

Notice of Meeting and Agenda

Monday 4 February 2019 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 Minute of the Lothian Valuation Joint Board of 5 November 2018

(circulated) - submitted for approval as a correct record

4 Revenue Budget 2019/20 - report by the Treasurer (circulated)

5 Period 9 Financial Statement 2018/19 – report by the Treasurer (circulated)

6 Budget Report 2019-2020 – report by the Assessor and Electoral Registration Officer (circulated)

7 Update on Barclay Review of Non-Domestic Rates – report by the Assessor and Electoral Registration Officer (circulated)

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

9 Future Meeting Arrangements June 2019 to June 2020 - report by the Chief Executive and Clerk (circulated)

Andrew Kerr
Chief Executive and Clerk

Membership

The City of Edinburgh Council (9)

Councillor Gavin Corbett
Councillor Phil Daggart
Councillor Karen Doran
Councillor David Key (Convener)
Councillor George Gordon
Councillor Gillian Gloyer
Councillor Ricky Henderson
Councillor Jason Rust
Councillor Norman Work

East Lothian Council (2)

Councillor Jim Goodfellow
Councillor Jane Henderson

Midlothian Council (2)

Councillor Kieran Munro
Councillor Margot Russell

West Lothian Council (3)

Councillor Dave King
Councillor Andrew McGuire (Vice-Convener)
Councillor Damian Timson

Notes:

- (1) If you have any questions about the agenda or meeting arrangements, please contact Lesley Birrell | Committee Services | Strategy and Communications | 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.



Please recycle this paper

Lothian Valuation Joint Board

Edinburgh, 5 November 2018

Present:

City of Edinburgh Council – Councillors Key (Convener), Cameron (substituting for Councillor Doran), Corbett, Daggart, Gordon, Gloyer, Rust and Work.

East Lothian Council – Councillor Henderson.

Midlothian Council – Councillor Russell.

West Lothian Council – Councillor McGuire (Vice-Convener).

1 Minute

Decision

To approve the minute of the Lothian Valuation Joint Board of 3 September 2018 as a correct record.

2 Period 6 Financial Statement 2018/19

The projected revenue budget outturn position to 31 March 2019 was presented based on the position at period ending 30 September 2018. The forecast variance was an underspend of £0.103m, a reduction of £0.012m to that reported on 3 September 2018.

Grant of £0.241m for Individual Electoral Registration (IER) had been received for 2018/19 from the Cabinet Office and unspent grant of £0.350m had been carried over from 2017/18. Total grant of £0.591m was currently available to fund IER costs 2018/19. It was not anticipated that costs would exceed grant and for reporting purposes the current forecast assumed a carry-forward to 2019/20 of £0.331m.

The Board's general reserve balance currently stood at £0.798m. This did not include the forecast underspend for 2018/19 of £0.103m. A final estimated 2018/19 outturn report would be reported in February 2019.

Decision

- 1) To note the projected outturn position for 2018/19.
- 2) To retain the balance of uncommitted reserve in excess of 3% until such time that the Assessor could provide more certainty on the risks highlighted in paragraph 4 of the report.

Lothian Valuation Joint Board
5 November 2018

- 3) To note that a further 2018/19 budget update would be presented in February 2019.
- 4) To note that the 2019/20 budget would also be presented in February where a further update on risk would be presented to the Board.

(Reference – report by the Treasurer, submitted)

3 Mid Term Review – Treasury Management Activity

Information was given on the investment activity undertaken on behalf of the Board during the first half of the 2018/19 financial year.

Decision

To note the investment activity undertaken on the Board's behalf.

(Reference – report by the Treasurer, submitted.)

4 Update on Barclay Review of Non Domestic Rates

In light of the Scottish Government concluding its consultation into proposals arising from the Barclay Review of NDR published in September 2017, an update was provided to the Board for noting.

Members discussed the Risk Register attached as appendix 2 of the report which reflected a range of possible risks across a number of criteria and set out what actions would be taken to provide mitigation.

Decision

- 1) To note the report and that further reports would be provided as the impact of the Barclay recommendations developed further, and by way of progress in respect of the Barclay Implementation Plan.
- 2) To agree that the Barclay Review would remain on Board agendas as a standing item until post-implementation of the legislation.

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

5 Electoral Registration Annual Canvass

The Board was informed of the current draft proposals in respect of changes to the annual household electoral registration canvass.

Lothian Valuation Joint Board
5 November 2018

Decision

To note the report and that further reports would be provided by the Electoral Registration Officer during 2019/20.

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

6. Performance Update

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

An update was provided on electoral registration and engagement strategies to encourage registration, including information on social media activity and the plan to link electoral registration to the university matriculation process.

The Board was updated on the first meeting of the Governance Group with stakeholders and consulted on the method of reporting back on the Group's discussion to future meetings.

Decision

- 1) To note the report.
- 2) To agree that the proposed annual governance report to the Board would also be circulated to constituent local authorities represented on the Board for awareness.

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

Revenue Budget 2019/20

4th February 2019

1 Purpose of report

The purpose of this report is to present the revenue budget for 2019/20 for approval. The report has been prepared in consultation with the Assessor and Electoral Registration Officer.

2 Revenue Budget 2019/20

- 2.1 On 5th February 2018, LVJB approved a one-year budget for 2018/19 of £5.847m. This represented a reduction of £0.271m (-4.4%) from 2017/18.
 - 2.2 The Assessor and ERO undertook a Transformation and Cultural Change Programme review during 2017/18, resulting in sustainable savings.
 - 2.3 The Board approved a new organisational structure in February 2018. The 2019/20 budget has been developed on this structure.
 - 2.4 Revenue budget planning for 2019/20 includes:
 - provision of £0.163m for inescapable employee cost pressures for pay award (estimated at 3%) and increments;
 - compensating employee turnover savings of £0.163m – effectively an efficiency saving of 2.79%.
 - 2.5 The 2019/20 budget assumes no change from the 18/19 budget of £5.847m, prior to inclusion of new statutory burdens to deliver recommendations of the Barclay Review.
 - 2.6 The Local Government Finance Settlement includes an indicative national allocation of £3.3 million for Barclay implementation costs. It is anticipated that Barclay Review implementation funding allocated in the Settlement will be passed to the Board with full-year effect estimated at £0.4m.
- ### 3 Recommendations of Barclay Review of NNDR
- 3.1 The enacting primary legislation to support the recommendations of the Barclay Review is scheduled to be adopted by 1st April 2020. The Barclay Review and Scottish Government acknowledged that Assessors shall face additional workloads and consequent funding issues due to the recommendations; in particular the move from five yearly revaluations to a three-yearly cycle and the disposal of resulting appeals.

- 3.2 The draft Local Government Settlement for 2019/20 presented to the Scottish Parliament on 12th December included £3.3m nationally for implementation of recommendations of the Barclay Review.
- 3.3 The full-year effect of Barclay Review implementation costs for the Board is currently estimated at £0.4m per annum. The Assessor will revise resourcing requirements for inclusion in the medium-term financial plan.
- 3.4 National distribution of the additional Barclay resource will be referred to the Settlement and Distribution Group (SDG) for decision. The SDG is next due to meet on 7th February 2019. Recommendations made by the SDG will require decision by Council Leaders at their next meeting on 22nd February 2019.
- 3.5 A future update will be provided to the Board on the SDG's consideration of distribution and allocation of Barclay Review funding included in the Local Government Settlement. At this stage, it is recommended that the Board agree to the principle that funding allocated in the Settlement to the Board's constituent councils for Barclay Review implementation will be fully passed onto the Board by means of a supplementary requisition during 2019/20.

