

## Notice of Meeting and Agenda

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**10.00am, Monday, 1st February, 2021**

Virtual Meeting - via Microsoft Teams

### 1. Order of Business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

### 2. Declaration of Interests

- 2.1 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. Minutes

- 3.1 Minute of the Lothian Valuation Joint Board of 9 November 2020 – submitted for approval as a correct record 5 - 8

### 4. Reports

- 4.1 Interim Assessor's Progress Report to the Joint Board – Report by the Interim Assessor and Electoral Registration Officer 9 - 26
- 4.2 Report on Short Term Lettings/Self Catering Units – Report by the Interim Assessor and Electoral Registration Officer 27 - 30
- 4.3 Revenue Budget 2021/22 and Indicative Financial Plan 2022/23 - 2024/25 – Report by the Treasurer 31 - 38

<b>4.4</b>	Period 9 Financial Statement 2020/21 – Report by the Treasurer	39 - 44
<b>4.5</b>	Annual Treasury Management Strategy – Report by the Treasurer	45 - 46
<b>4.6</b>	Future Meeting Arrangements June 2021 to June 2022 – Report by the Chief Executive and Clerk	47 - 48

## **Andrew Kerr**

Chief Executive

## **Membership**

### **The City of Edinburgh Council (9)**

Councillor Gavin Corbett

Councillor Phil Doggart

Councillor Karen Doran

Councillor David Key (Convener)

Councillor George Gordon

Councillor Gillian Gloyer

Councillor Ricky Henderson

Councillor Jason Rust

Councillor Norman Work

### **Midlothian Council (2)**

Councillor Kieran Munro

Councillor Margot Russell

### **West Lothian Council (3)**

Councillor Dave King

Councillor Andrew McGuire (Vice-Convener)

Councillor Damian Timson

### **East Lothian Council (2)**

Councillor Jeremy Findlay

Councillor Jim Goodfellow

## **Notes:**

- (1) If you have any questions about the agenda or meeting arrangements, please contact Rachel Gentleman | 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 4107 | email [rachel.gentleman@edinburgh.gov.uk](mailto:rachel.gentleman@edinburgh.gov.uk)

- (3) The agenda, minutes and public reports for this meeting can be viewed online by going to [www.edinburgh.gov.uk/meetings](http://www.edinburgh.gov.uk/meetings) .



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## Lothian Valuation Joint Board

9 November 2020

Meeting held virtually by Teams

### Present:

**City of Edinburgh Council** – Councillors Key (Convener), Corbett, Doggart, Doran, Gordon, Gloyer, Henderson, Rust and Work.

**East Lothian Council** – Councillor Findlay.

**West Lothian Council** – Councillor McGuire.

### 1 Minute

#### Decision

To approve the minute of the Lothian Valuation Joint Board of 7 September 2020 as a correct record.

### 2 Interim Assessor's Progress Report to the Lothian Valuation Joint Board

A progress report by the Assessor and Electoral Registration Officer (ERO) was presented to the Board. It provided information on the overview of current service delivery, priorities, risks and future direction.

An update was also provided on the activities of the organisation during the Covid-19 pandemic. The majority of staff continued to work from home with a limited number attending the office to work on the annual canvass and the upcoming by-election in Edinburgh.

#### Decision

To note the report.

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

### 3 2019/20 External Audit Plan and Annual Audit Report to Members of Lothian Valuation Joint Board and the Controller of Audit

The External Annual Audit Plan for 2019/20 was originally scheduled to be presented to the Board in April 2020, however this meeting was cancelled due to the Covid-19 pandemic. The Plan was therefore presented alongside the Annual Audit Report.

Lothian Valuation Joint Board  
9 November 2020

The audit plan summarised the work plan for the external audit activities of the Valuation Joint Board. The findings arising from the external audit were summarised in the 2019/20 Annual Audit Report.

**Decision**

- 1) To note the External Audit Plan 2019/20.
- 2) To note the Annual Audit Report to members of Lothian Valuation Joint Board and the Controller of Audit, including the Action Plan and management responses.

(Reference – report by the Treasurer, submitted)

**4 Audited Annual Accounts for the Year Ended 31st March 2020**

The Board had considered the unaudited annual accounts at its meeting on 15 June 2020. The audited Annual Accounts for the year ended 31 March 2020 were presented to the Board to note and authorise them for signature.

**Decision**

- 1) To note the Audited Annual Accounts for the year ended 31st March 2020.
- 2) To authorise the Annual Accounts 2019/20 for signature.

(Reference – report by the Treasurer, submitted)

**5 ER Internal Audit Review**

A report provided members with an update on the 2019/20 internal audit exercise which assessed the adequacy of design and operating effectiveness of controls established by the LVJB in relation to electoral registration.

There were 5 medium findings identified. The full Internal Audit Report was attached at Appendix 1 to the report.

**Decision**

To note the Internal Audit report for 2019/20.

(Reference – report by the Head of Governance, submitted)

**6 Mid Term Review – Treasury Management Activity**

The Board considered a report by the Treasurer which reviewed the investment activity undertaken on behalf of the Board during the first half of the 2020/21 financial year.

**Decision**

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

(Reference – report by the Treasurer, submitted)

## **7 Period 6 Financial Statement 2020/21**

The Period 6 Financial Statement for the financial year 2020/21 was submitted.

The projected revenue budget outturn position was summarised to 31 March 2021, based on the position at 31 September 2020. The forecast was for net expenditure to be in line with the approved budget.

### **Decision**

- 1) To note the projected outturn position for 2020/21.
- 2) To note that a further 2020/21 budget update would be presented in February 2021.

(Reference – report by the Treasurer, submitted)

## **8 Governance Strategy Group**

Approval was sought for new terms of reference for a Governance Strategy Group which would replace the existing LVJB Governance Group. It was proposed that the Group would oversee corporate governance matters and play an active role in formulating future strategic options for the LVJB, with a member from each constituent authority attending meetings.

### **Decision**

- 1) To note the report.
- 2) To approve the terms of reference attached at Appendix 1 to the report by the Interim Assessor and ERO.
- 3) To request that members confirmed their representative from each authority following the meeting.

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

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## INTERIM ASSESSOR'S PROGRESS REPORT TO THE LOTHIAN VALUATION JOINT BOARD

1<sup>st</sup> February 2021

### 1.0 PURPOSE

- 1.1 To provide members with an overview of current service delivery, priorities, risks and future direction.
- 1.2 It should be noted that the majority of staff remain working at home during current Covid restrictions. There are however a very limited number of staff attending the office to deal with tasks that cannot be done from home, in particular preparatory work for the upcoming May Parliamentary Election.

### 2.0 ELECTORAL REGISTRATION – MAINTENANCE

- 2.1 Since the last progress report to the Board in November 2020 all maintenance tasks supporting the registration process have continued.
- 2.2 Key processing volumes reflecting the period November to January 5<sup>th</sup>, 2021 are shown below.

	Edinburgh	Midlothian	West Lothian	East Lothian	Totals
Additions	11,183	832	1,734	1,198	14,947
Deletions	18,687	1,869	3,907	2,299	26,762
Amendments	284	49	116	56	505

- 2.3 During this period (02/11/20-13/01/21) 31,849 Invitation to Register forms were issued along with 5,819 postal vote applications. These were sent by both traditional mail and email.

### 3.0 ELECTORAL REGISTRATION – HOUSEHOLD CANVASS 2020

- 3.1 The updated register was published on the 1<sup>st</sup> December 2020.

#### **4.0 ELECTORAL REGISTRATION – LEGISLATION**

4.1 In December 2020 legislation was passed by parliament specifically in relation to the upcoming Scottish Parliamentary election. The legislation covered three main areas.

- The last date for postal vote applications was brought forward by 2 weeks to the 6<sup>th</sup> April 2021.
- Polling can take place over more than 1 day should it be required.
- The Presiding Officer has the ability to delay the election for a period of up to 6 months.

In relation to the postal vote application date this has been done to mitigate the expected increase in postal vote applications. This allows an increased period of time to process applications.

#### **5.0 ELECTORAL LEGISLATION – ELECTIONS**

5.1 The scheduled by-election in West Lothian ward 4 Livingston South which was postponed has been rescheduled for the 11<sup>th</sup> March. Another by-election has also been announced in ward 5 of Midlothian, which has been scheduled for the 25<sup>th</sup> March.

