

Notice of Meeting and Agenda

10.00am, Monday, 5th February, 2024

Hybrid Meeting - Dean of Guild Court Room, City Chambers / Microsoft Teams - City Chambers

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 6 November 2023 – submitted for approval as a correct record 3 - 6

4. Reports

- 4.1 Assessors Progress Report to Lothian Valuation Joint Board – report by the Assessor and Electoral Registration Officer 7 - 26
- 4.2 Appointment of Depute Electoral Registration Officer – report by the Assessor and Electoral Registration Officer 27 - 28
- 4.3 Revenue Budget 2024/25 and Indicative Financial Plan 2025/26 - 2026/27 – report by the Treasurer 29 - 38
- 4.4 Period 9 Financial Statement 2023/24 – report by the Treasurer 39 - 44

4.5	Annual Treasury Management Strategy – report by the Treasurer	45 - 48
4.6	Future Meeting Arrangements - August 2024 to June 2025 – report by the Chief Executive and Clerk	49 - 50

Andrew Kerr
Chief Executive

Membership

The City of Edinburgh Council (9)

Councillor Alan Beal (Vice-Convener)

Councillor Jack Caldwell

Councillor James Dalgleish

Councillor Denis Dixon

Councillor Catherine Fullerton

Councillor Fiona Glasgow

Councillor Stephen Jenkinson

Councillor Max Mitchell

Councillor Alex Staniforth

East Lothian Council (2)

Councillor Carol McFarlane

Councillor John McMillan

Midlothian Council (2)

Councillor Douglas Bowen

Councillor Margot Russell

West Lothian Council (3)

Councillor Alison Adamson

Councillor Tony Boyle

Councillor Tom Conn (Convener)

Notes:

- (1) If you have any questions about the agenda or meeting arrangements, please contact Rachel Gentleman | Committee Services | Legal and Assurance | 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
- (2) The agenda, minutes and public reports for this meeting can be viewed online by going to www.edinburgh.gov.uk/meetings .

Lothian Valuation Joint Board

6 November 2023

Hybrid Meeting held in the Dean of Guild Court Room, City Chambers, High Street, Edinburgh and virtually by Microsoft Teams

Present:

City of Edinburgh Council – Councillors Beal (Vice-Convener), Caldwell, Pogson (substituting for Councillor Dalgleish), Fullerton, Glasgow, Cameron (substituting for Councillor Jenkinson) and Mitchell.

East Lothian Council – Councillor Carol McFarlane

Midlothian Council – Councillor Bowen

West Lothian Council – Councillors Adamson and Conn (Convener).

1 Minute

Decision

To approve the minute of the Lothian Valuation Joint Board of 18 September 2023 as a correct record.

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

A progress update by the Assessor and Electoral Registration Officer was presented to the Board. The report provided an overview of current service delivery, priorities, risks and future direction.

Key service priorities over the forthcoming year included:

- Maintenance of the electoral registration process
- Changes to postal votes and proxy votes provisions
- Electoral registration engagement
- Electoral registration voter authority certificates
- Canvass
- Maintenance of the Valuation Roll
- Valuation Roll appeals

Lothian Valuation Joint Board
18 September 2023

- 2023 Revaluation Update
- Council Tax appeals
- Governance Strategy Group – contribution awards, LEADS, digitalisation project
- Continual improvement programme
- HR Policy updates

Decision

- 1) To note the report.
- 2) To approve the recommendation in Appendix 2 to welcome a Modern Apprentice to the Lothian Valuation Joint Board workforce.

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

3 Revenue Budget 2023-2027

For 2023/24, it was forecast expenditure on Assessor's services will be £6.567m, with expenditure of £0.219m on Non-Domestic Rates (NDR) Reform. The forecast was an increase in cost of £19,000 from the position reported to the Board on 18th September 2023. The increase was a consequence of the most recent COSLA pay award offer to local government employees, partly offset by vacant posts.

Decision

To note:

- 1) The forecast of a reserve drawdown of £0.720m required to achieve a balanced Core Budget for 2023/24
- 2) The updated financial planning estimates for the period 2023/24 to 2026/27 included at Appendix 1
- 3) Board reserves are forecast to be fully utilised by 2024/25. It is anticipated an increase in constituent council requisition will be required from 2024/25.
- 4) Financial plan estimates will be the subject of further update at the Board meet of 6 February 2024.

(Reference – report by the Treasurer, submitted)

Lothian Valuation Joint Board
18 September 2023

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ASSESSOR'S PROGRESS REPORT TO THE LOTHIAN VALUATION JOINT BOARD

5 February 2024

1.0 PURPOSE

1.1. To provide members with an overview of current service delivery, priorities, risks, and future direction.

2.0 ELECTORAL REGISTRATION – MAINTENANCE

1.1 Since the last progress report to the Board in November 2023 all maintenance tasks supporting the registration process have continued.

1.2 Processing volumes continue to be steady. The number of additions/deletions by council area is shown as Appendix (A). From the publication of the last Electoral Register, the electorate increased by a total of 1661 electors.

3.0 POSTAL VOTES/PROXY VOTES.

3.1 The number of electors currently choosing to vote by post remains consistent from previous reports. See Appendix (B)

3.2 There have been changes to postal vote and proxy vote provisions which will impact on UK Parliamentary elections. These changes have resulted in a divergence in the legislation governing devolved and reserved elections.

3.3 Postal Vote divergence between UK and Scottish Elections will involve resource coming under significant pressure. This has been recorded in our service risk register and is being monitored closely.

4.0 ELECTORAL REGISTRATION ENGAGEMENT

4.1 We continue to engage with electors and promoting the functions of the Electoral Registration office to include home movers, prisoners and foreign nationals. This includes regularly attending British citizenship ceremonies.

5.0 ELECTORAL REGISTRATION – VOTER AUTHORITY CERTIFICATES

5.1 The volumes are still at a minimal level and have not increased since the last Board Report. Communications on the requirement for voter ID were made throughout canvass, which did result in a small increase in the volume of applications received.

6.0 CANVASS

6.1 The 2023 canvas began with the data matching process on 14 June. This resulted in a total of 337525 properties in Route 1, 1011621 properties in Route 2, and 14486 properties in Route 3. The Electoral Registers were published on their due date in December.

7.0 UK GENERAL ELECTION

7.1 Training for Property Assistants is being scoped to create a flexible additional resource in readiness for the General Election. Property Assistants provide an invaluable staffing reserve during major electoral events.

8.0 VALUATION ROLL – MAINTENANCE

8.1 Since the last report to the Board, the cumulative total of key value changes made to the valuation roll for the period 1 April 2023 to 31 December 2023 currently stands at 1939. Of that total of running roll activity, 57% of the changes have been actioned within 3 months of them becoming effective. That compares with 47% within 3 months for the equivalent period in the previous year which had fewer alterations to the roll as a result of other competing 2023 revaluation work. The breakdown of the nature of the 1939 changes is 472 amendments to existing entries, 914 deletions from the roll and 553 inserts onto the roll. That has been spilt down further and is shown by county in the table below.

	Edinburgh	Midlothian	W. Lothian	E. Lothian	Total
Inserts	333	53	85	82	553
Deletions	660	43	143	68	914
Amendments	279	66	76	51	472

8.2 The comparatively high proportion of deletions from the roll (particularly within the City of Edinburgh) will be due to, but not exclusively, a significant number of Self Catering Units that have now reverted back to the valuation list following changes to the legislation in 2022, which added a further qualification for them to remain on the roll. There have been around 300 deletions of those subjects within the city of Edinburgh valuation area alone. The recent introduction of the licensing of these subjects will have also accounted for a number of these being removed from the roll and placed back on the list. The merger of separate entries into a single unum quid entry of either a positive value or a no value, in the case of premises entries under reconstruction, predominantly account for those other instances.

