

**Highland and Western Isles Valuation Joint Board**

Minutes of Meeting of the Highland and Western Isles Valuation Joint Board held in the Council Headquarters, Glenurquhart Road, Inverness on Thursday, 17 September, 2015, at 10.30 a.m.

**Present**

**Representing The Highland Council** Mrs H Carmichael  
Mr K Gowans  
Mr A Duffy  
Mr L Fraser  
Mrs M Paterson  
Mr D Bremner  
Mr A Graham

**Representing Comhairle nan Eilean Siar** Mr J Mackay  
Mr A MacLeod (*by telephone conference*)

**Non Member in attendance**

Ms C Caddick, The Highland Council

**Officials in attendance:**

Mr W Gillies, Assessor and Electoral Registration Officer  
Mr F Finlayson, Assistant Assessor  
Mrs F Wood, Finance Manager, Treasurer's Office  
Ms M Bruce, Senior Audit Manager, Audit Scotland  
Ms D Sutherland, Audit and Risk Manager, Treasurer's Office  
Mr A MacInnes, Clerk's Office

**Mrs H Carmichael in the Chair**

**Urgent Business**

In terms of Standing order 16.2, the Convener advised that an urgent item of business would be considered following the last item on the agenda.

**1. Apologies for Absence  
Leisgeulan**

There were no apologies for absence.

**2. Declarations of Interest  
Foillseachaidhean Com-pàirt**

The Board **NOTED** that there were no declarations of interest expressed.

**3. Minutes of Meeting of 21 May, 2015  
Geàrr-chunntas Coinneamh 21 Cèitean 2015**

The Minutes of the Board Meeting of 21 May, 2015 had been circulated and were **APPROVED**, subject to the undernoted amendment:-

Item 6ii – Policy on the use of Display Screen Equipment – 2<sup>nd</sup> paragraph line two the word ‘the’ be replaced by the word ‘a’ to read “...Health and Safety Issues, a comment was made that in accordance with .....

#### **4. Membership Ballrachd**

The Board **NOTED** the following change in The Highland Council appointment to the Board:

- Mr K Gowans had been appointed as a Substantive Member, replacing Dr I Cockburn

#### **6. Statement on Internal Control 2014/15 Aithris air In-Ùghdarras 2014/15**

There was circulated Report No VAL/18/15 by the Head of Internal Audit and Risk Management, The Highland Council, on the statement on internal control for 2014/15.

The report included an assessment of the adequacy, reliability and effectiveness of the Board’s system of internal control and provided information for its Annual Governance Statement contained within the 2014/15 Statement of Accounts. It assured Members that on the basis of the work undertaken during the year, it was considered that the key systems operate in a sound manner and that there has been no fundamental breakdown in control resulting in material discrepancy. However as no system of control can provide absolute assurance against material loss, nor can Internal Audit give that assurance, it was the audit opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Board’s internal control systems for the year to 31<sup>st</sup> March 2015.

The Board **NOTED** the content of the report.

#### **7. Internal Audit Report – Matters Arising from the Statement on Internal Control 2014/15 and Internal Audit Plan 2015/16 Aithisg In-Sgrùdaidh – Gnothaichean ag Èirigh bhon Aithris air In-Ùghdarras 2014/15 agus Plana In-Sgrùdaidh 2015/16**

There was circulated Report No. VAL/19/15 by the Head of Audit & Risk Management, Highland Council which referred to the audit work undertaken since the last report to the Board on 28<sup>th</sup> January 2015.

The report provided details of an audit report on Matters Arising from the Statement of Internal Control 2014/15 which gave an audit opinion of Reasonable Assurance, with 3 audit recommendations. All recommendations had been accepted by management with the last agreed action due to be completed by 31 May, 2016.

In addition, details were provided of the audits being undertaken as part of the 2015/16 Audit Plan which Members were asked to approve.