5.2 The scheduled by-election in Edinburgh ward 14 Duddingston/Craigentenny took place on the 12<sup>th</sup> November. I am pleased to say that there were no issues. The number of postal vote applications received increased by roughly 10% and three emergency proxy applications were received on the day of the election.

5.3 The Scottish Government has provided extra funding to allow ERO's to cover the additional costs arising from the anticipated increase in postal vote applications for the Scottish Parliamentary elections. I have been allocated £487,812 of this funding. (For information the total extra funding is £3m and it has been split between ERO's simply on the number of electors per ERO)

5.4 I have informed the Constitution and Cabinet Directorate that I intend to utilise the additional funds in the following areas.

- Increased postage and printing
- Additional staff overtime
- Temporary staff
- Additional IT equipment
- Engagement

#### **6.0 ELECTORAL REGISTRATION ENGAGEMENT**

6.1 Despite the current Covid restrictions I have continued to engage with unregistered electors in a number of ways.

## **Schools**

- School lists data mined to issue 'Invitation to Register' forms to all eligible school pupils not already registered or added during canvass – 12,700 ITRs issued.
- Video presentation encouraging voter registration in production, working in partnership with Midlothian schools (primarily Lasswade). Schools across all 4 council areas will be provided access to this learning/promotion resource.
- Email to be issued to school pupils encouraging voter registration through participating schools' internal networks ahead of Scottish Parliamentary elections.
- Final mailshot issued to all potential electors appearing on school lists to encourage registration ahead of Scottish Parliamentary elections (around March).

## **Universities/Colleges**

- Working in partnership with University of Edinburgh Students Association to develop a Covid-friendly voter registration campaign ahead of the Scottish Parliamentary election.
- Covid restrictions mean that engagement will primarily be through Students Associations web and social media channels.
- Voter registration messaging to be disseminated through Student Association's weekly newsletter email at various times.
- Email to be issued to all University and college students to encourage voter registration at term-time addresses.

## **BAME Community**

- Following feedback from Scottish Refugee Council run focus groups, filming of video podcast to proceed remotely – working in partnership with ReAct and Media Education to create.
- Voter registration resources to be disseminated through social media channels as well as through ReAct's local networks.

## **General**

- New council taxpayers lists to be data mined to identify home movers and issue ITR's.
- Promotion of postal voting alternative ahead of anticipated increase in applications: -
  - National TV advertising campaign promoting PV message – "Plan today so you can vote in May". This is due to take place during February 2021. The costs involved are to be split between all ERO's.
  - Increased social media activity promoting postal voting – working with constituent councils Communications departments to amplify messaging.
  - Postal vote packs issued by post to all electors that requested postal votes in 2020 but have never returned an application – 9,400 to be issued w/c 18/01/2021.
- Continued online promotion of online voter registration channel through the website and social media channels.
- Household Notification Letter to be issued to all households notifying residents of registered electors at the property – issued Feb 8<sup>th</sup> (Scottish Government funded).

## 7.0 VALUATION ROLL – MAINTENANCE

- 7.1 Since the last report to the Board, 493 alterations covering the period 24<sup>th</sup> October 2020 to 18<sup>th</sup> January 2021, have been made to the valuation roll with respect to running roll activities. These changes comprised 107 amendments to existing entries, 209 deletions, 177 inserts and c.1000 name changes.

	Edinburgh	Midlothian	W. Lothian	E. Lothian	Total
Inserts	139	18	8	12	177
Deletions	165	13	18	13	209
Amendments	70	15	9	13	107

- 7.2 This represents about 77% of pre-Covid levels looking at the same period in 2019/20. This figure is an increase on that reported at the previous two board meetings.
- 7.3 Although restrictions on external survey remain in place, staff continue to undertake necessary actions in the majority of cases using plans and information provided in the form of photos, videos and any suitable and appropriate online resource.
- 7.4 The external survey of property is still on hold at the current time. Realistically I don't expect that this will change in the short term. Until the current lockdown measures are relaxed this position won't change.

## 8.0 VALUATION ROLL – APPEALS

- 8.1 There are currently c. 850 outstanding 2017 Revaluation appeals. 150 of these have been cited for hearing in April. There are in total 10,678 outstanding running roll appeals of which 9,704 relate to Covid. Central discussions between the SAA and agents are still ongoing. The majority of these appeals have a disposal date of 31/12/21. Issues surrounding inspection of properties due to Covid restrictions are at the present time delaying resolution of a large number of revaluation and non-Covid running roll appeals.
- 8.2 Valuation Appeal Committee hearing dates have been agreed with the secretary of the VAC for 2021. Physical hearings are not taking place at the current time which is delaying the resolution of a number of appeals. Currently hearings are taking place remotely.
- 8.3 I had a remote meeting with the Chairman, Vice Chairman and Secretary of the VAC on 17/12/20 to discuss various issues surrounding Covid restrictions. It is hoped that hearings may be able to take place virtually in the near future and appeals can in some cases be dealt with by written submissions.

## 9.0 VALUATION ROLL – NDR REFORM

- 9.1 The Scottish Government has now passed legislation delaying the next Revaluation of non-domestic properties until 1<sup>st</sup> April 2023 with a tone date of 1<sup>st</sup> April 2022.
- 9.2 The creation of the Valuation Service Team, part of the Transformation programme Phase 2, which involves the reforming of existing resources in a more effective and efficient fashion, and aimed at supporting the Valuation Roll function, continues to move forward.
- 9.3 Staff testing of updated ICT Network Infrastructure improvements which took place during November was completed on time with no issues arising.

## 10.0 COUNCIL TAX – MAINTENANCE

- 10.1 Over the period 1<sup>st</sup> April 2020 to 20<sup>th</sup> Jan 2021, 3,294 new houses have been added to the list, this compares to 4,898 for the same period in 2019/20.

New Housing	Edinburgh	Midlothian	West Lothian	East Lothian	Total
01/04/20 to 20/01/21	1,822	445	564	463	3,294
Nov 20 to 20 <sup>th</sup> Jan 21	618	248	220	159	1,245
01/04/19 to 20/01/20	2,592	495	914	897	4,898
Nov 19 to 20 <sup>th</sup> Jan 20	817	133	245	290	1,485

- 10.2 The figures for 20/21 are running at about 70% of those of 19/20. No doubt in part to issues surrounding the Covid pandemic.
- 10.3 There is currently c.150 outstanding Council Tax appeals. These are being dealt with subject to the limitations imposed by the pandemic. I have asked the secretary to the VAC if the committee would be amenable to disposing of some of these appeals by way of written submission and following discussions in December, I am hopeful that this may begin shortly.

## 11.0 COVID – UPDATE

- 11.1 Staff continue to follow Government advice and are in the main working from home. I do have a limited number of staff attending the office daily to deal with mainly electoral registration matters. With the upcoming by-elections and the SP elections on the horizon the number of staff attending the office will have to increase over the coming weeks. Though processing of applications can be done from home there are certain tasks which cannot. Postal vote applications being the main one.
- 11.2 Fortunately, we do have a fairly large office and we have amended the layout to mitigate as much as possible issues relating to Covid in anticipation of increased staff attendance. We have also introduced Covid self-assessments for staff attending the office to enhance our personal safety measures. Our Covid Risk Assessment continues to be updated to take account of any changes to Scottish Government guidelines. All updates are published on our website.

## **12.0 GOVERNANCE STRATEGY GROUP**

12.1 The first meeting of the Governance Strategy Group was held on the 12<sup>th</sup> January 2021. In attendance were myself, LVJB Head of Governance, Councillors Key, McGuire and Russell. Topics discussed were the upcoming SP election and the outstanding Covid MCC appeals in relation to non-domestic rating. During discussions a matter arose regarding how we process postal vote applications. On the back of this I have investigated, and consequently amended, our postal vote procedure to make processing more efficient in the run up to the SP election. My own personal view was that it was a very constructive and worthwhile meeting. It was agreed that meetings going forward would take place every 2 months or so.

## **13.0 REVENUE BUDGET 2021/22 REPORT**

13.1 I note the content of the Treasurer's budget report. It is reassuring to see that any potential shortfall is not now predicted to take place until 24/25. With reference to section 4.6 of the Treasurer's report I would note that potential employee releases under VERA were based on previously anticipated funding shortfalls in 2019 and prior to the current Covid pandemic which in itself has added a significant extra burden, particularly in relation to NDR and more specifically NDR appeal workloads. It would be prudent to monitor staffing levels with caution until we begin to emerge from the current pandemic situation.

