



UPDATE ON NON DOMESTIC RATES REFORM

23RD April 2019

1.0 INTRODUCTION

1.1 This report provides the Board with a further update on the progress being made at both a national and local level in respect of NDR Reform following the recommendations arising from the 2017 Barclay Review of Non Domestic Rating.

2.0 LEGISLATION

2.1 On the 25th March 2019 draft primary legislation entitled the “Non Domestic Rating Reform (Scotland) Bill” was laid before the Scottish Parliament. This shall now pass through various phases of consideration, evidence gathering, review and amendment with the expectation that it shall appear in statute with effect from 1st April 2020.

2.2 The Bill contains the following key legislation that is of particular importance to Assessors;

- The introduction of a 3 yearly revaluation cycle.
- Provision for the supply of additional information that may be included with a valuation notice.
- The introduction of two phase proposal/appeal framework anticipating that ratepayers shall first lodge proposals with their local assessor followed by an appeal to the Valuation Appeal Committee (to become the part of the Scottish Tribunal Service in 2022) should there be a failure to reach agreement.
- Provision for further detail on this new framework to be developed through secondary regulation.
- Provision for a fee to be charged should ratepayers which to proceed to appeal.
- Provision for values to be increased by the Valuation Appeal Committee following appeal hearing.
- Increased powers for Assessors in respect of the parties that can be requested to provide information to support the valuation process.
- Powers to Assessors to impose a civil penalty on those parties who fail to provide information requested.
- The requirement for Assessors to place markers against relevant valuation roll entries providing an indication that BGA reliefs may apply.

- Provision for entries to made in the Roll in respect of commercial activities in Parks.

2.3 It is anticipated that the Barclay Implementation Advisory Group Appeal Sub Group shall continue to meet throughout the summer to inform discussion surrounding the secondary regulations that are required to support the new proposal/appeal framework and any other identified elements of the Bill. The sub-group comprises representation from Scottish Government, the Scottish Assessors Association, RICS Scotland, Scottish Valuation Appeal Committees, and ratepayer organisations.

3.0 NDR REFORM IMPLEMENTATION PROGRESS

3.1 Barclay Roadmap

The Roadmap milestone dates may be subject to change following consideration by Scottish Government in respect of such deliverables as release dates for draft revaluation values, provision of Valuation Notices and periods within which to lodge proposals and appeals. As soon as these issues are decided the Roadmap shall be amended accordingly and an impact assessment undertaken to ensure the required outcomes shall be delivered.

3.2 Projects Supporting Implementation of NDR Reform

The projects supporting the successful implementation of NDR Reform include enhancing ICT systems and process improvement, engagement activities, and developing training and performance frameworks. This results in focus being given to systems and processes, staff resources and skills, and external stakeholders. The outcomes of these projects shall satisfy the legislative reforms and key elements of the Barclay Review of NDR recommendations. Progress in accordance with individual project implementation plans is being made with support provided by the Project Management Board. A governance and intervention role is undertaken by the Assessor.

3.3 Scottish Assessors Association

The Scottish Assessors Association have recently appointed an Assessor as SAA Project Manager supporting NDR Reform. The scope and remit is currently under development however it is anticipated that the role shall provide support to SAA national deliverables while at a local level ensuring local activities, where required, comply with an overarching national timeframe and a set of shared outcomes.

4.0 FINANCIAL IMPLICATIONS

The current anticipated annual funding levels to support the NDR Reforms are as follows, 2019/20 £154k, 2020/21 £279k, 2021/22 £350k, 2022/23 £350k, 2023/24 £358k and 2024/25 £379k.

It is anticipated that the funding for 2019/20 shall be forthcoming from councils shortly. This figure represents a part year recruitment process. As detail develops later this year regarding the new proposal/appeal framework a final decision shall be made on the exact nature of the additional staff resource required.

5.0 NDR REFORM RISK REGISTER

Attached is the latest version of the NDR Reform Risk Register. This indicates the steps taken to mitigate identified risks and any required further action. Since the last Board meeting in November 2018 the RAG statuses have altered as follows, Red Status entries have reduced from 7 to 1, Amber reduced from 10 to 7, and Green increased from 7 to 16.

Following discussion with the Governance Committee, who monitor the NDR Reform Risk Register, it has been agreed that a re-iteration of the register be undertaken to more closely align it with the progress being made with specific implementation activities.