In terms of agreed audit actions that remained outstanding, the Assessor and Electoral Registration Officer advised that the delay in updating The Local Code of Corporate Governance and reviewing Contract Standing Orders had been due to necessary prioritisation of available resources. These documents would now be updated/reviewed as a matter of urgency.

The Board:-

- i **NOTED** the content of the report and the audit opinion provided;
- ii **NOTED** the status of this year's planned audits; and
- iii **APPROVED** the 2015/16 Audit Plan.

## **8. Report to Those Charged With Governance on the 2014/15 Audit Aithisg Dhaibhsan air a bheil Uallach airson Riaghladh air Sgrùdadh 2014/15**

There was circulated Report No VAL/20/15 comprising covering memo and the draft Annual Report on the 2014/15 Audit, by the Senior Audit Manager, Audit Scotland. The report highlighted a number of provisions, including:

- subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, Audit Scotland anticipated being able to issue an auditor's report on 17 September, 2015;
- the Proposed Independent Auditor's Report (Appendix A to the report) and the Draft Annual Report on the 2014/15 Audit would both have finalised status on signature of the annual accounts.
- Three monetary errors had not been processed through the financial statements by management. If adjusted these would reduce gross expenditure by £11,000, and reduce taxation and non-specific grant income by the same amount. There would be no impact on the net liabilities reported in the Balance Sheet.
- The independent auditor's report on the 2014/15 financial statements was unqualified;
- The independent audit found that there were no events or conditions that may cast significant doubt on the Joint Board's ability to continue as a going concern.
- The financial statements submitted for audit did not comply with the requirements of the new accounting regulations. A more robust and challenging review process was required to improve the quality of the financial statements submitted for audit.
- The Joint Board's governance arrangements required improvement as the local Code of Corporate Governance had not been updated since 2010.
- An action plan in the Draft Annual Report set out Audit Scotland's recommendations to address the high level risks that had been identified during the course of their audit.

In terms of the Auditor's recommendation that the Board should develop a Business Continuity Plan for its day to day operations and regularly test its effectiveness, the Board was assured that in-house systems were fully backed up and that this would be properly documented with a report to the next meeting of the Board.

In relation to the three monetary errors, it was confirmed that this was an issue of expenditure not being recorded against the financial year in which the expenditure had occurred and therefore it was more a financial misstatement than an error.

In relation to the level of reserves, Audit Scotland did consider this to be adequate in comparison to other public bodies.

The Board had a history of underspending, so overall there was good financial management of the budget.

The Board **NOTED** the report and that a report on a Business Continuity Plan for the Service would be submitted to the next meeting.

**In accordance with Standing Order 17, with the consent of the meeting, item 5 on the agenda was taken at this point.**

## **5. Audited Accounts 2014/15 Cunntasan Sgrùdaichte 2014/15**

There was circulated Report No. VAL/17/15 which comprised the Audited Statement of Accounts for the financial year 2014/15.

In speaking to the report, the Treasurer's representative highlighted that the Annual Accounts included a management commentary section which provided performance information for 2014/15. This included a budget statement which showed an underspend of £75,000 for 2014/15. The Board continued to hold the maximum permitted in its reserves and therefore the underspend had been returned to constituent authorities. An annual governance statement was now required in the annual accounts and this explained the processes and procedures in place to enable the Board to carry out its functions effectively.

Continuing, the balance sheet showed the net pension liability, resulting in a negative balance sheet total of £5.674m. The constituent authorities of the Board would continue to fund the liabilities of the Board and therefore the accounts were prepared on a going concern basis.

The Board **APPROVED** the Audited Accounts for signature and **AGREED** that they be incorporated into the Annual Report.

## **9. Monitoring of Retirements Cumail sùil air Cluaineis**

It was reported that The Highland Council was an administering authority of the Local Government Pension Scheme and was therefore responsible for the costs involved with the pension fund, in which a number of employers participate, including the Highland and Western Isles Valuation Joint Board.

In accordance with Accounts Commission for Scotland guidance, information was provided to the Board on an annual basis relating to the number and types of retirements of Valuation Joint Board staff members of the Scheme.