4. Individual Electoral Registration (IER)

- 4.1 The Board has a statutory responsibility to undertake Individual Electoral Registration (IER). The Cabinet Office has stated its commitment to fund IER until 31st March 2020.
- 4.2 The 2018/19 budget assumes that all costs will be met by ring-fenced grant from the Cabinet Office. The 2018/19 forecast assumes a carry-forward of £0.367m of Cabinet Office grant to 2019/20.
- 4.3 The IER process remains under review. The funding of IER costs beyond March 2020 and options to reduce cost through procedural change will be subject of further discussion with the Cabinet Office.

5. Forecasts to 31st March 2019 – Core Budget

- 5.1 The projected outturn is a forecast under spend of £0.080m, mainly due to an under spend on employee costs following the Transformation Change programme and appointments to posts for part-year only.

6. General Reserve / Risk

- 6.1 The Board has approved maintaining a minimum General Reserve level of 3% of annual requisition - £0.175m.
- 6.2 On the 3rd September 2018, the Board approved the use of the reserve to fund Barclay ICT development costs and career progression increments. These costs were estimated at £0.197m over three years. Further revisions to this figure will be reported to the Board as the requirements arising from the Barclay Review of NDR are implemented.
- 6.3 The Board's General Reserve balance is currently £0.798m. Commitments against this are estimated at £0.197m per paragraph 6.2. The uncommitted General Reserve balance is £0.601m.

6.4 Subject to approval of the Board, this would become £0.681m, if the forecast underspend for 2018/19 of £0.080m is achieved and transferred to General Reserve.

6.5 An update on the forecast outturn for 2018/19 is reported separately on this agenda.

6.6 The key financial risks facing the Board summarised below include:

Individual Electoral Registration – budget risk £0.270m

6.6.1 The 2017/18 cost was £0.269m. As noted at paragraph 4.1, the Cabinet Office will provide ring-fenced grant to meet this cost in 2019/20. The Cabinet Office and Electoral Commission acknowledge that significant changes are required to further modernise the registration process and introduce savings into, primarily the annual canvass process. Pilot exercises have informed proposed changes which shall, subject to final consultation, be implemented for the 2020 annual canvass. Modelling of these proposals is ongoing with an expectation that costs shall reduce. The Cabinet Office is expected to announce the final model during 2019/20, therefore at this stage a definitive statement on the likely financial impact is not available. A risk therefore remains that additional costs shall be incurred following the formal introduction of the new annual canvass procedure and the removal of ring-fenced Cabinet Office grant funding.

Barclay Review of NNDR – budget risk approximately £0.4m

6.6.2 The estimate of additional full-year cost for the Board is approximately £0.4m per annum. Failure to receive Scottish Government funding shall impact on the ability to deliver the required changes. Funding has been provided in the Financial Settlement and the allocation to the Board for 2019/20 will be confirmed by the end of February.

Inescapable Employee Growth (incl. Annual cost of Pay Awards and Increments) – budget risk £0.163m

6.6.3 The current estimate for 2019/20 is £0.163m. In previous years the Board had contained growth using vacancy control. During 2019/20 the Board plans to contain these costs within budget, but there is a risk that employee turnover is less than anticipated. The long term risk of having to fund the cost of inescapable employee growth is a significant ongoing financial issue that the Board requires to consider. Inescapable growth includes career progression increments which the Board approved to fund through the Reserve. The figure included within the 19/20 budget relating to this is £0.017m.

Pension deficit and annual employer pension rate contributions

6.6.4 The Board has agreed a three-year contribution stability mechanism with Lothian Pension Fund, with the Board's contribution rate to March 2021 increasing by no more than 0.5% per annum. The current deficit repayment to March 2021 is £3,100 per annum. A financial risk exists that this will change following the next actuarial valuation. The next actuarial valuation is due on 31 March 2020. The financial risk will therefore apply to the 2021/22 budget.

Elections/Referendums – budget risk £0.050m

- 6.6.5 The possibility of either elections or referendums being called within short timetables, or dual electoral events occurring within a year is a financial risk in terms of staff overtime or the use of short term temporary staff to meet the demand placed on the electoral registration process at this time. During 2017, when a double election event took place, £0.045m was spent on staff overtime.

Ongoing Organisational Transformation and Change

- 6.6.6 The 2017/18 Transformation Programme was achieved by use of the Board's VERA policy and supported by use of £0.471m of the Board's General Reserve. The Transformation Programme is ongoing, with further investigation into key processes and service delivery methodology in progress. This may facilitate further opportunities to review staffing levels in the years ahead, with a potential for further employee severance costs.

Leaving the European Union – budget risk unquantifiable at this stage

- 6.6.7 Dependent on the nature of the UK departure from the European Union it is possible that annual values achieved within the non-domestic property sector may fall. Should that be the case, and the fall is significant, this may give rise to the right of appeal against rateable values appearing in the Valuation Roll. The receipt of large volumes of appeals, in addition to existing workloads in respect of appeals received following the 2017 Revaluation, would have significant impact on available staff resources. This would give rise to additional overtime to deal with appeal volumes and/or to ensure other essential Valuation Roll activities were carried out.

6.6.8 Council Tax – budget risk unquantifiable at this stage

The position regarding the future of Council Tax remains unclear. However, it should be noted that over time the resource deployed to undertake key Council Tax activities has been refined to such an extent that any major legislative change to Council Tax that impacted on the Board is unlikely to be consumed within current budgetary provision.

- 6.7 The Board will be provided regular updates on the risks outlines above as part of the meeting cycle during 2019/20.

7. Financial Planning 2020 to 2025

- 7.1 A medium-term financial plan is being developed for the period to 2024/25.
- 7.2 Assumptions currently used are:
- 7.2.1 Pay award at 3.5% for 2018/19 then 3% annually thereafter, core employee increments at an annual rate of c£40,000, career progression increments at an annual rate of c£37,000 (from 2020/21) and pension fund contribution increases of 0.5% from 2021/22;
- 7.2.2 Cost of implementing the recommendations of the Barclay Review will be met from additional resources provided in the Local Government Settlement which will required to be passed to the Board as part of the requisition process from constituent councils;

- 7.2.3 Cost of maintaining delivery of IER from 2020/21 met by the Board. Given the uncertainty as to the final model of delivery cost estimates require to be refined following process evaluation outcomes from the Cabinet Office. The position on Grant funding also requires to be confirmed.
- 7.3 Financial planning estimates will continue to be developed and shared with constituent council Heads of Finance, prior to reporting the Medium-term Financial Plan to the Board in April 2019.
- 7.4 Given the financial risks described at Section 6, it is recommended the Board continue to develop risk mitigation measures under-written by the General Reserve balance.

8. Requisition allocation basis between constituent councils

- 8.1 The requisition for 2019/20 will require to be a two-stage process. Initial requisition will be requested from constituent councils to cover the cost of the core budget 2019/20. A further requisition will then be required following distribution of the funding included in the Local Government Settlement for implementing the recommendations of the Barclay Review as allocated through the SDG to the Board's constituent councils. The Board and Heads of Finance within the Constituent Councils will be notified of this requisition as soon as this information is available.