13.2 It was previously anticipated at section 4.11 that there would be a funding gap for 21/22 and a more significant funding gap for 22/23. Now that the budget is forecast to balance for these 2 financial years and taking account of 13.1 above, I would be of the opinion that any potential future releases of staff leaving under VERA be put in abeyance for this upcoming financial year.

13.3 I note that no inflationary increase is anticipated for day to day running costs at present, but I am prepared to absorb any inflationary issues within the current budget.

## **14.0 CORPORATE AND SERVICE PLAN**

14.1 I have shown at appendix 1 my corporate and service plans for 21/22.

14.2 I have consolidated our longstanding Corporate and Service plans and updated them to enable clearer identification of operational objectives against the strategic aims required to achieve optimal performance of our service delivery.

## **15.0 RECOMMENDATION**

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

**Gary Elliott**  
**INTERIM ASSESSOR & ERO**

*Attached:*  
*Appendix 1 2021-2022 Corporate & Service Plan*

Corporate & Service Plan



## MISSION & VISION

Lothian Valuation Joint Board's **mission** is to ensure best value and provide 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 exceed expectations.

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.

Conduct our business in accordance with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government.

Create an environment of continual improvement.



## Strategic Aims

Strategic Aim 1	To ensure timeous publication and maintenance of the <b>Valuation Roll</b> .
Strategic Aim 2	To ensure timeous publication and maintenance of the <b>Council Tax List</b> .
Strategic Aim 3	To ensure timeous publication and maintenance of the <b>Electoral Register</b> and registration services at elections.
Strategic Aim 4	To develop, prepare and publish reports to improve customer knowledge and ensure attainment of good <b>Community Focus</b> .
Strategic Aim 5	To set standards and undertake corporate improvement in <b>Service Delivery Arrangements</b> and review the performance management and planning framework to ensure continuous improvement.
Strategic Aim 6	To deliver changes and improvements identified under the Transformation Programme and through the ongoing process of <b>Structure and Process</b> review.
Strategic Aim 7	To review, monitor and maintain organisational <b>Risk Management and Internal Controls</b> to ensure efficient and effective delivery of service.
Strategic Aim 8	To develop, adopt and review formal documentation and systems to ensure <b>Standards of Conduct</b> are adhered to.
Strategic Aim 9	To plan and deliver an <b>organisational development strategy</b> considering corporate initiatives to ensure efficiency and quality of service delivery.
Strategic Aim 10	To engage in <b>key partnership working</b> to ensure the integrated delivery of efficient government.
Strategic Aim 11	To review and develop the necessary policies to support the <b>Health, Safety and Welfare</b> of all LVJB employees.

No	Strategic Aim	Performance Measure	Operational Objective	Responsibility
1	To ensure statutory duties are carried out for maintenance of the <b>Valuation Roll</b> .	<b>Maintain Valuation Roll in line with statutory requirements.</b>	Maintain and update survey records in line with relevant guidance and practice.	Assistant Assessor/Principal Surveyors
			Consider planning and building warrants and take appropriate action to maintain records	
			Prepare valuations in line with practice notes and 'tone' evidence.	
			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.	
			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.	
		<b>Dispose of Revaluation 2017 and running roll appeals within statutory time frames including LTS &amp; LVAC appeals.</b>	Correspond with appellants in line with legal requirements and LVJB standards.	Assistant Assessor/Principal Surveyors
			Create, maintain and review an appeal disposal timetable and ensure appeals are allocated to appropriate number of court dates.	
			Monitor disposal progress, reduction levels and reasons for reduction.	
			Monitor and ensure amendments are processed timeously.	
		<b>Continue preparations for Revaluation 2023</b>	Ensure compliance with LTS and quality preparation of cases.	Assistant Assessor/Principal Surveyors
			Continue to develop all necessary timetable and implementation plans.	
			Ingather relevant information and implement the Civil Penalty process.	
			Continue to review valuation practices and procedures.	
		<b>Audit processes, procedures and values.</b>	Continue to assess and improve communication and engagement protocols	Governance Team
			Audit valuation processes procedures and issued values.	
Audit appeal processes, procedures and outcomes.				
<b>Further develop IT systems, applications and communications.</b>	Consider presented audit reports.	Corporate Leadership Team		
	Review and further develop valuation applications with particular attention to the successful delivery of 3 yearly revaluations.	Assistant Assessor/Principal Surveyors /ICT		
Consider new classes of subjects for summary valuation purposes.				
<b>Continue with project planning and implementation in respect of changes required under the Barclay Review of NDR.</b>	Ensure project management framework is observed to enable timeous implementation of key functionality and objectives	Assessor/Project Management Board		
<b>Review and seek improved annual performance.</b>	Maintain efficiency in survey procedures.	Assistant Assessor		
	Maintain fairness and accuracy of valuations.			

Page 19	<p><b>2</b> To ensure statutory maintenance of the <b><i>Council Tax List</i></b>.</p>	<p><b>Maintain the Council Tax List in line with statutory requirements.</b></p>	Review and improve performance in terms of KPIs and internal indicators.	<p><b>Assistant Assessor/Principal Surveyors</b></p>
			Ingather and analyse sales evidence.	
			Maintain and update survey records as necessary.	
			Prepare reviewed bandings and amend for sold houses.	
		<p><b>Dispose of proposals &amp; appeals.</b></p>	Ensure accuracy of all amended and new bands.	<p><b>Assistant Assessor/Principal Surveyors</b></p>
			Update CT daily, issue band change notices daily and notify councils weekly.	
			Correspond with appellants in line with legal requirements and LVJB standards.	
			Administer properly all proposals and appeals and commence the process of timetabled disposal in association with the Valuation Appeal Committee.	
		<p><b>Audit processes, procedures and Bands.</b></p>	Monitor band reductions.	<p><b>Governance Team</b></p>
			Ensure amendments are processed timeously.	
			Audit valuation processes procedures and issued values.	
		<p><b>Further develop IT systems, applications and communications.</b></p>	Audit appeal processes, procedures and outcomes.	<p><b>Corporate Leadership Team</b></p>
			Consider presented audit reports.	
		<p><b>Review &amp; maintain performance.</b></p>	<p><b>Further develop IT systems, applications and communications.</b></p>	<p><b>Assistant Assessor/Principal Surveyors /ICT</b></p>
			Continue to review the processes associated with new housing entering the Council Tax list, with particular progression of the mobile survey function	
Ensure all new and amended information is recorded as electronic data				
<p><b>3</b> To ensure timeous publication and maintenance of the <b><i>Electoral Register</i></b> and registration services at elections.</p>	<p><b>Prepare and publish the Electoral Register by 1<sup>st</sup> December 2021.</b></p>	<p><b>Review &amp; maintain performance.</b></p>	<p><b>Assistant Assessor/Principal Surveyors</b></p>	
		Maintain efficiency in survey procedures.		
		Maintain quality of bandings by reference to band reductions on appeal.		
		Maintain performance in terms of KPIs and internal indicators.		
<p><b>3</b> To ensure timeous publication and maintenance of the <b><i>Electoral Register</i></b> and registration services at elections.</p>	<p><b>Prepare and publish the Electoral Register by 1<sup>st</sup> December 2021.</b></p>	<p><b>Prepare and publish the Electoral Register by 1<sup>st</sup> December 2021.</b></p>	<p><b>Assessor</b></p>	
		Publish the Electoral Register in paper format and electronic format.		
		Carry out postal and door to door canvass in line with recent legislation and to maximise registration.		
		Ensure appropriate advertising/publicity initiatives are in place in conjunction with EC public engagement strategy.		
<p><b>3</b> To ensure timeous publication and maintenance of the <b><i>Electoral Register</i></b> and registration services at elections.</p>	<p><b>Prepare and publish the Electoral Register by 1<sup>st</sup> December 2021.</b></p>	Action all postal vote applications received during and outside the canvass period.	<p><b>Head of Electoral Services</b></p>	
		Distribute the register in requested format to persons as defined by statute.		