9.0 VALUATION ROLL – APPEALS

9.1 R2017 Valuation Roll Appeals Update

9.2 As stated in the last report, we continue to await confirmation from the SCTS Local Taxation Chamber as to how many appellants have indicated that they wish to maintain their pursuit of the outstanding R17 Covid appeals following their write-out in June 2023. As has been outlined in previous reports, we remain hopeful that the final numbers will not be significant, and we continue to monitor this situation closely.

9.3 There are now approximately 800 non Covid Revaluation 2017 appeals that must be disposed of by 31st December 2024. In respect of these appeals, First Tier Tribunal Hearings continue to be set by the SCTS Local Taxation Chamber with Hearings set for 24th January, 8th February and 29th February. As mentioned in previous reports, part of the ongoing changes to the organisation developed through agile working has involved the creation of a team of staff working exclusively on the resolution of these appeals, and they are currently working not only on those appeals which have already been cited for Hearing by the FTT, but also engaging with ratepayers and unrepresented appellants with outstanding R17 appeals on an uncited basis. It is hoped that resolving as many of these appeals as we can, as early as we can, will leave us in a strong position to deal with R23 proposals later in the year.

9.4 Of particular note, LVJB were involved in a non-domestic R17 appeal case on 30th November 2023. Not only was this the first NDR case for Lothian to go before the Tribunal, it was also the first case of this type appear before the Tribunal in Scotland. I am pleased to say that the LVJB was successful in the case.

9.5 2023 Revaluation Proposal Update

9.6 In respect of the c. 3,500 R23 Proposals received, the focus has now switched to the timetable for the setting of Proposal Determination Dates (PDD's) having engaged and co-ordinated with the Scottish Assessors Association in relation to those subjects valued by reference to national Practice Notes. We have a timetable of PDD's for the year and have been planning the resources around meeting the dates for each category, particularly those for which Lothian will take the lead on national discussions. Our first PDD Notices, for Schools, will be issued in late January with a Proposal Determination date of 15th May 2024 – we are working closely with other Assessors in respect of this category of property. Planning around the issue of PDD's for those categories of subjects which are not valued by reference to national Practice Notes (examples being shops, offices and industrials) is also continuing and engagement with professional agents in respect of Industrial properties valued by reference to the Lothian Practice Note has already commenced.

10.0 COUNCIL TAX APPEALS

10.1 A significant number of Council Tax appeal cases proceeded before the First Tier Tribunal in November and December, and we have been successful in each of the cases for which we have had the decisions to this point. December was also significant in that it saw the first involvement of Divisional Valuers in the role of Assessor Advocate in these cases. We have further Hearings set for 6th February, 16th February and 11th March and written submissions also continue to be provided regularly to the First Tier Tribunal in respect of Invalid Council Tax appeals which do not require live remote Hearings. Finally, a Permission to Appeal to the Upper Tier Tribunal case was heard on the 21st November and the LVJB was again successful in this case.

10.2 Also worth noting is that several technicians have now appeared as expert witnesses for the Assessor for the first time and this again represents a great success for our Agile Working workstream and further emphasises our aspiration of right person, right job.

10.3 A proposal to look at creating two Lead Technician posts to deal with alleviating the backlog in verification of Council Tax work is currently under consideration within our Agile Working project. These posts will also support the transition of Technicians becoming more involved in non-domestic valuation activity. The proposal will be to also delete two existing technician posts as a result of this and any increase in costs is expected to be minimal and financed by Barclay funding.

11.0 COUNCIL TAX – MAINTENANCE

11.1 Over the period 1st April 2023 to 31st December 2023, 4386 new houses have been added to the list, this compares to 4638 for the same period in 2022/23.

Band	Edinburgh	Midlothian	West Lothian	East Lothian	Total
A	305	3	17	2	327
B	263	63	48	22	396
C	222	85	149	110	566
D	411	96	162	164	833
E	340	103	84	161	688
F	260	159	203	194	816
G	313	136	110	160	719
H	29	5	5	2	41
Total	2143	650	778	815	

11.2 There are currently 205 outstanding Council Tax appeals, as compared to 269 in October 2023. We are in the process of reviewing the status of all appeals and anticipate this number will shortly reduce further. Council Tax hearings are taking place regularly, with 21 cases currently cited for dates before the end of March. All FTTS decisions to date have resulted in the refusal of the appeal.

11.3 The Government has laid new Regulations which will make the annual review of self catering properties more effective which is welcome.

12.0 REVENUE BUDGET 2023-2027

12.1 I note the content of the Treasurer’s Revenue Budget Report. I have now reached the position, which has been repeatedly forecast for several years now, where I am faced with a significant shortfall in funding. My organisation, having maintained a flat cash budget position since 2009/10, is now ultimately placed in a situation where a request for increased requisition must be made. I hope it is evident to Board members, that I have utilised, and will continue to do so, all options at my disposal to meet the financial challenges that we are now confronted with. Unfortunately, I must now seek this additional funding to continue to deliver the high level of service delivery expected by LVJB. It should be added that I am acutely cognisant of similar challenges amongst my Constituent Councils and across Local Government as a whole. I can assure the Board, and all my stakeholders, that I will resolutely

continue to seek efficiencies and improvements wherever practically possible to further demonstrate my organisations commitment to weather these increasingly difficult times.

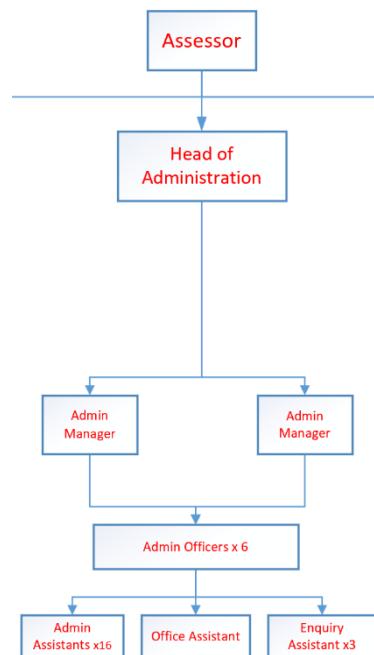
13.0 GOVERNANCE STRATEGY GROUP

13.1 The latest Governance Strategy Group meeting was held on the 22nd of January 2024. Topics discussed were the LVJB budget and the requirement for increased requisition and Phase 2 of the CIP Programme.

14.0 CONTINUAL IMPROVEMENT PROGRAMME

14.1 CIP update

14.2 Following a recent retiral, I have appointed a new Head of Administration, Niall MacGalloway. This has provided the opportunity to assess my Administration team and undertake some streamlining at management level, with the removal of one of our previous 3 Admin Managers. The new structure is shown below;



14.3 This currently realises savings in the region of £41K. To prepare for the forthcoming major electoral event and to deal with postal vote divergence, I intend to re-invest some of these savings to fill a vacancy at Admin Officer and Admin Assistant level to ensure high quality service levels continue to be delivered in this area.

14.4 To further release budget strain, we continue to actively pursue our accommodation options. We have received agreement in principle from our landlord (CEC) to consent to a sub lease option and are awaiting additional advice from CEC legal to confirm that LVJB as an organisational body have the lawful right to do so.