Core budget requisition

- 8.2 The apportionment of the core budget 2019/20 requisition is based on the constituent councils share of GAE lines in the Scottish Government's 2018/19 Green Book. The 2019/20 figures are not available currently. The overall core requisition sum of £5,847,281 will remain unchanged from 2018/19.

COUNCIL	REQUISITION 19/20	%
EDINBURGH	£3,583,799	61.29%
MIDLOTHIAN	£534,441	9.14%
EAST LOTHIAN	£625,659	10.70%
WEST LOTHIAN	£1,103,382	18.87%
TOTAL	£5,847,281	100.00%

9 Recommendations

The Board is recommended to:

- 9.1 Approve the proposed budget for 2019/20 and the issue of requisition from the Treasurer to constituent councils per Section 8.
- 9.2 Recommend that funding included in the Local Government Settlement for implementing the recommendations of the Barclay Review and allocated through the SDG be fully passed onto the Board by means of a supplementary requisition during 2019/20.

- 9.3 Note that a medium-term (five year) financial plan will be presented to the Board in April 2019.
- 9.4 Note that the Assessor and ERO will update the Board during 2019/20 of any changes to Barclay / IER with service/financial implications, both within the medium-term financial plan and the quarterly Board cycle.
- 9.5 Continue to develop risk mitigation measures to address the financial risks identified in Section 6, under-written by the General Reserve balance.

**Hugh Dunn,
Treasurer**

Appendices:

Contact/Tel:

Background papers:

Appendix 1 - Analysis of Budget Change

Appendix 2 - Revenue Budget 2019/20

Mr. T MacDonald: 0131 469 3078

Held at the Office of Treasurer

Appendix 1 - Analysis of Budget Change

	£'000	£'000	£'000	% Change
BUDGET 2018/19			£5,847	
<u>1. Core Budget Movement</u>				
<u>Employee budget - annual pressures</u>				
Pay Award	£120			
Increments / Inflation	£40			
Pension rate increase	£6			
NI increase	£3			
Career progression	£17			
Growth / (Reduction)	<u>(£23)</u>			
		£163		2.79%
Employee turnover factor		(£163)		(2.79%)
TOTAL CORE BUDGET MOVEMENTS			£0	0.0%
<u>2. IER Budget</u>				
<u>Employee budget - changes</u>				
· Permanent canvassers - reduction in FTE	(£15)			
Total employee cost budget (saving) / pressure			(£15)	(0.26%)
Cabinet Office Grant adjustment			£15	0.26%
PROPOSED BUDGET 2019/20			£5,847	0.0%

Appendix 2 – Revenue Budget 2019/20 – Subjective Analysis

Subjective analysis	Budget 2019/20
<u>Employee Costs</u>	£'000
Wages and Salaries	3,247
National Insurance	330
Superannuation	703
Canvassing costs	127
Early retirement pension costs	120
Agency Staff (cleaning)	6
Allowances	3
Pension deficit repayment	3
Turnover factor	(163)
	4,376
<u>Premises Costs</u>	
Rents	305
Rates	116
Cleaning & Domestic Supplies	35
Energy Costs	29
Water Services	16
Building Repairs, Alterations & Maintenance	11
Premises Insurance	5
Grounds Maintenance Costs	4
	521
<u>Transport Costs</u>	
Car Allowances	63
Staff transport costs (canvassing, surveys etc)	23
Transport Insurance	10
	96
<u>Supplies & Services</u>	
Postages, ICT and Telephony	566
Printing, Stationery & Gen Office Expenditure	87
Miscellaneous Expenses (incl. Insurance and Audit fee)	31
Legal fees	30
Equipment, Furniture & Materials	14
Training and conferences	11
Convener/Vice Convener remuneration	9
Subscriptions	2
Clothes, Uniform & Laundry	1
	751
<u>Third Party Payments</u>	
Valuation Appeals Committee fees	50
Facilities costs (security, maintenance etc)	30
Private Contractors (medical fees etc)	2
	82
<u>Support Services</u>	
CEC support SLA	67
	67
<u>Income</u>	
Customer & Client Receipts (electoral register sales etc)	(43)
Interest on revenue balances	(3)
	(46)
Total core services	5,847

Period 9 Financial Statement 2018/19

4th February 2019

1 Purpose of report

This report summarises the projected revenue budget outturn position to 31st March 2019, based on the position at period ending 31st December 2018. The report has been prepared in consultation with the Assessor.

2 Main Report

Projected Revenue Outturn 2018/19

2.1 The table below compares projected revenue outturn 2018/19 with the budget. The forecast variance, based on the position at 31st December, is an under spend of £0.080m. This represents an increase in expenditure of £0.023m to that reported in November. The increase is relatively minor and relates mainly to forecast revisions in supplies and services using the most up to date expenditure profiles.

	Core Budget			IER Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Expenditure									
Employee costs	4,378	4,279	(99)	59	36	(23)	4,437	4,315	(122)
Premises costs	520	520	0	0	0	0	520	520	0
Transport costs	96	80	(16)	0	0	0	96	80	(16)
Supplies & Services	750	778	28	216	188	(28)	966	966	0
Third Party Payments	82	89	7	0	367	367	82	456	374
Support Services	67	67	0	0	0	0	67	67	0
Gross Expenditure	5,893	5,813	(80)	275	591	316	6,168	6,404	236
Income									
Sales, Fees & Charges	(43)	(43)	0	0	0	0	(43)	(43)	0
IER Grant	0	0	0	(275)	(591)	(316)	(275)	(591)	(316)
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
Total income	(46)	(46)	0	0	0	(316)	(321)	(637)	(316)
Net Expenditure	5,847	5,767	(80)	275	591	0	5,847	5,767	(80)

Forecasts to 31st March 2019 – Core Budget

2.2 The projected outturn indicates a forecast under spend of £0.080m.

2.3 The principal reasons for the budget under spend are as follows:

- Employee costs - £0.099m under spend – following transformational change and staffing appointments a saving will be made in relation to vacant posts filled part-year only.

- Transport costs - £0.016m under spend - part of the ongoing process review on external survey work allowing a targeted approach which reduces travel expenses.
- Supplies and Services - £0.028m over spend – mainly resulting from the requirement to replace handsets and telephony software incurring a one-off payment 18/19.

3 Individual Electoral Registration (IER)

- 3.1 The 2018/19 budget assumes that all costs will be met by grant from the Cabinet Office. Grant of £0.241m has been received for 2018/19 from the Cabinet Office and unspent grant of £0.350m was carried over from 2017/18. Total grant of £0.591m is therefore currently available to fund IER costs 2018/19. It is not anticipated that costs will exceed grant and for reporting purposes the current forecast assumes a carry-forward to 2019/20 of £0.367m.
- 3.2 The IER process remains under review and a funding commitment until 2019/20 was agreed by the Cabinet Office previously. The funding of these costs beyond this period and options to reduce it through procedural change remain subject to further discussion. The Assessor will provide updates to the Board when they become available.