6.0 RECOMMENDATION

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

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		The requirement for funding to support the delivery of Barclay requirements has been recognised in the Scottish Government 2019/20 Budget Settlement to Councils. £2.5m has been allocated within the national budget settlement as a funding allocation to Assessors. Following discussion COSLA/SG have recommended to Councils that funding be allocated in accordance with the SAA request that dispersal should accord with the individual requirements of each Assessor.		G Strachan	Each constituent council of the Board has now received notification of the additional funding requisition for 2019/20 required to support NDR Reform. Monitor to ensure provision.	G Strachan	May 19
2	Failure to estimate adequate additional funding	Finances		Following publication of the Non-Domestic Rates (Scotland) Bill clarity is now emerging on key aspects of NDR Reform. The 2019/20 funding request has been refined to allow time to reflect on recruitment requirements set against the emerging detail. 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.		G Strachan	Further investigation is required, reflecting on ongoing legislative clarity and internal project development, as to the most effective application of funding.	G Strachan	June 19
3	Annual reduction in Core funding	Finances		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.		G Strachan	A short to medium term Budget Strategy Plan for 2019/2024 is due for presentation at the Board meeting on the 23 April 2019.	G Strachan	April 19
4	Delays with Barclay legislation	Legislation		The NDR (Scotland) Bill was laid before Parliament on 25 March 2019. This shall pass through the various phases allowing it to enter the statue books by 1 st April 2020. Discussion with SG on enabling secondary regulations is expected throughout 2019.		G Strachan	Continue to monitor.	G Strachan	July 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	July 2019
6	Project Board failure to ensure implementation of Barclay Roadmap	PB	Major	The Barclay Roadmap represents a set of milestone dates for key deliverables. The map is underpinned by a series of internal projects aimed at ensuring the required objectives are met. The map is subject to regular review and as clarity develops from discussion with SG throughout 2019 it shall be modified accordingly. The PMB supports the delivery of key project objectives with overall governance and intervention lying with the Assessor. Current project progress is in line with individual project plans.	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 and reviewed in March 2019.	Moderate	G Strachan	Further review planned September 2019.	CLT	Sept 2019
8	Failure within CLT to adopt roles, deliver on requirements, maintain momentum on Barclay Roadmap.	PB	Major	Following adoption of the Barclay Roadmap all CLT members are aware of the specific roles and responsibilities they have. These are embedded within the project implementation process. This has been reinforced following the review meeting in March 2019 where a temporary realignment of responsibilities for key senior posts was agreed that shall allow greater focus on various aspects of NDR Reform delivery.	Moderate	G Strachan	Continue to monitor.	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	Sept 2019

Risk Description		Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
10	Failure to identify risks within Roadmap process	PB		Further detail is expected to emerge throughout the summer surrounding national milestone dates. As these clarify, the Roadmap shall be reviewed and amended allowing a more accurate assessment of risk.		G Strachan	A reiteration of the NDR Reform Risk Register shall be carried out reflecting the next and more detailed phase of progress towards implementation.	CLT	Sept 2019
11	Failure of ancillary projects that underpin and support Barclay delivery	PB		The projects underpinning Barclay delivery are in progress and subject to PMB support with governance and intervention lying with the Assessor.		G Strachan	Maintain PMB activity and schedule regular governance/ intervention meetings.	Project Board/G Strachan	April 2019
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. The recent realignment of senior staff responsibilities shall support the need for accurate specifications to be delivered to ICT.		B Callaghan	Monitor and review.	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 PMB. 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		G Strachan	Continue to reflect on this risk throughout the year and as further definition is given to the key deliverables and associated	CLT	Sept 2019

Risk Description	Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
			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.			timeline. Undertake final reflections in Autumn 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	Continue to monitor and assess.	CLT	Sept 2019
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. The recent realignment of senior staff responsibilities is focus on the change requirement and ensuring resources are used effectively in support of NDR Reform.		G Strachan	Continue to monitor and assess impacts of projects that support organisational development and the change process.	CLT	Sept 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.		G Strachan	Continue to monitor and assess impacts of projects that support organisational development and the change process.	CLT	Sept 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 PMB for investigation.		B Callaghan	Identify as a dependency and consider at next formal review meeting.	CLT	Sept 2019

Risk Description		Category	Pre mitigation Rag Rating	Mitigation & Controls	Post mitigation Rag Rating	Allocation	Further Action	Responsibility	Action Date
20	Lack of internal communication throughout delivery process	Comms.	Major	Existing communication channels through CLT, WLT and smaller group meetings are currently providing the mechanisms to inform on Barclay developments.	Moderate	CLT	An enhanced communication programme, supported by NDR Reform Champions, shall be created. Focus on this is provided by the publication of draft legislation, the development of identified projects and the further detailed information that shall emerge during 2019.	CLT	May 2019
21	Lack of external communication throughout delivery process	Comms	Major	Communication to the Board is currently provided through the existing reporting mechanisms by the Assessor. Any additional meetings can be provided as necessary.	Moderate	G Strachan		G Strachan	Ongoing
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 PMB 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.	Significant	The SAA is working closely with SG and COSLA to ensure successful delivery of all Barclay requirements. The SAA has appointed a NDR Reform Project Manager to assist with deliver in the national context.	Moderate	G Strachan		G Strachan	Ongoing
24	Lack of adequate training provided to staff to ensure Barclay delivery	Training	Significant	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