall now be established with associated implementation plans drawn up for each of these areas. This shall include an evaluation of the benefits that shall be achieved.

5.2 /...

5.2 Voluntary Early Release

Following receipt of notes of interest from staff, 26 applications for early release have been considered. While discussions with the staff involved are ongoing, 14 applications have received support to proceed and 12 have been rejected.

Supported applications shall proceed in terms of the Board's Scheme of Voluntary Early Release.

5.3 Next Stage

Headline objectives of the Transformation Programme shall now, in the light of early release applications, be translated into detailed proposals for restructuring the organisation. This shall involve further engagement with staff and consultation with the trade union. It is anticipated that agreed proposals shall, following approval by the Board, be ready for implementation by 1 April 2018.

6.0 HUMAN RESOURCES

Existing Policies are subject to a programme of ongoing review. At present the Board's Policy on Lone Working is under reconsideration with a special task force consisting of staff, union and management representation investigating various areas for improvement. A revised policy shall be presented to the Board for approval in due course.

The Health and Safety Committee have recommended that a defibrillator be purchased and located within the office. This equipment is currently being sourced and shall be installed shortly.

7.0 RECOMMENDATIONS

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

Graeme Strachan
Interim Assessor & ERO

Appendix 1: SAA Action Plan

Appendix 2: LVJB Letterhead (current and proposed)

Barclay Review Group Report published 22 August 2017

SAA Recommendation 12 Action Plan

| Para | Recommendation | Action Plan 29 September 2017 | Action Plan Timeline |
|---------|--|--|--|
| Rec 12 | Assessors should provide more transparency and consistency of approach. If this is not achieved voluntarily, a new Scotland wide Statutory Body should be created which would be accountable to Ministers | Detail provided for 4.63(a)-(j) | Immediate |
| 4.63(a) | All ratepayers should have access to consistent levels of service and advice, regardless of where they are located in Scotland | SAA will undertake an audit to identify variations in current service standards. Where significant differences are identified an issues log shall be created, maintained and action taken to provide mitigation and remedy. In addition the SAA shall undertake consultation with key stakeholders with a view to identify perceived service standard inconsistencies with a view to establishing a suite of national service standards. | Issues log established 1 October 2017. Initial consultation with stakeholders 1 November 2017 to 31 December 2017 Progress to be reported to the Scottish Ratepayers Forum and anticipated Scottish Rating Surveyors Forum. Outcome to be reported in SAA Annual Report. |
| 4.63(b) | Assessors should consider an account manager based approach with named individuals in an Assessor's office given the role of key contact for individual sectors or property types within an individual area | At the national level a system of property category coordinators who could be considered "national account managers" is already in place through the SAA committee structure, working groups and practice note authors. SAA will publish on the SAA website the contact details for each national property category coordinator. At the local level Assessors shall provide contact names for each locality. | National property category coordinators list updated and checked for publication by 1 November 2017. Local contact names for each locality to be published online by 1 November 2017. Online publication may involve website development costs. |

| Para | Recommendation | Action Plan 29 September 2017 | Action Plan Timeline |
|---------|---|--|--|
| 4.63(c) | Where local practice notes are used for valuation of any property, these must be made available online to all ratepayers | Currently where they exist Local Practice Notes are in the main made available on individual Assessor web sites. In order to improve the stakeholder journey the SAA shall conduct an audit of all existing Local Practice Notes with a view to making these accessible on the SAA website as an overall suite of national and local Practice Notes. | Audit completed by 1 November 2017. Publication by 1 January 2018. Online publication may involve website development costs. |
| 4.63(d) | Where the Assessors propose to change valuation practice notes this must be done in consultation with relevant external bodies and draft notes must be published online for comment for an appropriate period before they are finalised; | In advance of revaluations the SAA commits to undertake consultation, within the limitations which the revaluation timetable imposes, on proposed SAA Valuation Practice Notes, drawing particular attention to instance of significant change. Where published Practice Notes are subject to change following representation, appeal activity, or harmonisation requirements the SAA shall give notification of these changes through the SAA web site. | Notification of changes will be made from 1 October 2017. Consultation will precede the 2022 revaluation and will be timetabled as part of the R2022 plan. |
| 4.63(e) | The point at which new build property is added onto the valuation roll should be consistent | The SAA has provided its support to the policy to see new build properties enter the Valuation Roll on occupancy and action on this matter has already been taken. The SAA would welcome the opportunity for discussions with the Government in order to establish clarity and examine the practical implications of this policy. | Immediate hold on new entries for unoccupied properties. Clarity on policy proposals required for 1 October 2017 with the practical implications closely examined in the short term. Legislative measures are likely to be required in the medium of long term |