The Board **NOTED** that there were no retirements by Highland and Western Isles Valuation Joint Board staff members of the Local Government Pension Scheme during the period 1 April 2014 to 31 March 2015.

**10. Revenue Budget Monitoring Statement 2015/16**  
**Aithris Sgrùdaidh a' Bhuidseit Teachd-a-Steach airson 2015/16**

There was circulated Report No VAL/21/15 by the Assessor and Electoral Registration Officer setting out the revenue monitoring position for the period to 31 July 2015 and the projected year end position.

It was reported that net expenditure to date represented 28% of the annual budget of £2.661m. At this point in the year, the overall outturn was expected to be on budget, however this projection was very sensitive to the eventual outturn of the annual electoral canvass.

The Assessor and Electoral Registration Officer advised that funding to cover Individual Electoral Registration from the UK Government fell short of what had been projected, but Assessors' had been invited to submit additional claims for expenditure and it was likely that justifiable items of expenditure were likely to be met. Therefore a further bid for funding would be made to cover additional costs.

It was advised that Board expenses and Valuation Appeal Committee expenses had been included under the one budget heading. In future monitoring reports, these expenses would be split and recorded under their separate budget headings.

Having heard the Assessor and Electoral Registration Officer provide reasons for variances in budget headings, the Board **NOTED** the contents of the report.

**11. Departmental Report**  
**Aithisg Roinneil**

There was circulated Report No VAL/22/15 by the Assessor and Electoral Registration Officer which outlined the main business of the office of the Assessor and Electoral Registration Officer since the last meeting of the Board. The report, in summary, outlined progress on Electoral Registration, Valuation Appeal Committee casework, general maintenance of the Valuation Roll and Council Tax list, and progress on the preparation for the 2017 Revaluation. The report also set out the administrative work being undertaken in terms of review of administrative policies, advised on various staffing issues, and work planned to improve winter comfort levels in the Stornoway Offices.

In speaking to the report, the Assessor and Electoral Registration Officer highlighted that the Electoral Commission were promoting registration through the schools for 16 and 17 year olds who would be entitled to vote at the forthcoming Scottish Parliamentary Election. In addition a promotional event had been arranged by the Scottish Parliament in conjunction with the Scottish Political and Cultural Partnership for young people in Inverness on 3 October and Electoral Registration Officer staff would be in attendance.

A comment was made that this event should be well advertised as there was little evidence of this so far. Members were also concerned that this event was

intended to cover both Highland and Western Isles. It would be very difficult for young people from the Western Isles, Caithness or Skye for example to attend the event. The Assessor and Electoral Registration would be raising these concerns with the Scottish Parliament and the Electoral Commission as there were opportunities for promoting this event to young people at minimal cost. It would be proposed to the Electoral Commission that this promotion be carried out by the Electoral Registration Officer. It was confirmed that promotional material was submitted to schools and names and addresses were received from schools to target pupils directly. It was suggested that a promotional pack in electronic format could be introduced at Modern Studies classes in schools and libraries across Highland and the Western Isles at little cost. A comment was made that if pupils could not attend the event then perhaps Modern Studies teachers could, and thereafter promote the event to the class. It was also suggested using social media, and also for the Youth Conveners in Highland and Western Isles to act as role models, to get the message across. The University of the Highlands and Islands could also be considered for targeting with promotional material in electronic format and it was confirmed that the Electoral Registration Officer was in contact with the University about this.

It was advised that The Highland Council had announced that it would no longer be routinely closing their offices between Christmas and New Year, although there may be some exceptions. It was proposed that the Board should follow their existing practice to close offices, as opening offices during this period would provide little benefit in terms of service delivery and was not likely to be fully productive due to the demand for leave during the period. Members were in support of continuing to close offices during this period and that a press release be issued to notify the public.