Page 20			Continue to actively encourage recipients to accept the register in electronic format to reduce costs	
			Liaise with external contractors and manage/mitigate risks.	
		<b>Maintain ER for statutory updates each month.</b>	Update ER monthly updates per legislative requirements	<b>Head of Electoral Services</b>
			Issue Notices in line with statutory requirements	
			Improve contact with hard to reach groups through partnership working initiatives.	
			Identify and improve appropriate advertising/publicity channels re registration.	
		<b>Dispose of any registration appeals.</b>	Correspond with appellants in line with statutory requirements.	<b>Assessor/Head of Electoral Services</b>
			Ensure hearings are set up and conducted timeously.	
		<b>Prepare for and ensure effective management of registration duties for any elections or referendums called during the year.</b>	Ensure all applications for registration are processed accurately and timeously.	<b>Head of Electoral Services</b>
			Ensure all AVPI applications for registration are processed accurately and timeously.	
			Prepare and maintain all necessary timetables including the identification of all key risks and related mitigation associated with election preparation requirements.	
			Undertake engagement activities and ensure staff are trained and available to answer all telephone and email enquiries.	
			Ensure staffing resource in place at all peak periods and as required during polling hours.	
		<b>Audit processes, procedures and accuracy to ensure quality registration delivery.</b>	Develop and monitor audit reports for ER updates.	<b>Head of Electoral Services</b>
			Audit personal identifiers with canvass signatures.	
			Audit name changes to ensure accuracy.	
			Consider all audit reports for appropriate actions.	
		<b>Further develop IT systems, applications and communications.</b>	Assess and implement new scanning processes for postal votes	<b>Head of Electoral Services</b>
		Deliver electorate statistics to NROs. (RPF 29)		
		Review and continue to maximise UPRN matching process to electoral address data base.		
	<b>Prepare for refresh of AV personal identifiers in January 2022</b>	Identify quantities and additional required expenditure.	<b>Head of Electoral Services</b>	
		Establish required processes, timetable for collection and processing.		
		Provide reports as required to Corporate Leadership Team and Board.		
	<b>Review &amp; maintain performance.</b>	Improve efficiency in the delivery of the canvass processes and procedures.		
		Review performance reports and consider new targets.	<b>Head of Electoral Services</b>	

4	To develop, prepare and publish reports to improve customer knowledge and ensure attainment of good <b>Community Focus</b> .	Prepare and publish statutory reports.	Deliver performance standards self-assessment and data returns to the Electoral Commission.	
			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.	Head of Governance
		Prepare and present reports to LVJB.	Annual proposed Revenue Report to LVJB.	Treasurer
			Quarterly progress report to LVJB.	Assessor
			2021/22 LVJB Business Strategy	
			Annual Governance Report	Head of Governance
		Develop and improve customer targeted policies	Reports as required.	Corporate Leadership Team
			Oversee development of performance statistical analysis and monitoring.	Corporate Leadership Team
			Monitor adherence to equality principles.	Head of Governance
			Quarterly progress report to LVJB.	Assessor
		Maintain and develop appropriate public engagement schemes.	Ensure a robust public engagement strategy is in place for general registration and focused electoral events.	Head of Electoral Services
			Liaise with universities, further education establishments and schools to maximise student registration	Head of Electoral Services
			Liaise with care homes to maximise registration for residents	
			Maintain and update the internet site to ensure currency and accuracy especially at key events.	Corporate Leadership Team
		Maintain, update and improve digital communication channels	Continue to identify, implement and evaluate stakeholder engagement activities in respect of VR and CT.	Assistant Assessor
			Maintain and update the intranet site	
			Maintain and update the internet site	Corporate Leadership Team
			Continue to Integrate Sharepoint to improve records management	
5	To set standards and undertake corporate improvement in <b>Service Delivery Arrangements</b> and	Maintain VR key and internal performance indicators.	Maintain and update the internet site	
			Continue to develop use of social media	
			Agree and set KPIs for VR.	Assessor/Assistant Assessor
		Agree and set a suite of internal indicators for VR performance.		
		Monitor, analyse and report on VR performance quarterly.		
		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.	
			Monitor, analyse and report on CT performance quarterly.	
		Maintain new Electoral performance indicators set by the Electoral Commission.	Agree and set Internal PIs for ER.	Assessor/Head of Electoral Services
Produce and submit targets for ER performance to Electoral Commission.				

	review the performance management and planning framework to ensure continuous improvement.		Produce and submit statistical monitoring & indicators for ER performance to Electoral commission.		
			Monitor, analyse and report on ER performance monthly.		
		<b>Prepare, implement, monitor and review of Corporate and Service Plan.</b>	Monitor Corporate and Service Plans.	Assessor/Corporate Leadership Team	
			Ensure adherence to Service Plan and Performance Indicators. Review Performance & Development Review procedure to meet organisational requirements.		
6	To review roles, responsibilities, <b>Structures and Processes</b> to ensure effective balance of responsibility and authority.	<b>Review Standing Orders, Scheme of Delegation and Financial Regulations; 5 yearly.</b>	Review contents of Standing Orders 5 yearly; due for review Feb 2021.	Assessor/LVJB	
			Review contents of Scheme of Delegation 5 yearly; due for review Feb 2021.		
			Review contents of Financial Regs 5 yearly; due for review Feb 2021.		Assessor/Treasurer/LVJB
		<b>Adhere to Standing Orders, Scheme of Delegation and Financial Regulations; 5 yearly.</b>	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.		
			Report to LVJB re review of contents of Financial Regs 5 yearly.		Assessor/Treasurer
		<b>Implement and progress the objectives of the Transformation Programme and 20/23 Business Strategy</b>	Review process and procedures seeking efficiencies and improvements.	Corporate Leadership Team	
			Continue to develop and implement a strategic training policy and continue with cultural change identified under the Transformation programme.		Principal Surveyor/ Corporate Leadership Team
			Continue to develop and implement a Performance Framework across the organisation, seeking efficiencies and effective delivery of services.		Head of HR/ Corporate Leadership Team
			Review ongoing progress of 20/23 Business Strategy		Assessor/LVJB
7	To review, monitor and maintain organisational <b>Risk Management and Internal Controls</b> to ensure efficient and	<b>Review the activities of the Governance Strategy Group (GSG)</b>	Monitor progress of topics raised and discussed in the GSG	Assessor/GSG	
			Continue to undertake bi-monthly meetings to ensure areas of risk are reviewed		
		<b>Adhere to LVJB Risk Management Cycle</b>	<b>Identify</b>	Consider new risks for addition to Corporate, Project or Service risk registers at all Corporate Leadership and Governance Committee meetings.	Corporate Leadership/ Governance Team
				Review presentational aspects of risks registers including effectiveness of providing accurate information of “progress on mitigation and status of risk”	Governance Team
				Consider risks within each service delivery planning timetable on an ongoing basis.	Corporate Leadership Team

Page 23	effective delivery of service.			Consider risks as legislative changes are considered.	
			<b>Assess</b>	Consider likelihood v impact and apply appropriate red, amber or green rating	Corporate Leadership Team
			<b>Mitigate</b>	Ensure mitigation strategies are considered timeously.	Corporate Leadership Team
				Plan, implement and review mitigation decisions effectively.	
			<b>Monitor</b>	Monitor budget spend and variances and include in quarterly progress report.	Assessor
				Monitor actions resulting from audit reports at all Corporate Leadership Team meetings.	Corporate Leadership Team
				Liaise with the treasurer to the Board to ensure appropriate monitoring and accounting.	Assessor
				Review risk registers at Corporate Leadership/ Governance Team meetings	Corporate Leadership/ Governance Team
			<b>Report risks to LVJB and review Risk Management Cycle as required.</b>	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.				
	<b>Maintain Quality Assurance audit activity and undertake joint working with internal and external audit.</b>	Prepare monthly QA reports for Corporate Leadership team review	Governance Team		
		Undertake annual internal and external audit exercises to provide assurance to LVJB	LVJB/Internal/External Audit		
	8	To develop, adopt and review formal documentation and put in place appropriate systems to ensure <b>Standards</b>	<b>Maintain internal processes to monitor compliance to legislation and LVJB policies and procedures.</b>	Review processes to monitor compliance with LVJB standards.	Corporate Leadership Team
Ensure compliance with LVJB employment legal requirements on a day to day basis.					
Ensure compliance with LVJB policies on a day to day basis.					
<b>Monitor and review compliance to GDPR, Records Management, FOI, and Equalities.</b>		Ensure compliance with legal requirements e.g. Records management, FOI, Data Protection, Equal Opportunities etc. on a day to day basis and assess at Corporate Leadership Team meetings.	Head of Governance		
		Ensure Complaints policy and procedure meet required standards			
			Ensure Records management policy and procedures meet required standards		