4 General Reserve

- 4.1 The Board's general reserve balance currently stands at £0.798m. This does not include the forecast underspend for 2018/19 of £0.080m reported above.
- 4.2 The Board previously approved the use of the reserve to fund Barclay ICT development costs and career progression increments. In November 2018 these were estimated at £0.197m over three years. Further revisions to this figure will be reported to the Board as the requirements arising from the Barclay Review of NDR are implemented.
- 4.3 The Board previously approved the use of the reserve to fund staff VR/Strain costs.
- 4.4 Risks to the Reserve are detailed further in the Revenue Budget 2019/20 Report presented separately on this agenda.

5 Conclusions

- 5.1 At this stage, there is a projected net under spend of £0.080m relating to Financial Year 2018/19.

6 Recommendations

The Board is recommended to:

- 6.1 Note the projected outturn position for 2018/19.

**Hugh Dunn,
Treasurer.**

BUDGET REPORT

2019 – 2020



4th February 2019

1 INTRODUCTION

- 1.1 This report provides information that aligns budget provision with service delivery during 2019/2020.
- 1.2 Additional information on service activities is provided in the 2019/20 Corporate and Service Plans at Appendix 1.
- 1.3 Existing risks and pressures on service delivery are identified, with associated impact on 2019/20 budget provision detailed.

2.0 PRINCIPAL SERVICE DELIVERY ACTIVITIES FOR 2019/2020

2.1 Valuation Roll

- 2.1.1. In respect of the Valuation Roll focus shall continue to be on the disposal of 2017 Revaluation appeals. Currently some 7,330 appeals have been dealt with or are under citation by the Valuation Appeal Committee. This leaves 5,686 appeals to be dealt with from the original 13,016. All revaluation appeals require to be disposed of by 31st December 2020.
- 2.1.2 Maintenance of the Roll is another key service delivery area. Ensuring inserts, amendments and deletions are made timeously involves the appropriate identification and deployment of resources while balancing this against other service delivery demands. Throughout the year we shall continue to review, innovate, and improve processes so that we can better meet the challenge of competing demands.
- 2.1.3 Work shall continue during 2019/20 in respect of the successful implementation of the changes to NDR following the Barclay Review. This can be categorised as follows, development of ICT systems, further development of the Barclay Roadmap, progressing key change projects, continuing review of existing processes, recruitment of additional resource (subject to award of additional funding), and consideration of resource re-structuring.

2.2 Council Tax

2.2.1 Council Tax activity continues to focus on the insert of new domestic dwellings to the List. The volumes added to the List increase year on year with every expectation that this trend shall continue beyond 2019/20. Throughout the year we shall continue to seek changes to processes creating efficiencies and system improvement.

2.3 Electoral Registration

2.3.1 At this stage without notification of an election or referendum during 2019/20, activity shall centre on both monthly update requirements to the Electoral Register and the 2019 annual household canvass. Electoral engagement activities shall continue to be developed and undertaken in accordance with the overall strategy, maintaining a high profile on the need for registration.

2.3.2 Planning for a major electoral event during 2019/20 is already underway with key activities and process that are expected to come under pressure being identified. This shall lead to a review of current process and procedures with changes and mitigation action initiated.

2.3.3 Throughout 2019/20 investigations shall continue in respect of the proposed new household canvass scheduled for introduction in 2020/21. This shall provide greater clarity on the financial implications as well as the required adoption of new processes.

3.0 PROPOSED 2019/2020 BUDGET

3.1 The proposed budget settlement for 2019/20 is £5.847m which represents no change to the 2018/19 budget.

3.2 The 2019/20 budget faces pressure from inescapable growth, mainly annual pay award and salary increments, amounting to £163k which is not reflected in the settlement.

3.3 The 2018/19 budget reflected the impact of the Transformation Programme by reducing the budget settlement by 4.4% from the 2017/18 allocation. This reduction was achieved following organisational restructuring.

3.4 Due to the service delivery pressures facing the Board during 2019/20 and beyond it has not been possible to give consideration during 2018/19 to further organisational changes in order to alleviate the additional pressures identified at paragraph 3.2.

3.5 As a result a performance factor of 2.79% (£163k) has been identified as a targeted budget outcome for 2019/20.

- 3.6 Every effort shall be made during 2019/20 to meet the necessary savings target through employee and non-employee efficiencies.
- 3.7 In the event that the savings target cannot be met Board consideration shall be required in respect of the mitigation mechanisms to adopt including a draw down from the Reserve Fund.
- 3.8 Throughout 2019/20 projected year end budget forecasts shall be provided to the Board allowing an ongoing assessment of budget performance and the earliest opportunity to consider mitigation options.

4.0 BARCLAY REVIEW OF NDR

- 4.1 The 2019/20 budget settlement does not reflect any additional funding awarded in respect of the Barclay Review of NDR. While an indicative allocation at a national level of £3.3m was provided by Scottish Government during December 2018 as part of the Local Government Settlement, discussions remain ongoing in respect of the amount to be dispersed to local Assessors.
- 4.2 The Board was previously advised that the annual cost impact arising from the implementation of the Barclay recommendations would be in the region of £350k - £400k per annum. While this remains an accurate estimate it is likely that during the lead-in year, 2019/20, the funding requirement shall be lower.
- 4.3 Following discussions of the Local Government Settlement and Distribution Group it is anticipated that the identified funding shall be provided through existing constituent council allocation mechanisms.
- 4.4 Further update information on the implementation of recommendations arising from the Barclay Review of NDR is contained within a separate report on this agenda.

5.0 BUDGET & SERVICE DELIVERY RISKS 2019/20

- 5.1 Many of the ongoing risks have been well rehearsed in previous reports to the Board and the Treasurer's 2019/20 Budget report provides an excellent summary of the current position. Noted below are those risks most pertinent to the 2019/20 fiscal year.
 - 5.1.1 As already indicated the 2019/20 budget settlement remains unchanged from 2018/19. Costs arising from unavoidable inescapable budgetary growth are unfunded. While attempts shall be made during 2019/20 to mitigate these costs a risk remains at 2019/20 year end that budget expenditure exceeds allocation.

- 5.1.2 The implementation of recommendations arising from the Barclay Review of NDR gives rise to an additional funding requirement. Failure to receive this funding shall seriously jeopardise the Board's ability to meet the essential Barclay requirement of moving to a 3 yearly revaluation cycle and accordingly place the required service delivery at risk.
- 5.1.3 The possibility of a major, or multiple major, electoral events during 2019/20 must be considered. The workload pressures arising from such events is difficult to estimate as it is dependent on the demand created by the electorate. While early planning has already commenced and internal process alteration underway, previous major electoral events have given rise to budget pressures mainly by way of required overtime.
- 5.1.4 Additional ring-fenced funding from the Cabinet Office in respect of Individual Electoral Registration is scheduled to be received for 2019/20. Beyond this period funding is expected to cease due to the introduction of amended annual household canvass procedures resulting in reduced electoral registration expenditure. Further reports shall be provided to the Board during 2019/20 indicating the projected financial impact of the proposed changes.
- 5.1.5 During 2019/20 there remains a strong focus on service delivery and preparation for implementing the Barclay recommendations. However the Transformation Programme which was initiated during 2017/18 is ongoing with the focus on improvement and efficiency. During 2019/20 the identification of opportunities to create further budget savings shall be one of the major objectives. In 2017/18 the Transformation Programme provided a structural re-organisation resulting in staffing reductions. The costs arising from this were facilitated via access to the General Reserve in order to fund severance costs. Any further restructuring opportunities shall also require this facilitation.