14.5 We are currently investigating the potential introduction of an electric car salary sacrifice scheme. Not only does this provide positive staff benefits in purchase and tax reductions, but it also conforms to

our commitment in reducing our carbon footprint and may lead to other organisational cost saving opportunities.

- 14.6** Our evaluation and trial of agile working continues. To date, it has been invaluable in enabling the organisation to adapt to the new proposals and tribunal service. We will continue to assess the outcomes of this way of working as it underpins our ability to provide sustained levels of service with a reduced work force.
- 14.7** We recently introduced LEADS (LVJB, Education and Development Sessions) to replace our previous wider leadership team briefings. LEADS are open to all staff and are designed to be a compact, instructive way of increasing awareness of changes, new objectives or information sharing that individuals may not usually be involved in. The latest topic was on the recent changes to self-catering legislation and was well received by staff.
- 14.8** Our latest Business Continuity Plan (BCP) tabletop test took place at the end of January. Once again, we used one of the National Cyber Security Centre (NCSC) exercise in a box online tools. It enables the organisation to evaluate and improve cyber attack response procedures and increases staff and stakeholder awareness of critical cyber incidents. Simulations of this type are essential preparation for forthcoming major events and peak activity periods.

15.0 CORPORATE AND SERVICE PLAN

- 15.1** My Corporate and Service Plan for 2024 – 2025 is shown at appendix 2.

The Plan details required service delivery outcomes for our statutory duty of maintaining the Valuation Roll, Council Tax List and Electoral Register. Key challenges this year include ensuring compliance with the Scottish Courts Tribunal Service in the disposal of proposals, ensuring all necessary systems and procedures are operational to meet the requirements of postal vote divergence, and undertaking a series of internal workshops on our Management of Capability Procedure to enable organisational performance targets to be met.

16.0 RECOMMENDATION

- 16.1** The Board is asked to note the content of this report and to approve the paper at Appendix 2.

Michael Wilkie
ASSESSOR & ERO

Attached:

Appendix 1- Electoral Statistics

Appendix 2- Corporate and Service Plan

Appendix 1- Electoral Statistics

Appendix (A) Table Registration Changes by month – April 2023 to January 2024 inclusive

<u>Update Date</u>	<u>Council</u>	<u>Additions</u>	<u>Deletions</u>
3.4.23	City of Edinburgh	3055	1944
2.5.23	City of Edinburgh	3225	2181
1.6.23	City of Edinburgh	3245	3891
3.7.23	City of Edinburgh	3100	2989
1.8.23	City of Edinburgh	3458	2361
1.9.23	City of Edinburgh	5349	5204
2.10.23	City of Edinburgh	5497	9342
1.11.23	City of Edinburgh	6107	9213
3.1.24	City of Edinburgh	1938	1177
3.4.23	East Lothian	543	286
2.5.23	East Lothian	670	374
1.6.23	East Lothian	514	400
3.7.23	East Lothian	425	325
1.8.23	East Lothian	575	346
1.9.23	East Lothian	754	1310
2.10.23	East Lothian	729	391
1.11.23	East Lothian	778	1036
3.1.24	East Lothian	372	264
3.4.23	Midlothian	436	232
2.5.23	Midlothian	419	226
1.6.23	Midlothian	488	308
3.7.23	Midlothian	556	234
1.8.23	Midlothian	442	272
1.9.23	Midlothian	577	1296
2.10.23	Midlothian	618	298
1.11.23	Midlothian	691	959
3.1.24	Midlothian	257	161
3.4.23	West Lothian	820	487
2.5.23	West Lothian	770	483
1.6.23	West Lothian	686	535
3.7.23	West Lothian	641	450
1.8.23	West Lothian	810	479
1.9.23	West Lothian	1215	1556
2.10.23	West Lothian	1244	714
1.11.23	West Lothian	1469	2647
3.1.24	West Lothian	447	297

(B) Table-Postal Voters and Total Electorate at 1 June 2023

<u>Council Area</u>	<u>Postal Voters</u>
City of Edinburgh	91873
East Lothian	21560
Midlothian	17438
West Lothian	29878

2024 -2025

Corporate & Service Plan

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MISSION & VISION

Lothian Valuation Joint Board's **mission** is to ensure best value and provide professional valuation and electoral registration services for 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

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

No.	Strategic Aim	Performance Measure	Operational Objective	Responsibility
1	To ensure statutory duties are carried out for maintenance of the Valuation Roll .	Maintain Valuation Roll in line with statutory requirements.	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 updates to constituent authorities Finance Departments weekly.	
		Dispose of Revaluation & running roll proposals and appeals. Deal with any outstanding COVID appeals within statutory time frames.	Continue a programme to update rental, cost and turnover analysis ensuring the accuracy of the Roll supporting 3 yearly revaluations.	Assistant Assessor/Principal Surveyors
			Engage with appellants and their representatives in line with legal requirements and LVJB standards.	
			Monitor disposal progress, reduction levels and reasons for reduction.	
		Continue preparations for Revaluation 2026	Monitor and ensure amendments are processed timeously.	Assistant Assessor/Principal Surveyors
			Ensure compliance with the Scottish Courts and Tribunals Service (SCTS) and maintain a high quality of service in the preparation of cases.	
			Continue to develop all necessary timetable and implementation plans.	
			Ingather relevant information and where required use the Civil Penalty process.	
			Continue to review valuation practices and procedures.	
		Audit processes, procedures and values.	Continue to assess and improve communication and engagement protocols	Governance Team
			Further develop the proposals system and procedures to support tribunal service requirements	
			Audit valuation processes, procedures and issued values.	
		Further develop IT systems, applications and communications.	Audit proposal processes, procedures and outcomes.	Corporate Leadership Team
Consider and review presented audit report findings.				
Review and further develop valuation applications with particular attention to the successful delivery of 3 yearly revaluations.				
				Assistant Assessor/Principal Surveyors /ICT

		Continue with project planning and implementation in respect of changes required under legislative or procedural change.	Ensure the project management framework is observed to enable timeous implementation of key functionality and objectives.	Assessor/Project Programme Governance Group (PPGG)	
		Review and seek improved annual performance.	Maintain efficiency in survey procedures.	Corporate/Wider Leadership Team	
			Maintain fairness and accuracy of valuations.		
			Review and improve performance in terms of KPIs, internal indicators and MyPath objectives.		
		Hold a series of workshops to ensure consistent understanding and implementation of the LVJB Management of Capability Procedure to enable sustained levels of performance			
2	To ensure statutory maintenance of the Council Tax List.	Maintain the Council Tax List in line with statutory requirements.	Ingather and analyse sales evidence.	Principal Surveyors/Divisional Valuers	
			Maintain and update survey records as necessary.		
			Prepare reviewed bandings and amend for sold houses.		
			Ensure accuracy of all amended and new bands.		
				Update CT daily, issue band change notices daily and notify constituent authorities Finance Departments weekly.	
		Dispose of proposals & appeals.	Correspond with appellants in line with legal requirements and LVJB standards.	Principal Surveyors/ Divisional Valuers	
			Administer all proposals and appeals properly and commence the process of timetabled disposal in association with the SCTS		
			Monitor band reductions.		
			Ensure amendments are processed timeously.		
		Audit processes, procedures and Bands.	Audit valuation processes procedures and issued values.	Governance Team	
			Audit proposal processes, procedures and outcomes.	Corporate Leadership Team	
			Consider presented audit report findings.		
		Further develop IT systems, applications and communications.	Continue to review the processes associated with new housing entering the Council Tax list, with continued development of the mobile survey function.	Principal Surveyors/ Divisional Valuers/ICT	
			Ensure all new and amended information is recorded as electronic data.		
Review & maintain performance.	Maintain and review efficiency in survey procedures.	Corporate/Wider Leadership Team			
	Maintain quality of bandings by reference to band reductions on appeal.				
	Maintain performance in terms of KPIs and internal indicators.				