| Para | Recommendation | Action Plan 29 September 2017 | Action Plan Timeline |
|---------|---|---|--|
| 4.63(f) | <p>The Scottish Assessors Association (SAA) should produce and publish an annual report on valuation practice and outcomes. This is particularly important in a revaluation year where the report should be substantive and highlight the average and range of movements in rateable value across council areas and sectors, any changes to valuation methodologies and summarise engagement with national and local trade bodies.</p> | <p>The SAA shall publish its first annual report during June 2018. In addition a report specifically reflecting on revaluations and their implications shall also be published at the appropriate time.</p> | <p>30 June 2018</p> |
| 4.63(g) | <p>Assessors should work through the SAA to standardise the level of service they provide, in particular to assist those ratepayers looking to build new or improve existing property to help them determine the potential estimated rateable value that will result</p> | <p>While the provision of estimated values is currently a non-statutory activity the SAA recognises the significance and potential benefits to both small and large non-domestic property occupiers. The capacity to meet this requirement is limited due to the requirement to continue to operate statutory functions in a challenging budgetary environment.</p> | <p>Clarity on the legal mandate to provide estimated values and indemnity for Assessors providing estimates is required and the SAA will work with Government and RICS to reach this clarity with immediate effect. As soon as this issue is resolved all Assessors will provide estimated values. SAA will monitor demand and timeframe for delivery which will be conditional upon resources with particular reference to the willingness of valuation authorities to fund non-statutory activities.</p> |
| 4.63(h) | <p>The Assessors should provide more information on the evidence used at each revaluation to support valuations. While we appreciate that this will require detailed consideration in terms of what can be made available within the boundaries of data protection and commercial sensitivity, at the minimum ratepayers should be informed which comparator rental properties were used to inform their valuation</p> | <p>SAA recognises the need to make more information surrounding the valuation levels adopted accessible and shall, following detailed consideration of data protection and commercial sensitivity issues along with consultation with stakeholders provide details of how this may be taken forward.</p> | <p>Online publication will involve website development costs and may require a legal gateway.</p> |

| Para | Recommendation | Action Plan 29 September 2017 | Action Plan Timeline |
|---------|--|---|--|
| 4.63(i) | Appointments to the SAA should be more transparent | The current Constitution of the SAA that provides for the appointment of office-bearers shall be made available on the SAA website along with the names and contact details of the present office-holders. | 1 October 2017 |
| 4.63(j) | Minutes of meetings with sector representatives should be published (with any commercially sensitive data redacted as necessary). | Minutes of meetings held between the SAA and the Scottish Ratepayers Forum are already published on the SAA website. The SAA intends to overhaul its consultation framework to increase accessibility and widen reach. SAA shall review the current position with the intention of publishing minutes of all meetings with external bodies, organisations and stakeholders, subject to the approval of parties present. | Complete review of consultation framework by 1 December 2017 Publication of minutes of all meetings held after 1 October 2017. Online publication may involve website development costs. |

Graeme Strachan BLE, MRICS
Assessor

Lothian Valuation Joint Board
17A South Gyle Crescent
EDINBURGH
EH12 9FL

Visit our website at : www.lothian-vjb.gov.uk



**Non-Domestic (Business) Rating
and Council Tax Banding**

Proposed Letterhead



Property Taxation - working with you to get it right

Tel: 0131 344 2500 | Fax: 0131 344 2600 | Minicom: 0131 344 2611

E-mail: enquiries@lothian-vjb.gov.uk

Our ref :

Date :



Current Letterhead

Graeme Strachan BLE, MRICS, Assessor & Electoral Registration Officer

17A South Gyle Crescent, Edinburgh, EH12 9FL

Telephone : 0131 344 2500 Fax : 0131 344 2600 Minicom : 0131 344 2611

Visit our website at : www.lothian-vjb.gov.uk