6.0 FINANCIAL & SERVICE DELIVERY PLANNING

- 6.1 As indicated in the Treasurer's report a longer term financial sustainability plan is being developed to cover the 2019/20 - 2024/25 period. This plan shall be supported with an indication of service delivery objectives with associated risks for the same period.
- 6.2 The first iteration of this plan shall be provided to the Board at its next meeting.

7.0 GENERAL RESERVE FUND

- 7.1 The Board currently holds a General Reserve Fund of £798k with a commitment of £197k over the next three years.
- 7.2 The projected 2018/19 budget underspend of £80k, if allocated to the reserve would increase the fund level to £681k.

7.3 Taking account of the risks indicated in this report and the potential budget pressures that may arise during 2019/20 and beyond it is the firm recommendation that the fund be maintained at the highest level until such time that a position of greater fiscal stability is established and that key service deliverable risks are either fully mitigated or capable of providing appropriate granularity. In this way the fund shall provide the necessary support to the 2019/20 budget outcome.

8.0 RECOMMENDATIONS

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

8.2 While a final decision is not currently required, the Board is asked to agree in principle that the General Reserve Fund may provide the necessary mitigation to support the required 2019/20 budget outturn.

Graeme Strachan
ASSESSOR & ERO

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 deliver changes and improvements identified under the Transformation Programme and through the ongoing process of **Structure and Process** review.
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.
11. To review and develop the necessary policies to support the **Health, Safety and Welfare** of all LVJB employees.

EXECUTIVE RESPONSIBILITIES

No	Task/Project	Responsibility	Performance Measures
1	To ensure statutory duties are carried out for maintenance of the Valuation Roll .	Executive	<ol style="list-style-type: none"> 1. Maintain Valuation Roll in line with statutory requirements. 2. Continue the programme of 2017 Revaluation and Running Roll appeal disposal. 3. Monitor appeal disposal progress against statutory requirement and programme timetable. 4. Dispose of LTS and LVAC appeals as appropriate. 5. Audit processes, procedures and values. 6. Further develop IT systems, applications and communications. 7. Continue with project planning/implementation in respect of changes required under the Barclay Review of NDR. (PB) 8. Continue to develop opportunities for stakeholder engagement. (PB) 9. Review and seek improved annual running roll 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. Continue with development of improved processes for new house inserts to CT List. 6. Continue to develop opportunities for stakeholder engagement. 7. Review & 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 the Electoral Register by 1st December 2019. 2. Maintain ER for update statutory date each month. 3. Undertake the annual household canvass seeking process improvements. 4. Dispose of any registration appeals. 5. Prepare and ensure refresh of AV personal identifiers in January 2020. 6. Prepare for and ensure effective management of registration duties for any elections or referendums called during the year. 7. Audit processes, procedures and accuracy to ensure quality registration delivery. 8. Further develop IT systems, applications and communications. 9. Continue to undertake engagement activities. 10. Further develop the EDM and implement its publication on the LVJB website. 11. 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 and develop appropriate public engagement schemes. 5. Maintain LVJB 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. Maintain new Electoral performance indicators set by the Electoral Commission. 4. Prepare, implement, monitor and review of Corporate and Service Plans. 5. Prepare, maintain and review Area and Divisional Work Plans.
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. Implement and progress the objectives of the Transformation Programme.
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. Review the activities of the Governance, Best Value and Risk Group 2. Identify, mitigate and monitor risks. 3. Maintain Quality Assurance audit activity and undertake joint working with external audit. 4. Review all audit recommendations and implement recommendations as appropriate. 5. Maintain task specific, strategic and rolling risk registers. 6. 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. Continue to develop and implement a Performance Framework. 2. Monitor and review compliance to the General Data Protection Requirements, Records Management, FOI, 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. Implement and develop the Transformation Programme objectives. 2. Implement, monitor and review Corporate Plans. 3. Implement, monitor and review Service Plans. 4. Develop and implement a LVJB Training Strategy. 5. Develop a 2/3 Year Strategic Organisational Plan.
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.
11	To review and develop the necessary policies to support the Health, Safety, and Wellbeing of all LVJB employees.	Executive	<ol style="list-style-type: none"> 1. To review HR Policies in accordance with established timetable. 2. To review and develop the Lone Working Policy. 3. To review the remit of the Health & Safety Committee. 4. To consider Mental Health initiatives.

Strategic Aims & Operational Objectives 1

To ensure statutory duties are carried out for maintenance of the **Valuation Roll**.

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
1.1	Maintain Valuation Roll in line with statutory requirements.	Maintain and update survey records in line with relevant guidance and practice.	Assistant Assessor
		Consider planning and building warrants and take appropriate action to maintain records	Assistant Assessor
		Prepare valuations in line with practice notes and 'tone' evidence.	Assistant Assessor
		Update VR daily, issue Valuation Notices daily; provide update to constituent authorities Finance weekly. Continue to develop processes to support the introduction of the BGA.	Assistant Assessor
		Commence a rolling programme to update rental, cost and turnover analysis to ensure accuracy of the Roll and support the move to 3 yearly revaluations.	Assistant Assessor
1.2	Dispose of Revaluation 2017 and running roll appeals within statutory time frame including LTS & LVAC appeals.	Correspond with appellants in line with legal requirements and LVJB standards.	Principal Surveyor/Assistant Assessor
		Create, maintain and review an appeal disposal timetable and ensure appeals are allocated to appropriate number of court dates.	Principal Surveyor/Assistant Assessor
		Monitor disposal progress, reduction levels and reasons for reduction.	Principal Surveyor/Assistant Assessor

1.2		Monitor and ensure amendments are processed timeously.	Principal Surveyor/Assistant Assessor
		Ensure compliance with LTS and quality preparation of cases.	Principal Surveyor/Assistant Assessor
1.3	Audit processes, procedures and values.	Audit valuation processes procedures and issued values.	Head of Governance
		Audit appeal processes, procedures and outcomes.	Head of Governance
		Consider presented audit reports.	CLT
1.4	Further develop IT systems, applications and communications	Review and further develop valuation applications with particular attention to the successful delivery of 3 yearly revaluations.	Assistant Assessor/ ICT
		Consider new classes of subjects for summary valuation purposes.	Assistant Assessor/ICT
1.5	Maintain performance.	Maintain efficiency in survey procedures.	Assistant Assessor
		Maintain fairness and accuracy of valuations.	Assistant Assessor
		Review and improve performance in terms of KPIs and internal indicators.	Assistant Assessor

Strategic Aims & Operational Objectives 2

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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
2.1	Maintain CT List in line with statutory requirements	Ingather and analyse sales evidence.	Assistant Assessor
		Maintain and update survey records as necessary.	Assistant Assessor
		Prepare reviewed bandings and amend for sold houses.	Assistant Assessor
		Ensure accuracy of all amended and new bands.	Assistant Assessor
		Update CT daily, issue band change notices daily and notify councils weekly.	Assistant Assessor
2.2	Dispose of proposals & appeals	Correspond with appellants in line with legal requirements and LVJB standards.	Assistant Assessor
		Administer properly all proposals and appeals and commence the process of timetabled disposal in association with the Valuation Appeal Committee.	Assistant Assessor
		Monitor band reductions.	Assistant Assessor
		Ensure amendments are processed timeously.	Assistant Assessor
2.3	Audit processes, procedures and Bands	Audit banding processes, procedures and issued bands	Head of Governance
		Audit appeal processes, procedures and outcomes.	Head of Governance
		Consider presented audit reports.	CLT
2.4	Further develop IT systems, applications and communications	Continue changes to the processes associated with new houses entering the CT List.	Assistant Assessor/ICT
		Ensure all new and altered records are saved in electronic format	Assistant Assessor/ICT

2.5	Maintain performance	Maintain efficiency in survey procedures.	Assistant Assessor
		Maintain quality of bandings by reference to band reductions on appeal.	Assistant Assessor
		Maintain performance in terms of KPIs and internal indicators.	Assistant Assessor

Strategic Aims & Operational Objectives 3

To ensure timeous publication and maintenance of the **Electoral Register**.