			Hold a series of workshops to ensure consistent understanding and implementation of the LVJB Management of Capability Procedure to enable sustained levels of performance	
3	To ensure timeous publication and maintenance of the Electoral Register and registration services at elections.	Prepare and publish the Electoral Register by 1st December 2024.	Publish the Electoral Register in paper format and electronic format.	Electoral Registration Officer (ERO)
			Carry out postal and door to door canvass in line with legislation and to maximise registration.	Head of Administration
			Ensure appropriate advertising/publicity initiatives are in place in conjunction with EC public engagement strategy.	Head of Administration
			Action all postal vote applications received during and outside the canvass period.	
			Review and implement UK Parliamentary Boundary changes to the published register.	
			Distribute the register in requested format to persons as defined by statute.	
			Continue to actively encourage recipients to accept the register in electronic format to reduce costs	
			Liaise with external contractors and manage/mitigate risks.	
		Maintain ER for statutory updates each month.	Update ER monthly updates per legislative requirements	Head of Administration
			Issue Notices in line with statutory requirements	
			Improve contact with hard-to-reach groups through partnership working initiatives.	
		Dispose of any registration appeals.	Identify and improve appropriate advertising/publicity channels re registration.	Electoral Registration Officer (ERO)/Head of Administration
			Correspond with appellants in line with statutory requirements.	
		Prepare for and ensure effective management of registration duties for any elections or referendums called during the year.	Ensure hearings are set up and conducted timeously.	Head of Administration
			Ensure all applications for registration are processed accurately and timeously.	
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 incoming enquiries.	
			Ensure staffing resource in place at all peak periods and as required during polling hours.	
		Audit processes, procedures and accuracy to ensure quality registration delivery.	Develop and monitor audit reports for ER updates.	Head of Administration/Governance Team
			Audit name changes to ensure accuracy.	
			Consider all audit reports for appropriate actions.	
		Further develop IT systems, applications and communications.	Evaluate and ensure the continued effectiveness of the mobile door to door canvass system	Head of Administration
			Deliver electorate statistics to NRoS. (RPF 29)	
			Review and continue to maximise UPRN matching to electoral address data base.	
			Ensure all systems and processes are in place to enable the provision of Voter Authority Certificates	
			Ensure all necessary systems, procedures and processes are in place to handle forthcoming postal vote divergence challenges	
		Prepare for refresh of AV personal identifiers in January 2025	Identify quantities and additional required expenditure.	Head of Administration
			Establish required processes, timetable for collection and processing.	
			Provide reports as required to Corporate Leadership Team and Board.	
		Review & maintain performance.	Improve efficiency in the delivery of the canvass processes and procedures.	Head of Administration
			Review performance reports and consider new targets.	
	Deliver performance standards self-assessment and data returns to the Electoral Commission.			
4	To develop, prepare and publish reports to improve customer knowledge and ensure attainment of good Community Focus .	Prepare and publish statutory reports.	Annual assessor's report on performance & target setting.	Assessor/Head of Governance
			Annual treasurer's un-audited accounts.	Treasurer
			Annual Audit reports to LVJB.	Head of Governance
			Annual proposed Revenue Report to LVJB.	Treasurer
		Prepare and present reports to LVJB.	Quarterly progress report to LVJB.	Assessor
			Continual Improvement Programme (CIP)	
			Annual Governance Report	Head of Governance
		Develop and improve customer targeted policies	Oversee development of performance statistical analysis and monitoring.	Corporate Leadership Team

			Monitor adherence to equality principles.	Head of Governance/HR Manager
			Ensure a robust public engagement strategy is in place for general registration and focused electoral events.	Head of Administration
		Maintain and develop appropriate public engagement schemes.	Liaise with universities, further education establishments and schools to maximise student registration	Head of Administration
			Liaise with care homes to maximise registration for residents	
			Maintain and update the LVJB website and social media channels to ensure currency and accuracy especially at key events.	Engagement Team
			Continue to identify, implement and evaluate stakeholder engagement activities in respect of VR and CT.	Assistant Assessor
		Maintain, update and improve digital communication channels	Maintain and update the internal and public facing websites	Engagement Team/Governance Team/ICT
			Continue to develop M365 to improve records management oversight	
			Continue to develop the use of social media	
		5	To set standards and undertake corporate improvement in Service Delivery Arrangements and review the performance management and planning framework to ensure continuous improvement.	Maintain VR key and internal performance indicators.
Agree and set a suite of internal indicators for VR performance.				
Monitor, analyse and report on VR performance at Technical Management and Governance Committee meetings.				
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 at Technical Management and Governance Committee meetings.			
Maintain Electoral performance indicators set by the Electoral Commission.	Agree and set Internal PIs for ER.			Electoral Registration Officer (ERO)/Head of Administration
	Produce and submit targets for ER performance to Electoral Commission.			
	Produce and submit statistical monitoring & indicators for ER performance to Electoral commission.			
	Monitor, analyse and report on ER performance at Admin Management and Governance Committee meetings.			
Prepare, implement, monitor and review of Corporate and Service Plan.	Monitor Corporate and Service Plans.			Corporate/Wider Leadership Team
	Ensure adherence to Service Plan and Performance Indicators.			
	Review the Management of Capability procedure to meet organisational requirements.			

6	To review roles, responsibilities, Structures and Processes to ensure effective balance of responsibility and authority.	Adhere to Standing Orders, Scheme of Delegation and Financial Regulations; Undertake 5 yearly review.	Report to LVJB re review of contents of Standing Orders.		Assessor	
			Report to LVJB re review of contents of Scheme of Delegation.			
			Report to LVJB re review of contents of Financial Regulations.			
		Implement and progress the objectives of the Continual Improvement Programme	Continue to review process and procedures seeking efficiencies and improvements.		Corporate/Wider Leadership Team	
			Continue to develop and implement the strategic direction of the organisation and realise required cultural change identified under CIP.		Corporate/Wider Leadership Team	
Use the MyPath performance management system across the organisation, to enable objective delivery and efficient deployment of services.			Corporate/Wider Leadership Team			
Continue to identify potential staffing and non-staffing cost savings, further develop strategic objectives, increased performance & sustained service delivery		Corporate/Wider Leadership Team /LVJB				
7	To review, monitor and maintain organisational Risk Management and Internal Controls to ensure efficient and effective delivery of service.	Review the activities of the Governance Strategy Group (GSG)	Monitor progress of topics raised and discussed in the GSG		Assessor/GSG	
			Continue to undertake regular meetings to ensure areas of risk are reviewed			
		Adhere to LVJB Risk Management Cycle	Identify	Consider new risks for addition to Corporate, Project or Service risk registers at all Corporate Leadership, Technical and Admin Management, and Governance Committee meetings.		Corporate/Wider Leadership Team/ 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/Wider Leadership Team
				Consider risks as legislative changes are introduced and those derived from budget and other organisational challenges.		
		Assess	Consider likelihood v impact and apply appropriate red, amber or green rating		Corporate/Wider Leadership Team	
Mitigate	Ensure mitigation strategies are considered timeously.		Corporate Leadership/ Governance Committee			
	Plan, implement and review mitigation decisions effectively.					

