Lothian
Valuation
Joint Board
Assessor & Electoral Registration Office

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	*(Red)*	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.	*(Amber)*	G Strachan	Engage with constituent councils to secure release of funding.	G Strachan	March 18
2	Failure to estimate adequate additional funding	Finances	*(Red)*	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.\nFunding 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.	*(Amber)*	G Strachan	Continue to monitor and review as greater clarity on requirements emerges.	G Strachan	March 18
3	Annual reduction in Core funding	Finances	*(Red)*	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.	*(Red)*	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	*(Red)*	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.	*(Amber)*	G Strachan	Continue to monitor.	G Strachan	March 19

BARCLAY RISK REGISTER - VERSION FEBRUARY 2019

RAG rating – Major ■ Significant ■ Moderate ■

#	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	🟧 (Significant)	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 overseas 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.	🟧 (Significant)	G Strachan	Identification of key risks.	CLT	March 2019

BARCLAY RISK REGISTER - VERSION FEBRUARY 2019

RAG rating – Major 🟥 Significant 🟧 Moderate 🟩

	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	(Red)	The projects underpinning Barclay delivery are in progress and subject to PB oversight and support.	(Green)	G Strachan	Maintain PB activity and regular project review.	Project Board	Ongoing
12	Lack of ICT resource to support Barclay requirements	ICT	(Red)	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.	(Green)	B Callaghan	Continue to monitor ICT requirements.	B Callaghan	Ongoing
13	Lack of, inaccurate specification for ICT development provided	ICT	(Red)	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.	(Amber)	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	(Red)	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.	(Green)	B Callaghan	Monitor and review ICT Project timetables.	Project Board	Ongoing
15	Lack of Technical staff resource to deliver Barclay requirements	Resources	(Red)	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.	(Amber)	G Strachan	Review following issue of draft legislation and associated regulations.	CLT	March 2019
16	Lack of Administrative resource to deliver Barclay requirements	Resources	(Amber)	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.	(Amber)	CLT	Following legislative changes assess impact on internal processes and associated resource availability	CLT	March 2019

RAG rating – Major ■ Significant ■ Moderate ■

	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

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	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		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.		B Callaghan		Project Board	Ongoing
23	Lack of co-ordination at a national and SAA level to ensure successful delivery of Barclay	Comms.		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.		G Strachan		G Strachan	Ongoing
24	Lack of adequate training provided to staff to ensure Barclay delivery	Training		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.		CLT	Monitor, review and continue to develop the Training Framework.	CLT	Ongoing

RAG rating – Major ■ Significant ■ Moderate ■