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
3.1	Prepare and publish ER by 1 st December 2019 and annually thereafter	Publish Electoral Register in paper format and electronic format by 1 st December 2019 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 2020.	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 2020	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 any election or referendum called during 2019/20.	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 and related mitigation 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.	Quality Assurance Team
		Audit personal identifiers with canvass signatures.	Quality Assurance Team
		Audit name changes to ensure accuracy.	Quality Assurance Team
		Consider all audit reports for appropriate actions.	CLT

3.7	Further develop IT systems, applications and communications.	Assess and implement altered scanning processes for receipted paper applications.	Head of Administration
		Deliver electorate statistics to NROs. (RPF 29)	Head of Administration
		Review and continue to maximise UPRN matching process to electoral address data base.	Head of Administration/ICT
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**

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
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.	External Audit/Head of Governance
		Report on equalities April 2018 and two yearly thereafter.	Head of Governance
		Annual proposed Revenue Report to LVJB.	Treasurer
4.2	Prepare and present reports to LVJB	Quarterly progress report to LVJB.	Assessor
		2019/20 – 2021/22 LVJB Strategic Report	Assessor
		Annual Governance Report	Head of Governance
		Reports as required.	CLT
4.3	Develop and improve customer targeted policies	Oversee development of performance statistical analysis and monitoring.	CLT
		Monitor adherence to equality principles.	Head of Governance
		Quarterly progress report to LVJB.	Assessor

4.3		Ensure a robust public engagement strategy is in place for general registration and focused electoral events.	Head of Administration
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
		Maintain and update the internet site to ensure currency and accuracy especially at key events.	CLT/ICT
		Continue to identify, implement and evaluate stakeholder engagement activities in respect of VR and CT.	Assistant Assessor
4.5	Maintain, update and improve websites	Maintain and update the intranet site to ensure current and accurate	CLT/ICT
		Maintain and update the internet site to ensure current and accurate	CLT/ICT
		Continue to Integrate Sharepoint to improve records management	CLT/ICT

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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
5.1	Maintain VR key and internal performance indicators	Agree and set KPIs for VR.	Assessor/ Assistant Assessor
		Agree and set a suite of internal indicators for VR performance.	Assessor/ Assistant Assessor
		Monitor, analyse and report on VR performance quarterly.	Assessor/ Assistant Assessor
5.2	Maintain CT key and internal performance indicators	Agree and set KPIs for CT.	Assessor/ Assistant Assessor
		Agree and set a suite of internal indicators for CT performance.	Assessor/ Assistant Assessor
		Monitor, analyse and report on CT performance quarterly.	Assessor/ Assistant Assessor
5.3	Meet new ER key and internal performance indicators	Agree and set Internal PIs for ER.	ERO/Head of Admin
		Produce and submit targets for ER performance to Electoral Commission.	ERO/Head of Admin

5.3		Produce and submit statistical monitoring & indicators for ER performance to Electoral commission.	ERO/Head of Admin
		Monitor, analyse and report on ER performance monthly.	ERO/Head of Admin
5.4	Prepare, monitor and review service plan	Monitor Corporate and Service Plans.	CLT
		Ensure adherence to Service Plan and Performance Indicators.	CLT
		Review Performance & Development Review procedure to meet organisational requirements.	CLT

Strategic Aims & Operational Objectives 6

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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
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	Continue ongoing change process under the Transformation Programme.	Review process and procedures seeking efficiencies and improvements.	CLT
		Continue to develop and implement a strategic training policy and continue with cultural change identified under the Transformation programme.	CLT/Principal Surveyor
		Continue to develop and implement a Performance Framework across the organisation, seeking efficiencies and effective delivery of services.	CLT/Assistant Assessor

Strategic Aims & Operational Objectives 7

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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
7.1	Identify risks	Consider new risks for addition to risk registers at all corporate leadership team meetings.	CLT
		Review presentational aspects of risks registers including effectiveness of providing accurate information of “progress on mitigation and status of risk”	Head of Governance
		Consider new risks to be added to the strategic business risk register on a 6 monthly basis at corporate leadership team meetings.	CLT
		Consider risks within each service delivery planning timetable on an ongoing basis.	CLT
		Consider risks as legislative changes are considered.	CLT
7.2	Mitigate risks	Ensure mitigation strategies are considered timeously.	CLT
		Plan, implement and review mitigation decisions effectively.	CLT
7.3	Monitor & review risks	Monitor budget spend and variances quarterly at corporate leadership team meetings.	Assessor
		Monitor budget spend and variances and include in quarterly progress report.	Assessor

7.3		Monitor actions resulting from audit reports at all corporate leadership team meetings.	CLT
		Liaise with the Treasurer to the Board to ensure appropriate monitoring and accounting.	Assessor
		Review strategic risk register at corporate leadership team meetings	CLT
7.4	Maintain task specific and strategic risk registers.	Maintain work timetables with corresponding risk management monitoring regularly at all relevant meetings.	CLT
		Consider new risks to be added to timetables/risk registers on an ongoing basis	CLT
		Mitigate all risks on timetables/risk registers on an ongoing basis	CLT
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
		Provide Board with Annual Governance Report	Head of Governance
		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.

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
8.1	Maintain internal processes to monitor compliance to legislation and LVJB policies and procedures.	Review processes to monitor compliance with LVJB standards.	CLT
		Ensure compliance with LVJB employment legal requirements on a day to day basis.	CLT
		Ensure compliance with LVJB policies on a day to day basis.	CLT
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 corporate leadership team meetings.	Head of Governance
		Ensure Complaints policy and procedure meet required standards	Head of Governance
		Ensure Records management policy and procedures meet required standards	Head of Governance
8.3	Report on Whistle Blowing	Ensure the policy and procedures are reviewed as appropriate to ensure staff concerns are addressed.	Assessor/Head of Governance
		Report on items raised as appropriate.	Assessor/Head of Governance