		Monitor	Monitor budget spend and variances and include in quarterly progress report.	Corporate Leadership Team
			Monitor identified actions resulting from Governance Committee reviews of audit reports at Corporate Leadership Team meetings.	Corporate Leadership/ Governance Committee
			Liaise with the treasurer to the Board to ensure appropriate monitoring and accounting.	Assessor
			Review risk registers at Governance Committee meetings and report relevant matters of risk to the Corporate Leadership Team	Corporate Leadership/ Governance Committee
		Report risks to LVJB and review Risk Management Cycle as required.	Report to Board on identified key risks on a quarterly basis as part of progress report.	Assessor
			Report to Board on budget variances on a quarterly basis as part of progress report.	Assessor/Treasurer
			Provide Board with Annual Governance Report	Head of Governance
		Maintain Quality Assurance audit activity and undertake joint working with internal and external audit.	Submit external & internal auditors' reports and actions carried out resulting from recommendations to the Board.	Head of Governance
			Prepare monthly QA reports for Governance Committee review	Governance Team
		8	To develop, adopt and review formal documentation and put in place appropriate systems to ensure Standards of Conduct are adhered to.	Maintain internal processes to monitor compliance to legislation and LVJB policies and procedures.
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.				
Monitor and review compliance to GDPR, Records Management, FOI, and Equalities.	Ensure compliance with legal requirements e.g., Records management, FOI, Data Protection, Equal Opportunities etc. on a day to day basis and assess at Governance Committee meetings.			Head of Governance
	Ensure Complaints policy and procedures meet required standards, and all complaints are monitored, reviewed and acted upon where necessary.			
	Ensure Records management policy and procedures meet required standards			
Report on Whistle Blowing.	Ensure the policy and procedures are reviewed as appropriate to ensure staff concerns are addressed			Assessor/Head of Governance

		Provide management, guidance and support timeously.	<p>Report on items raised as appropriate.</p> <p>Ensure that policies are reviewed regularly, advised to the Board and staff briefed.</p> <p>Monitor adherence to the Policy review timetable and encourage Unison input and agreement.</p> <p>Ensure that appropriate guidance is developed, and training given for new tasks introduced.</p> <p>Ensure that policies are available on the LVJB intranet</p> <p>Ensure an appropriate support structure is in place for all employees</p>	Corporate Leadership Team	
9	To plan and deliver an organisational development strategy considering corporate initiatives to ensure efficiency and quality of service delivery.	Continue the implementation and development CIP and future strategic objectives	<p>Undertake the development of the Continual Improvement Programme and progress the implementation of agile working throughout the organisation</p> <p>Further development of future strategic objectives</p>	Corporate Leadership Team	
		Implement, maintain and review the Corporate & Service Plan	<p>Prepare the annual Corporate & Service plan and present to LVJB.</p> <p>Ensure staff awareness of the Corporate & Service plan and their role within it.</p> <p>Monitor compliance with the Corporate & Service plan on a continual basis and assess at Corporate Leadership Team meetings.</p>	Corporate Leadership Team	
		Deliver continued corporate improvement	<p>Review internal performance indicators and update KPIs to ensure improvement.</p> <p>Monitor performance improvement and report at corporate meetings & LVJB.</p> <p>Monitor and report absence levels to measure improvement.</p> <p>Baseline CLT objectives against the Management of Capability Procedure to ensure organisational performance targets are met on a sustainable basis</p>	Corporate Leadership Team	
10	To engage in key partnership working to ensure the integrated delivery	Encourage partnership working with constituent authorities.	<p>Continue partnership working with Finance departments of the 4 authorities.</p> <p>Continue partnership working with the Returning Officer staff of the 4 authorities.</p> <p>Continue partnership working with the Treasurer to LVJB.</p> <p>Continue partnership working with Planning and Building departments of the 4 authorities.</p>	Corporate/Wider Leadership Team	

	of efficient government.	<p>Encourage partnership working with public and civil servants.</p> <p>Maintain partnership working with external professional bodies.</p>	<p>Continue partnership working with the VOA, SAA, Scottish Government, Electoral Commission, Cabinet Office, National Registers of Scotland, etc.</p> <p>Continue partnership working with the RICS, IRRV & AEA professional bodies.</p>	Corporate Leadership Team
11	To attract, retain and reward good staff by valuing them through a structure of HR strategies .	Motivated, effective, confident, engaged, and inspiring staff workforce.	To plan and resource the organisation with a flexible, agile, and sustainable workforce through the development of a core staffing structure and recruitment strategies.	Corporate Leadership Team
			Following the highly successful initial implementation of staff contribution awards, continue to identify and acknowledge areas of sustained and single excellence throughout the year.	
			To strive to be an employer of choice and ensure LVJB has a reputable and sought-after employee value proposition to attract, recruit and retain ambitious, confident, and inspiring staff.	
			To strive to embed performance management and enhancement through MyPaTH and to move towards and sustain a culture of high performance supported by clear objectives for achieving optimum performance of all staff.	
			To nurture, develop and retain employee talent by providing relevant and aspirational training and development opportunities.	
			Engage a Modern Apprenticeship role within the organisation.	
12	To lead the necessary policies and interventions to support the Health, Safety, and Wellbeing of all LVJB employees.	Provide all necessary health, safety and wellbeing advice and support to LVJB staff.	To create a culture of mutual trust and respect between senior management, HR, and all staff, ensuring that we all work together as efficiently and respectfully as possible. This will be achieved through a suite of robust, fair, and equitable HR policies and procedures, established via staff and union representative consultation.	HR Manager
			To schedule and chair regular Health & Safety Committee meetings and take ownership of associated actions.	
			To consider Mental Health initiatives.	
			Review all Health and Safety policies, procedures, and practices in accordance with legislation and best practice.	



APPOINTMENT OF DEPUTE ELECTORAL REGISTRATON OFFICER

ADDITIONAL REPORT TO BOARD 5TH FEBRUARY 2024

1.0 PURPOSE

- 1.1** For the Board to appoint Niall MacGalloway as Depute Electoral Registration Officer with immediate effect.

2.0 BACKGROUND

- 2.1** I am the only ERO in Scotland who does not have a depute.
- 2.2** This could represent a single point of failure if an electoral event occurs if for instance I was abroad or off sick.
- 2.3** Niall was recently appointed as our new Head of Administration and his duties include being Depute ERO so there are no financial implications for the Board.

3.0 RECOMMENDATION

- 3.1** The Board is asked to approve the appointment of Niall MacGalloway as Depute ERO with immediate effect.

Michael Wilkie
ASSESSOR & ERO

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10.00am, Monday 5 February 2024

Revenue Budget 2024/25 and Indicative Financial Plan 2025/26 - 2026/27

1. Recommendations

The Board is recommended to:

- 1.1 approve the proposed core budget for 2024/25 and the issue of the core budget requisitions detailed at paragraph 4.28 to constituent councils;
- 1.2 approve requisition of funding of £0.385m included in the Local Government Finance Settlement as detailed at paragraph 4.28 to implement the recommendations of the Non-Domestic Rates Review;
- 1.3 note the indicative financial planning estimates for the period 2025/26 to 2026/27 included at Appendix 1 and
- 1.4 note the indicative financial planning estimates for 2025/26 to 2026/27 will be the subject of further update to the Board during 2024/25, as the Board's Continual Improvement Programme is progressed.