	<b>of Conduct</b> are adhered to.	<b>Report on Whistle Blowing.</b>	Ensure the policy and procedures are reviewed as appropriate to ensure staff concerns are addressed. Report on items raised as appropriate.	<b>Assessor/Head of Governance</b>
		<b>Provide management, guidance and support timeously.</b>	Ensure that policies are reviewed regularly, advised to the Board and staff briefed	<b>Corporate Leadership Team</b>
			Monitor adherence to Policy review timetable and encourage Unison input and agreement	
			Ensure that appropriate guidance is developed and training given for new tasks introduced	
			Ensure that policies are available, preferably on the LVJB intranet	
				Ensure an appropriate support structure is in place for all employees
<b>9</b> Page 24	To plan and deliver an <b>organisational development strategy</b> considering corporate initiatives to ensure efficiency and quality of service delivery.	<b>Continue the implementation and development of the Transformation Programme objectives and ongoing Business Strategy.</b>	Undertake continued review of organisational processes & procedures and progress the implementation of the Valuation Services Team	<b>Corporate Leadership Team</b>
			Review the execution of Phase 1 of the Business Strategy 2020/23	
			Instigate Phase 2 of the Business Strategy 2020/23	<b>Assessor/Head of Governance</b>
			Continue development of phase 3 of the Business Strategy 2020/23	
		<b>Implement, maintain and review the Corporate &amp; Service Plan</b>	Prepare annual Corporate & Service plan and present to LVJB.	<b>Assessor/Head of Governance</b>
			Ensure staff awareness of the Corporate & Service plan and their role.	<b>Corporate Leadership Team</b>
			Monitor compliance with the Corporate & Service plan on a continual basis and assess at Corporate Leadership Team meetings.	
		<b>Deliver continued corporate improvement</b>	Review internal performance indicators and update KPIs to ensure improvement.	<b>Corporate Leadership Team</b>
			Monitor performance improvement and report at corporate meetings & LVJB.	
			Monitor and report absence levels to measure improvement.	
Implement LVJB Business Strategy 2020/23				
<b>10</b>	To engage in <b>key partnership working</b> to ensure the integrated delivery	<b>Encourage partnership working with constituent authorities.</b>	Continue partnership working with Finance departments of the 4 authorities.	<b>Corporate Leadership Team</b>
			Continue partnership working with the Returning Officer staff of the 4 authorities.	
			Continue partnership working with the Treasurer to LVJB.	
			Improve partnership working with Planning and Building departments of the 4 authorities.	<b>Assistant Assessors</b>



	of efficient government.	<b>Encourage partnership working with public and civil servants.</b> <b>Maintain partnership working with external professional bodies.</b>	Continue partnership working with the VOA, SAA, Scottish Government, Electoral Commission, Cabinet Office, National Registers of Scotland, etc. Continue partnership working with the RICS, IRRV & AEA professional bodies.	Corporate Leadership Team
11	To review and develop the necessary policies to support the <b>Health, Safety, and Wellbeing</b> of all LVJB employees.	<b>Provide all necessary wellbeing advice and support to LVJB staff.</b>	To schedule regular Health & Safety Committee meetings. To consider Mental Health initiatives.	HR Manager
		<b>Maintain &amp; develop all HR procedural documentation &amp; information</b>	Review HR Policies in accordance with an established timetable	

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## REPORT ON SHORT TERM LETTINGS/SELF CATERING UNITS (SCU's)

1<sup>ST</sup> February 2021

At the full Council meeting on 28th July 2020 a motion was put forward by Councillor Staniforth (see 9.2 page 6, on the agenda of 28<sup>th</sup> July) regarding short term letting in Edinburgh. Subsequently I have been asked to write a report addressing the issues raised. Please note that I shall refer to entries on the valuation roll for this type of subject as Self Catering Units (SCU's) as distinct to the description of short-term lettings.

### LEGISLATION

SCU's are covered within legislation for Council Tax and the relevant legislation can be found at, *The Council Tax (Dwelling and Part Residential Subjects) (Scotland) Regulations 1992, Schedule 2, Definition of Dwellings – Exclusions, Section 2, Self-Catering holiday accommodation*

2. Any lands and heritages-

*(a) which are not the sole or main residence of any person; and*

*(b) which either-*

*(i) are made available by a relevant person for letting, on a commercial basis and with a view to the realisation of profits, as self-catering accommodation for short periods amounting in the aggregate to 140 days or more in the financial year: or*

*(ii) if they have not been made so available for letting in that year, are intended by a relevant person to be made so available for letting in that year and the interest of the relevant person in the lands and heritages is such as to enable him to let them for such periods*

What this basically says is property **available** for short term letting that covers a period in total of 140 days in a financial year should be entered on the valuation roll (non-domestic rates). The property only has to be available for letting, you could have the scenario where a property was not let for a single day and it would still be entered on the valuation roll. The availability is the key issue.

So as a further example let's say a property is available for let for 139 days in any financial year, a decision made by the owner. In this circumstance the property would be entered on the Valuation List (Council Tax).

And finally, any property which is a person's sole or main residence stays on the Valuation List. So, if an owner stayed in the property during the week and let it out at weekends it stays on the Valuation List.

In the two examples immediately above a person could legitimately let a property for three weeks during the festival, two weeks over Christmas / New Year and a further 30 weekends during the year and the property would remain on the valuation list.

One other major point to note is that current legislation allows for property to be deleted from the valuation list from the date the property was no longer somebody's sole or main residence. So, if a property has legitimately been used for the purposes of a SCU, and that can be evidentially shown, then the amendments to the valuation list and valuation roll will be made retrospectively back to the date of change. Which in some cases can be a number of years.

#### **CURRENT NUMBERS ON VALUATION ROLL**

	Less than £15,000	£15,001 to £18,000	Greater than £18,000	Total
Edinburgh	1,454	24	32	1,510
Midlothian	52	0	0	52
West Lothian	56	1	0	57
East Lothian	241	2	0	243

The table above shows the current numbers on the valuation roll for the 4 constituent council areas. Every property, theoretically, would qualify for the Small Business Bonus Scheme (SBBS) in the three counties as would 97.9% of the properties in Edinburgh. That obviously depends on the individual circumstances of each individual ratepayer.

During 2020 the number of properties that reverted to domestic use was 260. This compares to 106 during 2019. This perhaps suggests the Covid pandemic has influenced the short-term letting market.

Currently I have one member of staff who spends the vast majority of their working week dealing with SCU enquiries / issues and a number of other staff who also deal with SCU's but to a lesser degree. The majority of new entries made on the valuation roll result from direct enquiries made to us from the owners of SCU's. Any instances where there is a change of planning permission to a SCU would also be notified to us by the constituent councils. But as can be seen these are few and far between. There are also occasions where a 3<sup>rd</sup> party will inform us that they believe a property is being used for SCU purposes.

The additional resource that would be required to investigate a significant number of properties, potentially, being used as a SCU would be substantial. Based on current figures it is likely that a very significant number of these, if they could be identified, would if placed on the valuation roll pay neither non-domestic rates nor council tax under the current SBBS.

May I add at this point that experience tells me that the numbers of SCU's notified to us increased greatly when the SBBS was first introduced. A great number of owners choose to inform us that they wished their properties to be entered on the valuation roll not because they wished to pay non-domestic rates but rather that they do not wish to pay council tax and the SBBS provides a mechanism where they do not have to pay NDR either.

The SG is looking at the regulations surrounding SCU's and changes are due to take affect from 01/04/21. The changes, as I understand, are as follows:

For a SCU to be entered on the valuation roll a property must have been let for at least 70 days, as short term lets, in the financial year.

Any properties that do not meet the 70 days will remain on the valuation list.

For properties currently entered on the valuation roll they will remain so, however they will have to show that during the financial year 21/22, and subsequent years, they have met the 70 day threshold otherwise they will be retrospectively deleted from the valuation roll and entered on the valuation list from the start of the financial year.

If a request is made for a property to be entered on the valuation roll that is currently shown on the valuation list, this will not be done until the 70-day threshold is met.

The effect of these proposed changes will not by themselves reduce the number of properties used as SCU's. What they will do is undoubtedly remove a potentially significant number of properties currently shown on the valuation roll and put them on the valuation list where the owner would pay council tax.