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	CLT
		Ensure that appropriate guidance is developed and training given for new tasks introduced	CLT
		Ensure that policies are available, preferably on the LVJB intranet	CLT
		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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
9.1	Maintain annual service plan	Prepare annual service plan and present to LVJB.	Assessor
		Ensure staff awareness of service plans and their role.	CLT
		Monitor compliance with the service plan on a day to day basis and assess at corporate leadership team meeting.	CLT
9.2	Deliver corporate improvement.	Develop & review a suite of internal performance indicators and update KPIs to ensure improvement.	CLT
		Monitor performance improvement and report at corporate leadership team meetings & LVJB.	CLT
		Monitor and report absence levels to measure improvement.	Head of Governance
		Prepare and deliver a 2019/20 to 2021/22 LVJB Strategic Plan	Assessor
		Discuss & develop corporate improvement strategies at corporate leadership team meetings.	CLT
9.3	Comply with corporate goal, LVJB Mission, vision, aims & objectives	Review corporate goals at corporate leadership team meeting.	CLT
		Ensure that corporate goal is communicated to all staff and included in PRD process.	CLT

9.3	Communicate and monitor adherence to Mission, vision, aims & objectives.	CLT
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Strategic Aims & Operational Objectives 10

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

No	Performance Measures	Strategic Aims / Operational Objectives	Key Task Owner(s)
10.1	Encourage partnership working with constituent authorities	Continue partnership working with Finance departments of the 4 authorities.	CLT
		Continue partnership working with the Returning Officer staff of the 4 authorities.	CLT
		Continue partnership working with the Treasurer to LVJB.	CLT
		Improve partnership working with Planning and Building departments of the 4 authorities.	Assistant Assessors
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.	CLT
		Continue partnership working with the VOA.	CLT
		Continue partnership working with the National Register of Scotland.	CLT
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.	CLT



UPDATE ON BARCLAY REVIEW OF NON DOMESTIC RATES

4th February 2019

1.0 INTRODUCTION

- 1.1 The purpose of this report is to provide the Board with a summarised update on matters arising from the implementation of the Barclay Review of NDR recommendations.
- 1.2 Attached for information is the latest version of the LVJB Barclay Risk Register. This indicates that currently 2 risks are set at Red status, 9 at Amber and 13 at Green. This compares favourably to the last position reported to the Board at its meeting on the 5th November 2018 when 7 risks were Red, 10 Amber and 7 Green.

2.0 LEGISLATIVE FRAMEWORK

- 2.1 Implementation of the key recommendations requires primary and secondary legislative changes to be drafted and enacted.
- 2.2 The current timetable envisages draft primary legislation to be produced in March 2019 with final publication by April 2020 following due parliamentary process.
- 2.3 Secondary regulations shall be produced in support of the primary legislation and may be subject to consultation.
- 2.4 Regulations to support the Tribunal (Scotland) Act 2014 which provides for the transfer of functions from the Valuation Appeal Committee to the Scottish Tribunal system are currently under consideration.

3.0 FINANCIAL IMPLICATIONS

- 3.1 One of the major recommendations is the move from a 5 yearly revaluation cycle to a 3 yearly process. This envisages the revaluation of all lands and heritages shown on the Valuation Roll and the resultant disposal of all revaluation appeals within a much shorter timeframe than is currently the case.

- 3.2 For the 2017 Revaluation in excess of 35,000 properties were revalued and 13,000 appeals subsequently received. Within the 5 year cycle the acts of valuation and appeal disposal were consecutive acts. It must now be envisaged that these activities shall become simultaneous within the 3 year cycle.
- 3.3 Such a major change while challenging in itself also creates additional pressure on annual Valuation Roll maintenance activities that must be carried out.
- 3.4 The Barclay Review identified that the recommendations would provide Assessor organisations with an additional workload burden that would require financial support.
- 3.5 Within the Local Government budget settlement announced in December 2017 £3.3m was identified nationally to support the implementation of Barclay requirements. It is anticipated that these funds shall be allocated to individual Assessors by relevant council authorities following consideration by the COSLA Settlement and Distribution Group.
- 3.6 Full year Barclay costs are currently estimated at circa £400k. As granularity emerges on the key requirements this estimate shall be subject to review. Further information on funding levels shall be provided to the Board at future meetings.

4.0 ORGANISATIONAL PREPARATIONS

- 4.1 The Board has previously been advised of the creation of a Barclay Roadmap with associated underpinning projects aimed at secure delivery of the key requirements. A scheduled review of the Roadmap is planned for March 2019.
- 4.2 Good progress is being made in respect of all projects with particular emphasis at present on those ICT developments required to support the revaluation process. Progress is monitored internally through the Project Management Board and Governance Group.
- 4.3 Detailed discussions between the Scottish Assessors Association, Scottish Government and ratepayers organisations representatives are ongoing and as granularity emerges this shall be feed into the project development process.
- 4.4 The attached Barclay Risk Register at this stage represents identifiable high level risks and indicates current mitigation and required further action. As the exact detail of the Barclay requirements is finalised the risk register shall reflect any issues that may emerge.

5.0 RECOMMENDATION

5.1 The Board is asked to note this report and that further updates shall be provided at future meetings.

Graeme Strachan
ASSESSOR & ERO

Risk Description		Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
1	Failure to secure additional funding	Finances	Major	The requirement for funding to support the delivery of Barclay requirements has been recognised in the Scottish Government 2019/20 Budget Settlement to Councils. Funding to individual Assessors shall be allocated via COSLA Settlement Dispersal Board. Discussions between COSLA, Scottish Government and SAA are anticipated in this regard.	Significant	G Strachan	Engage with constituent councils to secure release of funding.	G Strachan	March 18
2	Failure to estimate adequate additional funding	Finances	Major	The ongoing development of identified projects aimed at supporting Barclay implementation provide support to the funding request made at this early stage. Also, clarity is now emerging on key aspects in respect of information provision and the proposal/appeal framework. The 2019/20 funding request has been refined to allow time to reflect on recruitment requirements set against the emerging detail of key deliverables. Funding to support Barclay Implementation shall form part of an annual submission process to COSLA/Scottish Government. This allows the opportunity to review funding levels in future years.	Significant	G Strachan	Continue to monitor and review as greater clarity on requirements emerges.	G Strachan	March 18
3	Annual reduction in Core funding	Finances	Major	2019/20 core budget settlement is anticipated as a no-growth settlement. A performance factor is in place to assist with mitigation of the 2019/20 budget risks, including, subject to approval, drawdown from reserve funds.	Major	G Strachan	Preparation of a longer term financial and service delivery plan is underway. This shall provide forecast information on core budget and Barclay funding requirements.	G Strachan	April 19
4	Delays with Barclay legislation	Legislation	Major	Scottish Government are currently on timetable to produce draft primary legislation to support the key requirements of the Barclay Review of NDR. Where appropriate secondary legislation and regulations shall be introduced later.	Significant	G Strachan	Continue to monitor.	G Strachan	March 19