Richard Lloyd-Bithell,

Treasurer

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement, Corporate Services Directorate, City of Edinburgh Council

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Revenue Budget 2024/25 and Indicative Financial Plan 2025/26 - 2026/27

2. Executive Summary

- 2.1 A revenue budget has been developed for 2024/25 with a recommendation to approve an increase of £0.426m in core council requisition for 2024/25.
- 2.2 This would represent the first increase in core Council requisition since 2009/10.
- 2.3 A separate requisition to meet additional costs of £0.385m for Non-Domestic Rates Reform fully reflects funding included in the Local Government Finance Settlement.
- 2.4 Indicative financial planning estimates are provided for 2025/26 to 2026/27. These will be subject of ongoing review and development during 2024/25 as the Board's Continual Improvement Programme is progressed.

3. Background

- 3.1 This report seeks approval of a revenue budget for 2024/25. The report was prepared in consultation with the Assessor and Electoral Registration Officer.

4. Main Report

- 4.1 On 30th January 2023, the Board approved a one-year budget for 2023/24 of £6.801m. The approved budget was for the cost of core services and Non-Domestic Rates Reform (NDR Reform). As constituent council requisition remained fixed at a 'flat cash' contribution of £6.221m, the budget required a drawdown of £0.580m from the Board's General Reserve.
- 4.2 The 2024/25 Local Government Finance Settlement was announced by the Scottish Government on 19th December 2023. The Settlement sets out local authority funding allocations.
- 4.3 The 2024/25 budget includes funding of £0.385m for costs of NDR Reform – an increase of £11,000 from 2023/24. The Scottish Government's expectation is for this funding to be passed to Assessor Services.

Financial Planning Assumptions

- 4.4 The proposed revenue budget for 2024/25 and indicative financial plan 2025/26 – 2026/27 is based on the following financial planning assumptions.
- 4.5 The full cost of the agreed Local Government pay award 2023/24 is £0.339m. This represents a 7.3% increase on the 2022/23 budget. As the approved budget for 2023/24 made provision of £0.142m for a 3% pay award, the proposed budget for 2024/25 makes additional provision of £0.197m for the full cost of the 2023/24 pay award.
- 4.6 Pay award provision of 3% (£0.148m) for 2024/25. Planning estimates include a further 3% pay award for 2025/26 and 2026/27.
- 4.7 Employee pay increments of £0.099m for 2024/25.
- 4.8 Continual Improvement Programme savings of £0.292m following release of three employees and removal of one senior post, as approved by the Board on 12th June 2023. The Assessor and Electoral Registration Officer will continue to progress the Continual Improvement Programme to develop sustainable savings.
- 4.9 A Modern Apprentice will be employed to support Non-Domestic Rates Reform activity (£0.030m). This was approved by the Board on 6th November 2023.
- 4.10 Other employee cost reductions of £0.079m reflect a full review of the employee budget, including changes to contractual hours of individual employees.
- 4.11 Unless the current UK Parliament is dissolved prior to 23rd February 2024, a General Election would be expected to take place during 2024/25. Additional costs of £0.050m are anticipated for overtime and postages.
- 4.12 The Lothian Pension Fund Actuarial Review 2023 has advised of a revised employer contribution rate of 17.6% for the three-year period 2024/25 to 2026/27. This is a reduction of 4.2% from the 2023/24 contribution rate of 21.8%. The reduction in employer contributions reflects future economic forecasts.
- 4.13 The reduction in employer contribution rate for 2024/25 reduces the Board's budgeted costs by £0.166m.
- 4.14 The change in employer contribution rate has no impact on pension benefits paid or accrued by current or future retired employees of the Board.

Non-Domestic Rates Reform

- 4.15 The Local Government Finance Settlement 2024/25 included a national allocation of £5.4 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 Board's share of the national allocation is £0.385m.

General Reserve

- 4.16 On 5th February 2018, the Board approved a minimum General Reserve balance of 3% of annual council requisition. £0.180m is currently retained in the Board's

General Reserve in fulfilment of this requirement. Balances in excess of £0.180m were previously retained to support the Board's Continual Improvement Programme to meet employee release costs of severance business cases, where sustainable savings could be achieved.

- 4.17 The Reserve balance at 31st March 2024 is forecast to be £0.299m.

Summary of the Proposed Budget

- 4.18 A summary of the proposed budget for 2024/25 together with the indicative financial plan for 2025/26 to 2026/27 is shown in Appendix 1.
- 4.19 The proposed Core budget for 2024/25 and indicative financial plan 2025/26 to 2026/27 identifies a funding shortfall of £0.525m for 2024/25. Based on a continuation of 'flat cash' funding and annual pay awards of 3%, the shortfall is forecast to increase to £0.854m by 2026/27.
- 4.20 Drawdown of an unallocated General Reserve balance of £0.099m will reduce the 2024/25 budget shortfall to £0.426m. The application of reserves to support service delivery offers a short-term solution for 2024/25, but will remove the financial capacity to progress future Continual Improvement Programme business cases in the short-term.
- 4.21 To address the remaining shortfall, an increase in constituent council requisition is recommended.
- 4.22 Given the recommended increase in council requisition, it is further recommended that the minimum General Reserve be increased to £0.200m to maintain a minimum General Reserve balance of 3% of annual council requisition over the three-year period to 2026/27.

Constituent Council Requisition

- 4.23 A constituent council requisition of £6.118m was approved in 2009/10. In 2018/19, this was reduced by £0.271m to £5.847m, reflecting Transformation Programme savings. There has been no further change to the council requisition.
- 4.24 Since 2009/10, the Board has absorbed all pay awards, other inflationary cost pressures and the cost of providing Electoral Registration Services within the 'flat cash' council requisition noted at paragraph 4.23.
- 4.25 The requirement for a future increase in council requisition was first reported to the Board when the revenue budget for 2020/21 was approved. Subsequent revenue budget reports have re-stated the risk of an increase being required.
- 4.26 To maintain provision of statutory core services, including Electoral Registration Services for the forthcoming UK General Election, it is recommended that the constituent council core requisition be increased by £0.426m in 2024/25. This represents an increase of 7.3% in total council requisition.
- 4.27 The requisition to meet additional costs for Non-Domestic Rates Reform fully reflects constituent councils share of the Scottish Government's provisional

Grant-Aided Expenditure figures for 2024/25 included in the Local Government Finance Settlement.

4.28 The proposed requisitions are detailed in the table below.

COUNCIL	CORE REQUISITION	NON-DOMESTIC RATES REFORM	TOTAL REQUISITION	%
EDINBURGH	£3,826,813	£236,000	£4,062,813	61.02%
MIDLOTHIAN	£578,210	£35,000	£613,210	9.21%
EAST LOTHIAN	£697,412	£41,000	£738,412	11.09%
WEST LOTHIAN	£1,170,657	£73,000	£1,243,657	18.68%
TOTAL	£6,273,092	£385,000	£6,658,092	100.00%

4.29 The apportionment of the core budget 2024/25 requisition is based on the constituent councils share of the Scottish Government's provisional Grant-Aided Expenditure figures for 2024/25.

4.30 An analysis of change is shown in Appendix 2 and a cost analysis at Appendix 3.

4.31 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 2024/25.