In terms of the tax raised from SCU's, whether it be non-domestic rates or council tax, that is not a matter for the Assessor but rather for Government. The Assessor's job is to, when made aware of a change to the use of a subject, enter the subjects either on the valuation roll or valuation list dependant on the individual circumstances of each property. Any information I receive from 3<sup>rd</sup> parties or that I come across in the normal course of business are investigated and any changes made where it is appropriate to do so.

Should any elected members wish to discuss any aspect of this further I would be happy to do so.

**Gary Elliott**  
**INTERIM ASSESSOR & ERO**

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**10.00am, Monday 1st February 2021**

## **Revenue Budget 2021/22 and Indicative Financial Plan 2022/23 - 2024/25**

### **1. Recommendations**

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The Board is recommended to:

- 1.1 approve the proposed core budget for 2021/22 and the issue of 'flat-cash' core budget requisition requests from the Treasurer to constituent councils as detailed at paragraph 4.16;
- 1.2 recommend that funding included in the Local Government Finance Settlement for implementing the recommendations of the Non-Domestic Rates Review be fully passed onto the Board. This may mean a supplementary requisition during 2021/22, dependent on the timing of confirmation of funding;
- 1.3 note the indicative financial planning estimates for the period 2022/23 to 2024/25 included at Appendix 1 and
- 1.4 note the indicative financial planning estimates for 2022/23 to 2024/25 will be the subject of further update to the Board during 2021/22 and beyond.

**Hugh Dunn,**

**Treasurer**

Contact: Iain Shaw, Principal Accountant,

Finance Division, Resources Directorate, City of Edinburgh Council

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## Revenue Budget 2021/22 and Indicative Financial Plan 2022/23 - 2024/25

### 2. Executive Summary

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- 2.1 A revenue budget has been developed for 2021/22 with a recommendation to approve a 'flat-cash' council requisition for 2021/22. A further requisition will be issued to meet the additional costs of Non-Domestic Rates Reform in 2021/22 in line with funding allocated in the Local Government Finance Settlement.
- 2.2 Indicative financial planning estimates are provided for 2022/23 to 2024/25. These will be subject of ongoing review and development as the Board's Transformation Programme is progressed.

### 3. Background

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- 3.1 This report seeks approval of a revenue budget for 2021/22. The report was prepared in consultation with the Interim Assessor and Electoral Registration Officer (ERO).

### 4. Main Report

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- 4.1 On 3rd February 2020, the Board approved a one-year core budget for 2020/21 of £5.847m. This represented no change in council requisition from 2019/20.
- 4.2 The Board also requisitioned additional funding of £0.361m for costs of Non-Domestic Rates Reform. This reflected funding included in the 2020/21 Local Government Finance Settlement for costs of Non-Domestic Rates Reform and was in line with Scottish Government expectation that this funding be passed to Assessor services.
- 4.3 The draft Local Government Finance Settlement is due to be announced by the Scottish Government on 28<sup>th</sup> January 2021. It is anticipated that a Finance Circular will be issued on this date, setting out draft local authority allocations.
- 4.4 The proposed budget is for 2021/22. Indicative financial plans are provided for the period 2022/23 to 2024/25.
- 4.5 The proposed budget makes provision for £0.129m of inescapable employee cost pressures for pay award (estimated at 2%), increments and employers pension fund contribution rates. The pension fund contribution rate for the period 2021 to 2024 is confirmed at 21.8%, following the 2020 Actuarial Valuation.



- 4.6 In 2019, as part of the Board's Transformation Programme, potential employee releases were identified in line with the Board's Voluntary Early Release Arrangement Policy. Five business cases were approved for release during 2020/21, resulting in savings of £0.250 million in 2021/22. Subject to future workforce requirements, further business cases will be progressed on a phased basis, with updates provided to the Board by the Assessor and ERO.
- 4.7 The proposed revenue budget for 2021/22 and indicative financial plan from 2022 to 2025 is based on a 'flat cash' council requisition of £5.847m for core service provision. The Board has maintained a requisition of £5.847m since 2018/19. The most recent increase in Council requisition was in 2009/10.
- 4.8 The following assumptions have been applied to the 2021/22 budget and 2022/23 to 2024/25 indicative financial plan:
- 4.8.1 The Board maintains a minimum unallocated Reserve balance of £0.180m (3%) for the period 2021 - 2025;
- 4.8.2 the Local Government Finance Settlement 2020/21 included a national allocation of £5.3 million for Non-Domestic Rate Reform implementation costs, with the Scottish Government's expectation that constituent local authorities pass on their share of this amount to the Assessor service. The proposed budget assumes the same will apply for 2021/22 and future years. Subject to confirmation in the Local Government Settlement, additional Barclay Review implementation funding for the Board is anticipated to be £0.371m for 2021/22;
- 4.8.3 Following process change, the Interim Assessor and ERO anticipates the additional cost incurred on Individual Electoral Registration (IER) will be fully met from the Board's core budget by 2024/25. IER costs until 2023/24 will be funded from Cabinet Office grant for IER carried forward from previous years, until the carry forward is fully utilised.
- 4.9 A summary of the proposed budget for 2021/22 together with the indicative financial plan for 2022/23 to 2024/25 is shown in Appendix 1.
- 4.10 An analysis of change is shown in Appendix 2 and a cost analysis at Appendix 3.
- 4.11 The report [Revenue Budget 2020/21](#) to the Board on 3<sup>rd</sup> February 2020 identified an indicative funding shortfall of £169,000 in 2021/22, increasing to £1.036m in 2022/23 as the Transformation Programme progressed. The report noted it would be unlikely that the previous years of no increase in council requisition could be sustained over the period 2021 to 2024.
- 4.12 The proposed budget for 2021/22 and indicative financial plan 2022/23 to 2024/25 identify that a funding shortfall of £0.439m is not now forecast until 2024/25. The proposed revenue budget for 2021/22 and indicative financial plan take account of:
- 4.12.1 an update of all employee cost forecasts, including a revision of pay award provision to 2%;
- 4.12.2 full utilisation of unallocated reserve balances, while maintaining the Board's minimum approved reserve level at £0.180m;

4.12.3 utilisation of a carry forward of £141,000 of a forecast underspend from 2020/21. This is reported in the Period 9 Financial Statement 2020/21 report elsewhere on this agenda.

- 4.13 The Board's General Reserve balance is estimated to be £0.429m at 1<sup>st</sup> April 2021. The Board has approved maintaining a minimum General Reserve level of 3% of annual requisition - £0.180m. The uncommitted General Reserve balance would therefore be £0.249m.
- 4.14 The key financial risks facing the Board are summarised in Appendix 4. The Board will be provided with updates on the financial risks detailed in Appendix 4 throughout 2021/22.
- 4.15 The requisition for 2021/22 may require to be a two-stage process. Initial requisitions will be issued to constituent councils to cover the cost of the core service for 2021/22. If sufficient information is available in the draft Local Government Finance Settlement issued on 28<sup>th</sup> January 2021, the requisition will also include the additional Scottish Government funding for the costs of implementing Non-Domestic Rates Reform in 2021/22; otherwise an additional requisition for this funding will be issued at a later date and the Board advised of this requisition. Heads of Finance within the constituent councils will be notified as soon as this information is available.
- 4.16 The apportionment of the core budget 2021/22 requisition is based on the constituent councils share of GAE lines in the Scottish Government's 2020/21 Green Book. The 2021/22 figures are not currently available.