Thereafter, the Board:

i **NOTED** the recent activities of the department as set out in the report;

ii **NOTED** that the Assessor and Electoral Registration would be raising concerns with the Scottish Parliament and the Electoral Commission that much more needed to be done with advertising the event on 3 October in Inverness to promote registration for 16 and 17 year olds who would be entitled to vote at the forthcoming Scottish Parliamentary Election; and

iii **AGREED** to continue with the practice of closing Assessor and Electoral Registration Offices between Christmas and New Year and that a press release be issued to notify the public.

## **12. Draft Annual Report Dreachd Aithisg Bhliadhnail**

There was circulated Report No. VAL/23/15 comprising the draft Annual Report for 2014/15 prepared by the Assessor and Electoral Registration Officer and incorporating the Performance Report, together with, as an Appendix, the Audited Statement of Accounts for 2014/15, which were circulated separately under item 5 of this minute.

The Convener drew attention to her comments in the Introduction to the Report, highlighting significant features of the business undertaken during the year and

outlining future challenges. In particular, the significant additional workload on staff created by the Scottish Independence Referendum was acknowledged, and she expressed the Board's appreciation to staff for all their hard work and efforts during this very challenging year. The Convener commended the Report for approval.

The Assessor and Electoral Registration Officer referred to the following amendments to the report:-

- There was tabled an additional section on Budget and Performance, which was to be included in page 4 of the report prior to the staffing section;
- On page 10 of the report, it was advised that the number of Full Time Equivalent Staff as at 1 April each year included temporary staff taken on for Individual Electoral Registration. Clarification was required if temporary staff should be included, and approval was given to amend this section if necessary.
- In relation to page 11 of the report, the sections on Valuation Roll and Council Tax were to be replaced with new wording as tabled at the meeting.

The Board **APPROVED** publication of the Report, with the inclusion of the amendments referred to above.

### **13. Departmental Policy Review Ath-sgrùdadh Poileasaidh Roinneil**

There was circulated for approval Report No VAL/24/15 by the Assessor and Electoral Registration Officer comprising a new Flexible Retirement Policy. Flexible Retirement was an integral part of the Board's approach to retaining employees with the skills, abilities and experience needed to deliver the Board's objectives and support organisational transformation and business change.

The Board **APPROVED** the Policy on Flexible Retirement.

### **14. Exclusion of the Public Às-dùnadh a' Phobail**

The Board **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting for the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 6 and 9 of Part 1 of Schedule 7A of the Act.

### **15. Rent Review – First Floor, Moray House, Inverness Ath-sgrùdadh Màil – Ciad Ùrlar, Taigh Mhoireibh, Inbhir Nis**

There was circulated to Members only Report No VAL/25/15 by the Assessor and Electoral Registration Officer which outlined the proposals for a rent review for the Board's Inverness office.

The Board **APPROVED** the recommendation that agreement is reached in terms of the counter offer proposed by the landlord to extend the lease until 2025 in return for nil uplift in the current rent.

## **16. Urgent Business – Appointment of Convener**

*In terms of Standing order 16.2, the Convener raised the following urgent item of business.*

The Convener announced that she was standing down as Convener of the Board, but would remain as a Board Member. She expressed her thanks to Mr Bill Gillies, Assessor and Electoral Registration Officer and his predecessor Mr D Gillespie who both had been a pleasure to work with. She also acknowledged her appreciation to all the staff in the Assessor and Electoral Registration Service for all their hard work over her period as Convener. She had found the work of the Board very interesting and was very grateful to have had the opportunity to be Convener.

Thereafter, nominations for the position of Convener were sought.

Mrs H Carmichael, seconded by Mr J Mackay, moved that Mr K Gowans be appointed as Convener. There being no other candidates, Mr K Gowans was duly appointed, and took the Chair.

The Convener, on behalf of the Board thanked Mrs Carmichael for her contribution as Convener of the Board over the last eight years. It was a credit to Mrs Carmichael, that Members of The Highland Council and Comhairle nan Eilean Siar had enjoyed very much her being Convener. The Convener hoped that he could continue to chair the Board in the way Mrs Carmichael had demonstrated.

The meeting closed at 12.20p.m.