5. Background reading/external references

- 5.1 [Revenue Budget 2023/24 and Indicative Financial Plan 2024/25 - 2026/27](#) – report to Lothian Valuation Joint Board 30 January 2023
- 5.2 [Revenue Budget 2023 - 2027](#) – report to Lothian Valuation Joint Board 6 November 2023
- 5.3 [Continual Improvement Programme](#) – report to Lothian Valuation Joint Board 12 June 2023
- 5.4 [Assessor's Progress Report](#) – report to Lothian Valuation Joint Board 6 November 2023
- 5.5 [Revenue Budget 2018/19](#) – report to Lothian Valuation Joint Board 5 February 2018

6. Appendices

- 6.1 Appendix 1 – 2024/25 Revenue Budget and Indicative Financial Plan 2025/26 - 2026/27
- 6.2 Appendix 2 – Analysis of Budget Change 2024/25 – Core and Non-Domestic Rates Reform
- 6.3 Appendix 3 – Core Revenue Budget 2024/25 – Subjective Analysis
- 6.4 Appendix 4 – Financial Risk Analysis

Appendix 1 – 2024/25 Revenue Budget and Indicative Financial Plan 2025/26 - 2026/27

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Core	6,425	6,372	6,521	6,701
Council Requisition	(5,847)	(5,847)	(6,273)	(6,521)
Operating shortfall/(surplus)	578	525	248	180
VR - one-off severance/pension strain	0	0	0	0
NET TOTAL COSTS	578	525	248	180
Use of Reserves				
General Reserve drawdown	(578)	(99)	0	0
Net Shortfall – Core	0	426	248	180
Proposed Incremental Requisition Increase		(426)	(248)	(180)
Incremental Increase (percentage)		7.3%	3.9%	2.8%
Budgeted FTE – Core	95.93	86.36	86.36	86.36
NDR Reform				
Employees	376	427	456	483
Supplies and Services	0	0	0	0
Total	376	427	456	483
NDR funding included in LG Settlement	(374)	(385)	(385)	(385)
General Reserve (drawdown)/Contribution	(2)	(42)	(71)	(98)
Net Shortfall – NDR Reform	0	0	0	0
Budgeted FTE – NDR Reform	9.0	10.90	10.90	10.90
Reserve Balances				
Forecast opening balance – non-earmarked	1,064	(299)	0	0
General Reserve Drawdown- Core	765	99	0	0
Approved Reserve Balance (3%)	(200)	(200)	(200)	(200)
Unallocated General Reserve - closing	(99)	0	0	0
NDR Reform				
Forecast opening balance	(231)	(391)	(350)	(279)
Drawdown/(Contribution)	(160)	41	71	98
Closing NDR Reform Reserve balance	(391)	(350)	(279)	(181)

Appendix 2 - Analysis of Budget Change 2024/25 – Core and Non-Domestic Rates Reform

	£'000	£'000	£'000	% Change
CORE BUDGET 2023/24 (prior to Reserve Drawdown of £0.578m)			6,425	
Employee budget				
Pay Award 2023/24 – additional cost	173			
Pay Award 2024/25 (3%)	136			
Increments	85			
Other adjustments to Employee costs	(63)			
Continual Improvement Programme – removal of four posts	(292)			
Employer Pension Fund contributions – reduction from 21.8% to 17.6% (Actuarial Review 2023)	(152)	(113)		
Reduction in Interest Earned on Revenue Balances		10		
General Election 2024/25 – overtime and postage costs		50		
NET CORE BUDGET MOVEMENTS			(53)	-(0.82%)
CORE BUDGET 2024/25			6,372	
General Reserve - 2024/25 reserve drawdown			(99)	
CORE BUDGET 2024/25			6,273	
NON-DOMESTIC RATES REFORM BUDGET 2023/24 (prior to Reserve Drawdown of £0.002m)			376	
Pay Award 2023/24 – additional cost		24		
Pay Award 2024/25 (3%)		12		
Increments		14		
Other adjustments to Employee costs		(16)		
Modern Apprentice post		30		
Employer Pension Fund contributions – reduction from 21.8% to 17.6% (Actuarial Review 2023)		(14)		
NON-DOMESTIC RATES REFORM BUDGET MOVEMENT			50	
NON-DOMESTIC RATES REFORM BUDGET			426	
FUNDING INCLUDED IN LOCAL GOVERNMENT SETTLEMENT			(385)	
NDR REFORM RESERVE DRAWDOWN			(41)	

Appendix 3 – Core Revenue Budget 2024/25 – Subjective Analysis

Subjective analysis	Budget 2024/25
<u>Employee Costs</u>	£'000
Wages and Salaries	3,706
National Insurance	385
Superannuation	639
Early retirement pension costs	120
Agency Staff	14
Allowances	3
	4,867
<u>Premises Costs</u>	
Rents	352
Rates	184
Cleaning & Domestic Supplies	18
Energy Costs	25
Water Services	10
Premises Insurance	5
Grounds Maintenance Costs	4
	598
<u>Transport Costs</u>	
Car Allowances	37
Staff transport costs (canvassing, surveys etc)	9
Transport Insurance	5
	51
<u>Supplies & Services</u>	
ICT and Telephony	280
Postages	300
Printing, Stationery and Office Expenditure	30
Other Expenses	8
Audit fee	9
Insurance	25
Legal fees	30
Training and conferences	10
Convener/Vice Convener remuneration	12
	704
<u>Third Party Payments</u>	
Valuation Appeals Committee fees	80
Facilities costs (security, maintenance etc)	60
	140
<u>Support Services</u>	
CEC support Service Level Agreement	67
<u>Income/Funding</u>	
Customer and Client Receipts	(42)
Interest on revenue balances	(13)
General Reserve drawdown	(99)
	(154)
Total	6,273

Appendix 4 – Financial Risk Analysis

Risk	Detail	Mitigation
Pay Award	The 2024/25 budget makes provision for a pay award of 3%. Each additional 1% is estimated to cost £50,000.	Liaison with constituent councils and review of the Board's unallocated Reserve.
Office Energy costs	Energy budgets are based on full office occupancy and include an uplift for anticipated price increases. Given the current volatility in energy costs, there is a risk of additional costs.	Ongoing tracking of cost. Liaison with City of Edinburgh Council Energy and Sustainability Team.
The cost of Non-Domestic Rates Reform exceeding funding	Additional cost incurred on Non-Domestic Rates Reform beyond the funding of £0.385m included in the Local Government Settlement.	Mitigated in 2024/25 - funding of £0.385m included in the Local Government Settlement. An earmarked balance of NDR Reform funding is maintained.
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.	The proposed revenue budget makes provision of £50,000 for the costs of a General Election in 2024/25.
Cost of Continual Improvement Programme.	The proposed budget fully utilises the Board's unallocated General Reserve, removing funding available for any severance business cases through the Board's Continual Improvement Programme.	Ongoing tracking and review of all cost estimates.
Pension Fund annual employer contributions	The Pension Fund Actuarial Review 2023 confirms employer contribution rates until 2026/27. This risk relates to 2027/28 and later years.	The Pension Fund Actuarial Review 2023 confirms employer contribution rates until 2026/27. Annual updates of pension fund assets / liabilities and ongoing liaison with Lothian Pension Fund.
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.

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10.00am, Monday 5th February 2024

Period 9 Financial Statement 2023/24

1. Recommendations

The Board is recommended to note:

- 1.1 the projected outturn position for 2023/24;
- 1.2 the forecast of a reserve drawdown of £0.765m required to achieve a balanced Core budget for 2023/24 and
- 1.3 the final outturn will be reported when the Annual Accounts are reported to the Board during 2024.

Richard Lloyd-Bithell

Treasurer

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement, Corporate Services Directorate, City of Edinburgh Council

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Period 9 Financial Statement 2023/24

2. Executive Summary

- 2.1 The forecast is for a Reserve drawdown of £0.765m, based on the position at 31st December 2023. This represents an increase of £0.187m from the drawdown approved for the 2023/24 revenue budget and principally reflects the increased cost of the Local Government pay award for 2023/24.