COUNCIL	CORE REQUISITION 2021/22	ESTIMATED NON-DOMESTIC RATES REFORM COSTS REQUISITION	TOTAL REQUISITION	%
EDINBURGH	£3,598,072	£228,292	£3,826,364	61.53%
MIDLOTHIAN	£536,315	£34,028	£570,343	9.17%
EAST LOTHIAN	£630,232	£39,987	£670,219	10.78%
WEST LOTHIAN	£1,082,663	£68,693	£1,151,356	18.52%
<b>TOTAL</b>	<b>£5,847,282</b>	<b>£371,000</b>	<b>£6,218,282</b>	<b>100.00%</b>

## 5. Background reading/external references

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- 5.1 [Revenue Budget 2020/21 – report by the Treasurer to Lothian Valuation Joint Board 3 February 2020](#)

## 6. Appendices

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- 6.1 Appendix 1 – Analysis of 2021/22 Budget Options
- 6.2 Appendix 2 – Analysis of 2021/22 Budget Change
- 6.3 Appendix 3 - Revenue Budget 2021/22 – Subjective Analysis
- 6.4 Appendix 4 – Financial Risk Analysis

## Appendix 1 – Proposed 2021/22 Revenue Budget and Indicative Financial Plan 2022 to 2025

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Core	6,036	5,788	5,923	6,110	6,286
IER	109	92	94	43	0
Total Requisition	(5,847)	(5,847)	(5,847)	(5,847)	(5,847)
<b>Operating shortfall/(surplus)</b>	<b>298</b>	<b>33</b>	<b>170</b>	<b>306</b>	<b>439</b>
VR - one-off severance/pension strain	467	0	0	0	0
<b>NET TOTAL COSTS</b>	<b>765</b>	<b>33</b>	<b>170</b>	<b>306</b>	<b>439</b>
<b>Use of Reserves</b>					
IER grant carried forward	(109)	(92)	(94)	(43)	0
Budgeted General Reserve drawdown	(656)	(0)	(76)	(232)	0
<b>Net Shortfall/(Surplus)</b>	<b>0</b>	<b>(59)</b>	<b>0</b>	<b>31</b>	<b>439</b>
<b>Budgeted FTE at 31 March</b>	<b>98.47</b>	<b>96.83</b>	<b>99.83</b>	<b>99.83</b>	<b>99.83</b>
<b>Reserve Balances</b>					
General Reserve – opening balance	(897)	(249)	(308)	(232)	59
Forecast General Reserve Drawdown	609	(59)	76	232	0
Forecast Underspend 2020/21	(141)				
Approved Reserve Balance (3%)	180				
<b>Unallocated General Reserve - closing</b>	<b>(249)</b>	<b>(308)</b>	<b>(232)</b>	<b>0</b>	<b>0</b>
<b>Approved Minimum Reserve Balance (3%)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>	<b>(180)</b>
<b>IER Balance</b>					
IER carry forward – opening balance	(284)	(229)	(137)	(43)	(0)
IER grant drawdown	109	92	94	43	0
IER grant received in 2020/21	(54)				
<b>IER Grant balance at 31 March</b>	<b>(229)</b>	<b>(137)</b>	<b>(43)</b>	<b>(0)</b>	<b>(0)</b>

## Appendix 2 - Analysis of Budget Change – Core, Individual Electoral Registration and Non-Domestic Rates Reform

	£'000	£'000	£'000	%
<b>CORE BUDGET 2020/21</b>			<b>5,847</b>	<b>Change</b>
<b><u>Employee budget</u></b>				
Pay Award (2%)	81			
Increments / Inflation	32			
Pension rate increase	16			
Transformation Change Programme savings	(250)			
Review of Canvasser Costs/fund from IER	<u>(127)</u>			
		<b>(248)</b>		<b>(4.2%)</b>
<b><u>Transformation Change</u></b> —severance costs 2020/21		<b>(467)</b>		<b>(8.0%)</b>
<b><u>General Reserve</u></b>				
2020/21 budgeted reserve drawdown	656			
2021/22 Contribution	<u>59</u>			
		<b>715</b>		<b>12.2%</b>
<b>TOTAL CORE BUDGET MOVEMENTS</b>			<b>0</b>	
<b>CORE BUDGET 2021/22</b>			<b>5,847</b>	
<b>INDIVIDUAL ELECTORAL REGISTRATION BUDGET 2020/21</b>			<b>0</b>	
Canvasser Costs transferred from Core Budget		92		
Drawdown of Cabinet Office IER grant funding		(92)		
<b>INDIVIDUAL ELECTORAL REGISTRATION BUDGET 2021/22</b>			<b>0</b>	
<b>NON-DOMESTIC RATES REFORM BUDGET 2020/21</b>			<b>361</b>	
Anticipated Increase per Local Government Settlement			<u>10</u>	<b>2.8%</b>
<b>NON-DOMESTIC RATES REFORM BUDGET 2021/22</b>			<b>371</b>	

### Appendix 3 – Core Revenue Budget 2021/22 – Subjective Analysis

<b>Subjective analysis</b>	<b>Budget 2021/22</b>
<b><u>Employee Costs</u></b>	<b>£'000</b>
Wages and Salaries	3,171
National Insurance	329
Superannuation	686
Early retirement pension costs	120
Agency Staff (cleaning)	10
Allowances	3
	<b>4,319</b>
<b><u>Premises Costs</u></b>	
Rents	305
Rates	116
Cleaning & Domestic Supplies	35
Energy Costs	48
Water Services	16
Building Repairs, Alterations & Maintenance	11
Premises Insurance	5
Grounds Maintenance Costs	4
	<b>540</b>
<b><u>Transport Costs</u></b>	
Car Allowances	43
Staff transport costs (canvassing, surveys etc)	23
Transport Insurance	10
	<b>76</b>
<b><u>Supplies &amp; Services</u></b>	
Postages, ICT and Telephony	566
Printing, Stationery & Gen Office Expenditure	87
Other Expenses	59
Insurance and Audit fee	31
Legal fees	30
Equipment, Furniture & Materials	14
Training and conferences	11
Convener/Vice Convener remuneration	9
Subscriptions	2
	<b>809</b>
<b><u>Third Party Payments</u></b>	
Valuation Appeals Committee fees	50
Facilities costs (security, maintenance etc)	32
	<b>82</b>
<b><u>Support Services</u></b>	
CEC support Service Level Agreement	<b>67</b>
<b><u>Income/Funding</u></b>	
Customer and Client Receipts	(43)
Interest on revenue balances	(3)
	<b>(46)</b>
<b>Total core services</b>	<b>5,847</b>

## Appendix 4 – Financial Risk Analysis

Risk	Detail	Mitigation
Funding for Additional costs of Non-Domestic Rates Reform	The estimate provided to the Scottish Government for additional cost for the Board is £0.371m for 2021/22. Failure to receive Scottish Government funding shall impact on the ability to deliver the required changes.	Ongoing liaison with Scottish Assessor's Association, Scottish Government and constituent councils.
Cost of Individual Electoral Registration (IER)	Following process change, the Assessor and ERO anticipates the additional cost incurred on Individual Electoral Registration (IER) will require to be met from the Board's core budget from 2021/22. A risk remains that additional costs shall continue to be incurred following the formal introduction of the new annual canvass procedure and the removal of Cabinet Office grant funding.	Use of Cabinet Office IER grant funding carried forward from previous years to meet additional IER costs.  Ongoing tracking of cost throughout 2021/22.
Additional costs incurred to deliver services during Coronavirus Pandemic.	The Board will continue to track all expenditure incurred during the COVID-19 Pandemic.	Ongoing liaison with Scottish Assessor's Association (SAA) and Scottish Government.
Elections/Referendums – budget risk £0.050m	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.	Ongoing tracking of cost throughout 2021/22.
Costs of Transformation Change	The cost of the Transformation Programme exceeds current estimates.	Ongoing tracking and review of cost estimates.
Economic Changes	Annual values achieved within the non-domestic property sector may fall. Should the fall be significant, this may give rise to the right of appeal against rateable values. The receipt of large volumes of appeals would have significant impact on staff resources.	Ongoing tracking throughout 2021/22.
Council Tax Reform	Any major legislative change to Council Tax that impacts on the Board is unlikely to be managed within current budgetary provision.	Ongoing liaison with Scottish Assessor's Association and Scottish Government.

**10.00am, Monday 1<sup>st</sup> February 2021**

**Period 9 Financial Statement 2020/21**

## **1. Recommendations**

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The Board is recommended to note:

- 1.1 the projected outturn position for 2020/21;
- 1.2 the final outturn will be reported to the Board, when the Annual Accounts are reported to the Board in June 2021.

**Hugh Dunn,**

**Treasurer**

Contact: Iain Shaw, Principal Accountant,

Finance Division, Resources Directorate, City of Edinburgh Council

E-mail: [iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk) | Tel: 0131 469 3117

## Period 9 Financial Statement 2020/21

### 2. Executive Summary

- 2.1 The forecast is for net expenditure to be £141,000 less than the approved revenue budget of the Board, based on the position at 31<sup>st</sup> December 2020.

### 3. Background

- 3.1 The Board's Financial Regulations require presentation of quarterly expenditure monitoring statements. This report summarises the projected outturn at 31<sup>st</sup> March 2021, based on the position at 31<sup>st</sup> December 2020. The report has been prepared in consultation with the Interim Assessor and ERO.