Risk Description		Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
5	Lack of clarity within Barclay legislation	Legislation	Moderate	Through the Barclay Implementation Advisory Group Appeals Sub Group key stakeholders are involved in discussions surrounding draft legislation proposals. Open channels of communication exist between stakeholder groups.	Moderate	G Strachan	Continue to liaise and monitor.	CLT	March 19
6	Project Board failure to ensure implementation of Barclay Roadmap	PB	Major	The Barclay Roadmap has been formed and agreed by the CLT. It is subject to regular review. The PB which oversees and supports the delivery of key objectives identified on the Roadmap is fully supported by the Assessor, meets to a regular timetable and provides progress reports to the CLT. Any project failure or problems within the PB itself shall be apparent and action can be taken.	Moderate	G Strachan	Continue to monitor.	Head of Gov.	Ongoing
7	Lack of CLT consensus on Barclay Roadmap detail	PB	Major	The CLT are fully supportive of the current Barclay Roadmap that was ratified in November 2018. As internal projects progress and greater clarity on requirements emerge the Roadmap shall be subject to scrutiny and review. This allows the opportunity for CLT members to input to its ongoing development.	Moderate	G Strachan	Further review planned March 2019.	CLT	March 2019
8	Failure within CLT to adopt roles, deliver on requirements, maintain momentum on Barclay Roadmap.	PB	Major	Following adoption of the current Barclay Roadmap version all CLT members are aware of the specific roles and responsibilities they have. These are embedded within the project implementation process and have PB overview.	Moderate	G Strachan	Continue to monitor progress through Project Board.	G Strachan	Ongoing
9	Lack of resilience, robustness within Barclay Roadmap	PB	Major	The Roadmap is currently constructed to allow for review and amendment especially as further granular detail on requirements emerges. The map is however underpinned by key legislative requirement that provide fixed points within the journey.	Moderate	G Strachan	Conduct regular reviews.	CLT	March 2019
10	Failure to identify risks within Roadmap process	PB	Major	As further detail surrounding requirements emerges the more capable the Roadmap is of adopting these and reflecting risks. At its next reiteration key dependencies and project risks shall be identified.	Moderate	G Strachan	Identification of key risks.	CLT	March 2019

Risk Description	Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date	
11	Failure of ancillary projects that underpin and support Barclay delivery	PB		The projects underpinning Barclay delivery are in progress and subject to PB oversight and support.		G Strachan	Maintain PB activity and regular project review.	Project Board	Ongoing
12	Lack of ICT resource to support Barclay requirements	ICT		ICT plays a crucial part in the successful delivery of Barclay. Access to the LVJB reserve fund has secured funding for additional development resource to underpin the key development areas.		B Callaghan	Continue to monitor ICT requirements.	B Callaghan	Ongoing
13	Lack of, inaccurate specification for ICT development provided	ICT		Staff allocation to key projects has been undertaken. The project initiation process ensures the proper specification process that matches to required deliverables is followed. This allows ICT development to proceed on secure basis.		B Callaghan	Monitor and review those projects at the initiation phase.	Project Board	Ongoing
14	Required ICT Development fails or is not delivered on time	ICT		The accompanying ICT timetable that underpins Barclay delivery and specifically the identified projects is reviewed regularly by the PB. Appropriate resource shall be applied to any testing requirements in due course.		B Callaghan	Monitor and review ICT Project timetables.	Project Board	Ongoing
15	Lack of Technical staff resource to deliver Barclay requirements	Resources		Delivery of primary Barclay requirements is a combination of ICT development, additional funding, and optimum organisational deployment of available technical resources reflecting all service delivery demands. Through the Barclay Roadmap and associated material, all of these elements are currently under progress, review, discussion and consideration. When total granularity emerges on all key deliverables each of these elements shall be assessed to ensure they are fully supportive of the required outcome.		G Strachan	Review following issue of draft legislation and associated regulations.	CLT	March 2019
16	Lack of Administrative resource to deliver Barclay requirements	Resources		Certain Barclay requirements involve increased activity of an administrative nature for example the processing of civil penalties, the continuous flow of ingathered information, and the monitoring of SCU's. These tasks as yet not clearly defined could fall within any/all of the non-technical staff areas. This has been recognised in the additional funding request.		CLT	Following legislative changes assess impact on internal processes and associated resource availability	CLT	March 2019

Risk Description	Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
17	Organisational staffing structure fails to support Barclay delivery	Resources	As granularity emerges in respect of key Barclay deliverables the Roadmap and underpinning projects shall be subject to review. This shall include a reflection on the organisational structure and its ability to provide full support to the key objectives.		G Strachan	Identify as a dependency and include at next Roadmap review.	CLT	March 2019
18	Unrecognised impact on VR maintenance tasks arising from Barclay requirements	Resources	Barclay shall bring into sharp focus the need to balance resources against competing service delivery demands. The ongoing Transformation Programme is focused on effective allocation of resource supported by effective process review. The receipt of additional funding shall mitigate the impact on other VR activities.		G Strachan	Identify as a dependency and include at next Roadmap review	CLT	March 2019
19	Ancillary internal processes unable to support Barclay delivery	Process	The Roadmap/implementation plan should identify any existing internal process which shall come under pressure and require review and change. These shall be taken up by the PB for investigation.		B Callaghan	Identify as a dependency and include at next Roadmap review	CLT	March 2019
20	Lack of internal communication throughout delivery process	Comms.	Existing communication channels through CLT, WLT and smaller group meetings are currently providing the mechanisms to inform on Barclay developments.		CLT	Following delivery of draft legislation prepare a schedule of communication meetings aimed at providing periodic updates on Barclay implementation.	CLT	April 2019
21	Lack of external communication throughout delivery process	Comms	Communication to the Board is currently provided through the existing reporting mechanisms by the Assessor. Any additional meetings can be provided as necessary.		G Strachan		G Strachan	Ongoing

Risk Description	Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date	
22	Lack of ratepayer engagement undermining the information gathering process	Comms	Major	This forms part of an identified project work stream underpinning the Barclay Road map and as such comes under the management of the PB and CLT through which performance shall be monitored. A larger and wider communication process shall be undertaken by Scottish Government and the SAA.	Moderate	B Callaghan		Project Board	Ongoing
23	Lack of co-ordination at a national and SAA level to ensure successful delivery of Barclay	Comms.	Moderate	The SAA is working closely with SG and COSLA to ensure successful delivery of all Barclay requirements. In addition the SAA has identified a number of workstreams at a national level aimed at supporting the implementation process for all Assessors.	Moderate	G Strachan		G Strachan	Ongoing
24	Lack of adequate training provided to staff to ensure Barclay delivery	Training	Moderate	The Roadmap has identified the need for a Training Framework that provides the necessary training and support to staff responsible for delivering on an ongoing basis the key Barclay requirements. This Training programme has already been initiated.	Moderate	CLT	Monitor, review and continue to develop the Training Framework.	CLT	Ongoing

Annual Investment Strategy

4th February 2019

1. Introduction

1.1 The purpose of this report is to propose an Investment Strategy for 2019/20.

2. Annual Investment Strategy

2.1 The Board currently maintains its funds 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

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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 2019 to June 2020

4 February 2019

Purpose of Report

- 1 To advise members of the proposed schedule of meetings for the Lothian Valuation Joint Board for the period to June 2020 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 2020 are shown below. Specific meetings are included to consider the Joint Board's Revenue Budget for 2020/21 as well as the Unaudited Accounts for 2018/19 and 2019/20.

Proposed Date	Time
Monday 17 June 2019 (Unaudited Accounts)	10:00am
Monday 2 September 2019	10:00am
Monday 4 November 2019	10:00am
Monday 3 February 2020 (Revenue Budget)	10:00am
Monday 20 April 2020	10:00am
Monday 15 June 2020 (Unaudited Accounts)	10:00am

Recommendations

- 5 The Board is asked:
- 5.1 To approve the schedule of meetings as detailed for the period June 2019 to June 2020.
 - 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