3. Background

- 3.1 The Board's Financial Regulations require presentation of quarterly expenditure monitoring statements. This report summarises the projected outturn at 31st March 2024, based on the position at 31st December 2023. The report has been prepared in consultation with the Assessor and ERO.

4. Main Report

- 4.1 The forecast is for expenditure of £6.612m on Assessor's services (core expenditure) and expenditure of £0.216m on Non-Domestic Rates Reform. A reserve drawdown of £0.765m will be required to meet core expenditure. Forecast expenditure on Non-Domestic Rates Reform will enable a contribution of £0.160m to the Board's earmarked balance to meet future NDR Reform costs.
- 4.2 The approved budget made provision of £0.142m for a 3% pay award. The Local Government pay award 2023/24 resulted in a budget pressure of £0.186m. The forecast underspend of £0.160m on NDR Reform is due to vacant posts, offset by essential expenditure on ICT infrastructure.
- 4.3 The forecast includes Voluntary Early Retirement release costs of £0.446m and salary savings of £0.219m in 2023/24 arising from the approved Continual Improvement Programme. This was reported to the Board in the Period Four Finance Update on 18th September 2023.
- 4.4 Based on the forecast, a reserve drawdown of £0.765m will be required to meet core expenditure in 2023/24. This would result in an un-earmarked reserve balance of £0.299m at 31st March 2024, before accounting for the Board's minimum level of unallocated reserve of £0.180m.
- 4.5 The table below compares projected expenditure for 2023/24 with the approved budget.

	Core Budget and Individual Electoral Registration			Non-Domestic Rates Reform Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Expenditure									
Employee costs	4,930	5,116	186	376	159	(217)	5,306	5,275	(31)
Premises costs	617	618	1	0	0	0	617	617	0
Transport costs	51	51	0	0	0	0	51	51	0
Supplies & Services	687	687	0	0	57	57	687	744	57
Third Party Payments	228	228	0	0	0	0	228	228	0
Support Services	67	67	0	0	0	0	67	67	0
Gross Expenditure	6,580	6,767	187	376	216	(160)	6,956	6,982	26
Income									
Government Grant	(88)	(88)	0	0	0	0	(88)	(88)	0
Sales, Fees & Charges	(44)	(44)	0	0	0	0	(44)	(44)	0
Interest	(23)	(23)	0	0	0	0	(23)	(23)	0
Total income	(155)	(155)	0	0	0	0	(155)	(155)	0
Expenditure less Income	6,425	6,612	187	376	216	(160)	6,801	6,827	26
FUNDING									
Council Requisition Reserve	(5,847)	(5,847)	0	(374)	(374)	0	(6,221)	(6,221)	0
(Drawdown)/Contribution	(578)	(765)	(187)	(2)	158	160	(580)	(607)	26
NET EXPENDITURE	0	0	0	0	0	0	0	0	0

4.6 All costs will be subject to ongoing review for the remainder of 2023/24.

4.7 It is forecast that £0.160m will be contributed to the NDR Reform earmarked balance in 2023/24, resulting in an earmarked NDR Reform reserve balance of £0.391m at 31st March 2024. The balance will be used to meet future NDR Reform costs, including addressing the implications of changes in law in the valuation of non-domestic rates for self-catering properties.

4.8 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). Balances held in excess of 3% require to be reviewed annually in-line with risk and identified commitments.

4.9 The Board's audited general reserve balance at 1st April 2023 is £1.295m. £0.231m is earmarked for NDR Reform. Based on a requirement for a drawdown of £0.765m to meet core expenditure in 2023/24 a reserve balance of £0.299m is forecast at 31st March 2024 (5% of annual requisition).

4.10 An update on the financial risks is included at Appendix 1.

5. Background reading/external references

- 5.1 [Revenue Budget 2023/24 and Indicative Financial Plan 2024/25 - 2026/27](#) – report to Lothian Valuation Joint Board, 30th January 2023
- 5.2 [Continual Improvement Programme](#) - report to Lothian Valuation Joint Board, 12th June 2023
- 5.3 [Revenue Budget 2023 – 2027](#) – report to Lothian Valuation Joint Board, 6th November 2023
- 5.4 [Period 4 Financial Statement 2023/24](#) - report to Lothian Valuation Joint Board, 18th September 2023

6. Appendices

- 6.1 Appendix 1 – Financial Risk Analysis

Appendix 1 – 2023/24 Financial Risk Analysis

Risk	Detail	Mitigation
Pay Award	The 2023/24 revenue budget makes provision for a pay award of 3%. Each additional 1% is estimated to cost £45,000.	2023/24 Pay Award now agreed. The financial impact is included in Month Nine forecast.
Office Energy costs	Energy budgets are based on full office occupancy and include an uplift for anticipated price increases. Given the current volatility in energy costs, there is a risk of additional costs.	Ongoing tracking of cost throughout 2023/24. Liaison with City of Edinburgh Council Energy and Sustainability Team.
Funding for additional costs of Non-Domestic Rates Reform	The estimate provided to the Scottish Government for additional cost for the Board is £0.374m for 2023/24. Failure to receive Scottish Government funding will impact on delivery of the required changes.	Fully mitigated - constituent councils have paid the funding of £0.374m, which was included in the Local Government Settlement 2023/24 to the Board.
Cost of Individual Electoral Registration (IER)	Additional costs incurred on IER require to be met from the core budget in 2023/24. A risk remains that additional costs shall continue to be incurred following the introduction of the annual canvass procedure.	Ongoing tracking of cost throughout 2023/24.
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 2023/24.
Transformation Change costs	The cost of the Transformation Programme exceeds estimates.	Ongoing tracking and review of cost estimates.
Economic Changes	An increase in the number of rateable value appeals would have a significant impact on staff resources to achieve disposal by the statutory date of 31 December 2023.	Legislative changes being progressed by the Scottish Government may mitigate this risk.
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.

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Annual Treasury Management Strategy

5th February 2024

1. Introduction

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2024/25.

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. Although interest rates have increased, 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.

Richard Lloyd-Bithell
Treasurer

Appendix

Appendix 1 – Annual Treasury Management Strategy

Contact/telInnes 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.

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Future Meeting Arrangements August 2024 to June 2025

5 February 2024

Purpose of Report

- 1 To advise members of the proposed schedule of meetings for the Lothian Valuation Joint Board for the period to June 2024 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 in previous years, 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 2024 are shown below. Specific meetings are included to consider the Joint Board's Revenue Budget for 2024/25, the Unaudited Accounts for 2024/25 and the Audited Accounts for 2023/24.
- 5.

Proposed Date	Time
Monday 16 September 2024 (Audited Accounts)	10:00am
Monday 4 November 2024	10:00am
Monday 3 February 2025 (Revenue Budget)	10:00am
Monday 24 March 2025	10:00am
Monday 23 June 2025 (Unaudited Accounts)	10:00am

Recommendations

6 The Board is asked:

6.1 To approve the schedule of meetings as detailed for the period August 2023 to June 2024.

6.2 To agree that meetings of the Joint Consultative Group would be held on an “on request” basis.

Andrew Kerr
Chief Executive and Clerk

Appendices None

Contact Rachel Gentleman, Office of the Chief Executive and Clerk
☎ 0131 529 4107; ✉ rachel.gentleman@edinburgh.gov.uk

Background Papers None