### 4. Main Report

- 4.1 The table below compares projected expenditure for 2020/21 with the approved budget. Based on the position at 31<sup>st</sup> December 2020, the forecast is for net expenditure to be £141,000 less than budget. This reflects an underspend on employee costs due to longer recruitment lead times when vacant posts have occurred during 2020/21 and a change in timing of the Transformation Programme from the profile included in the budget.

	Core Budget			IER Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>									
Employee costs	5,157	4,968	(189)	1	1	0	5,158	4,969	(189)
Premises costs	540	540	0	0	0	0	540	540	0
Transport costs	76	76	0	0	0	0	76	76	0
Supplies & Services	750	750	0	108	108	0	858	858	0
Third Party Payments	320	320	0	0	0	0	320	320	0
Support Services	67	67	0	0	0	0	67	67	0
<b>Gross Expenditure</b>	<b>6,910</b>	<b>6,721</b>	<b>(189)</b>	<b>109</b>	<b>109</b>	<b>0</b>	<b>7,019</b>	<b>6,830</b>	<b>(189)</b>
<b>Income</b>									
Sales, Fees & Charges	(43)	(43)	0	0	0	0	(43)	(43)	0
IER Grant	0	0	0	(109)	(109)	0	(109)	(109)	0
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
<b>Total income</b>	<b>(46)</b>	<b>(46)</b>	<b>0</b>	<b>(109)</b>	<b>(109)</b>	<b>0</b>	<b>(155)</b>	<b>(155)</b>	<b>0</b>
<b>Planned Unallocated Reserve Drawdown</b>	<b>(657)</b>	<b>(609)</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(657)</b>	<b>(609)</b>	<b>48</b>
<b>Net Expenditure</b>	<b>6,207</b>	<b>6,066</b>	<b>(141)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,207</b>	<b>6,066</b>	<b>(141)</b>



- 4.2 The revenue budget approved by the Board on 3<sup>rd</sup> February 2020 included a phased implementation of the Board's Transformation Programme between 2020 to 2024.
- 4.3 The budget made provision for the costs and financial benefits from potential 2020/21 leavers through the Board's Transformation Programme. A planned release of staff in 2020/21 continues to be progressed by the Interim Assessor. One approved business case, anticipated to be implemented in 2020/21, was implemented in 2019/20, with costs met from the 2019/20 budget. The planned drawdown from the Board's unallocated reserve in 2020/21 is therefore reduced by £48,000.
- 4.4 The approved budget required the balance of inescapable employee cost pressures and severance costs to be met by a drawdown from the Board's unallocated reserve. Based on the current forecast, the required drawdown will be £0.609m.
- 4.5 Employees of the Board continue to work from home, in line with Scottish Government guidance. The move to home working required the Board to invest in additional ICT equipment and to provide support for lone working arrangements. Additional ICT costs are forecast to be contained within the approved budget.
- 4.6 The forecast also includes costs for office preparation, signage, hand sanitiser and a revised third-party office cleaning provision.
- 4.7 The Board has received 9,704 valuation appeals, as a consequence of the Coronavirus Pandemic. This represents an additional workload to the Board and reflects a national trend. The Scottish Government has extended the statutory disposal date to 31 December 2021, which will reduce the risk of additional costs being incurred to meet the original disposals deadline date.
- 4.8 The 2020/21 approved budget included £0.109m for delivery of Individual Electoral Registration (IER), with costs to be met from Cabinet Office grant carried forward from 2019/20. In 2020/21, the Cabinet Office has awarded the Board a grant of £53,834. Total funding for IER of £0.162m is therefore available for 2020/21. Any underspend on IER funding will be applied to meet IER costs in future years.
- 4.9 In February 2018 the Board approved a formal reserves policy based on holding a general reserve with a minimum value of 3% of annual requisition (£0.180m based on 2020/21 requisition). Balances held in excess of 3% require to be reviewed annually in-line with risk/identified commitments
- 4.10 The Board's general reserve balance is currently £0.897m. After providing for the Board's approved minimum general reserve of £0.180m, the current year's drawdown of £0.609m and forecast underspend of £0.141m, the Board's unallocated reserve is forecast to be £0.249m at 31st March 2021. An update on financial risks is included at Appendix 1.

## **5. Background reading/external references**

- 5.1 [Period 6 Financial Statement 2020/21 – report to Lothian Valuation Joint Board  
9<sup>th</sup> November 2020](#)

## **6. Appendices**

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- 6.1 Appendix 1 – Financial Risk Analysis

## Appendix 1 – 2020/21 Financial Risk Analysis

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
Funding for Additional costs of Non-Domestic Rates Reform	The estimate provided to the Scottish Government was for additional cost of £0.360m for 2020/21.	Local Government Settlement funding passed to the Board.
Cost of Individual Electoral Registration (IER)	Following process change, the anticipated additional cost on Individual Electoral Registration (IER) will reduce from 2020/21. A risk remains that additional costs shall continue to be incurred following the formal introduction of the new annual canvass procedure and the removal of Cabinet Office grant funding.	The Cabinet Office awarded the Board grant of £53,834, with the possibility of a top up at year end, subject to justification.
Additional costs incurred to deliver services during Coronavirus Pandemic.	The Board continues to track all expenditure incurred during the COVID-19 Pandemic. The move to home working required investment in ICT equipment and to provide support for lone working arrangements.	Ongoing liaison with Scottish Assessor's Association (SAA) and Scottish Government.
Elections/Referendums – budget risk £0.050m	The possibility of either elections or referendums being called within short timetables, or dual electoral events occurring within a year is a financial risk for additional overtime or the use of short-term temporary staff to meet the demand placed on the electoral registration process.	Ongoing tracking of cost throughout 2020/21.
Elections/Referendums – increase in uptake of postal voting	There will possibly be a very significant increase in postal votes due to the ongoing COVID-19 Pandemic, with additional employee and ICT costs incurred.	The Scottish Government has committed funding to meet additional costs of preparing for an increased postal vote for the Scottish Parliamentary Election 2021.
Transformation Change	The cost of the Transformation Programme exceeding cost estimates.	Ongoing tracking of cost estimates.
Economic Changes	Annual values achieved within the non-domestic property sector may fall. Should the fall be significant, this may give rise to the right of appeal against rateable values. Receipt of large volumes of appeals would have a significant impact on staff resources.	The Scottish Government has extended the statutory disposal date to 31 December 2021.
Council Tax Reform	Any major legislative change to Council Tax that impacted on the Board is unlikely to be managed within current budgetary provision.	Ongoing liaison with Scottish Assessor's Association and Scottish Government.

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## Annual Treasury Management Strategy

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1st February 2021

### 1. Introduction

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2021/22.

### 2. Annual Treasury Management 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. If interest rates are negative the Board won't be charged for positive or negative balances, interest will be floored at zero.

### 3. Recommendations

- 3.1 It is recommended that the Board approves the Annual Treasury Management Strategy in Appendix 1.

**Hugh Dunn**  
Treasurer

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#### Appendix

Appendix 1 – Annual Treasury Management Strategy

#### Contact/tel

Innes Edwards, Tel: 0131 469 6291  
(innes.edwards@edinburgh.gov.uk)

# APPENDIX 1

## Annual Treasury Management 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 2021 to June 2022

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**1 February 2021**

### **Purpose of Report**

- 1 To advise members of the proposed schedule of meetings for the Lothian Valuation Joint Board for the period to June 2022 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 As meetings of the Joint Consultative Group (JCG) 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 2022 are shown below. Specific meetings are included to consider the Joint Board's Revenue Budget for 2022/23 as well as the Unaudited Accounts for 2020/21 and 2021/22.

<b>Proposed Date</b>	<b>Time</b>
Monday 14 June 2021 (Unaudited Accounts)	10:00am
Monday 6 September 2021	10:00am
Monday 8 November 2021	10:00am
Monday 31 January 2022 (Revenue Budget)	10:00am
Monday 25 April 2022	10:00am
Monday 13 June 2022 (Unaudited Accounts)	10:00am

## Recommendations

- 5 The Board is asked:
- 5.1 To approve the schedule of meetings as detailed for the period June 2021 to June 2022.
  - 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

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<b>Appendices</b>	None
<b>Contact</b>	Rachel Gentleman, Office of the Chief Executive and Clerk ☎ 0131 529 4107; ✉ <a href="mailto:rachel.gentleman@edinburgh.gov.uk">rachel.gentleman@edinburgh.gov.uk</a>
<b>Background Papers</b>	None