

HIGHLAND AND WESTERN ISLES VALUATION JOINT BOARD**29 March 2019**

Agenda Item	3
Report No	VAL/6/19

Proposed Budget 2019**Report by the Assessor and Electoral Registration Officer****Summary**

This report sets out for approval a proposed revenue budget for financial years 2019/22.

Introduction

At the meeting of the Valuation Joint Board held on 25 January a budget proposal was considered by members. It was decided that a decision in relation to the budget should be deferred pending further discussion. Discussion has since taken place with representatives of the constituent councils and there has been further detailed engagement with the Treasurer and his staff. A revised budget has now been agreed with the treasurer, taking account of these discussions.

Outcomes

It is the duty of the Assessor to maintain the Valuation Roll, Council Tax List and Electoral Register. The consequence of the Assessor being provided with insufficient resources to carry out that duty is likely to impact the quality, accuracy and completeness of the Valuation Roll and Council Tax List. It is the responsibility of the Board to ensure that the Assessor is adequately resourced to carry out his duties in terms of the legislation.

A very significant part of Local Government funding is derived from income from council tax and non-domestic rates. The tax cannot be levied if there is not an enabling entry in the council tax list or valuation roll. Buoyancy in the valuation roll is dependent on timeous updates to reflect changes in valuation. In recent years funding pressures have resulted in a reduction in time related performance. It is true that, in so far as council tax is concerned, delays do not result in a legal barrier to the collection of the tax and should not result in a loss of revenue. However, it is acknowledged that backdating of a liability makes it more difficult for Finance Officers to collect a debt and collection is liable to be more costly. The position with non-domestic rates is even more critical as backdating is not possible beyond the beginning of the financial year.

Efficiency

It is acknowledged that funding of the Assessors functions must be reasonable and not excessive and it is a responsibility of the Board to be satisfied that waste is avoided and efficiency is sought. Comparison with other Valuation Joint Boards in this regard is not a

straight forward matter but would not appear to place the Board in an unfavourable position.

Improvements in efficiency can be shown either by carrying out the same function for less, or by achieving more without corresponding increases in funding. The number of subjects in the Valuation Roll, Council Tax List and Electoral Register have all increased over the last ten years. In addition the reasonable demands made by government, business and the public for the Assessor to be more transparent and accountable have in themselves a resource implication. Increased regulation and contraction of central services has also had the effect of increasing workloads.

Over the years the Assessor has sought to improve the efficiency of the organisation. This has included greater use of information technology to provide computer assisted valuation and analysis. Information provision and transparency has been enhanced through the Scottish Assessors Association Portal, resulting in a significant saving in staff time. The SAA portal also provides a degree of automation in relation to the logging and acknowledgement of valuation appeals and the return of rental information. Automation has also been developed in relation to the collection and logging of sales information from the Registers of Scotland. A move has been made away from paper records towards electronic files in respect of council tax.

In recent years the IT infrastructure has limited the scope for future development and has placed a significant drag on the capacity for further innovation, but it is hoped that this shall be resolved in the near future.

It is intended to introduce further efficiency measures and these should include:-

- Develop interface with planning and building control
- Enhanced electronic survey management
- Increase the number of subjects eligible for computer assisted valuation techniques and analysis.
- Develop the use of hand held survey input devices for use in the field
- Email correspondence integration with valuation systems
- Increased risk based/intelligence led approach to survey and appeal settlement
- Develop the use of hand held devices for electoral canvass
- Use of automated email as part of electoral process as allowed by legislation.
- Hybrid electronic mailing to save on postage costs.
- Targeted uptake of document management and workflow systems

Wherever possible economies of scale are sought by utilising Highland Council service contracts, but these are monitored and alternative arrangements are put in place if they are found to be more favourable.

Review

Following the last meeting of the Board further discussion has taken place and the budget has been reconsidered following further analysis of the 2017/18 budget outturn and the 2018/19 projections. The budget has been revised by accepting many of the proposals made by the treasurer. In some other cases the recommendations have been discussed

and implemented in part by agreement. These budget reductions will have the effect of increasing the risk of an overspend in certain budget areas, although it is hoped that this will be avoided.

The increase in funding requested is mainly as a consequence of implementation of the pay awards and higher than expected costs associated with the Valuation Appeal Committee. Members are aware that the Assessor has no control over VAC costs.

Following failed attempts to fill vacancies for qualified valuation staff at the beginning of the year it is accepting that there is little prospect of filling these posts in the near future at current salary levels. While the business need for these positions remains it is accepted that there is no prospect of these posts being filled for at least a significant part of the year and while less than ideal from an operational stance, it has been possible to identify cash saving of £50000 as a consequence.

Barclay and Three Yearly Revaluations

The further increases in budget are required in preparation for implementation of the Barclay reforms and the move to three yearly revaluations. This increased frequency of revaluation has a very significant effect on workload and resources. When the budget was presented in January there was a lesser amount set out in the budget for Barclay reform because the intention had been to recruit with a view to having additional valuers in place for 2022. However, as a consequence of the recruiting difficulties discussed above it was accepted that this approach would most likely fail and that it would be necessary to consider the alternative of recruiting trainee valuers in the year 2019/20. Revised funding for this has been secured from the Scottish Government in the current year. The proposed budgets for future years takes into account the likely level of additional funding from the Scottish Government.

The proposed budget makes reasonable provision for the Assessor to carry out his duties and taken together with additional funding from the Scottish Government it will allow preparation for three yearly revaluations and other Barclay reforms.

Recommendation

The Board is invited to approve the proposed budget.

Designation: Assessor and ERO

Date: 25 March 2019

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Highland & Western Isles Valuation Joint Board
Revenue Budget 2019/20 - 2021/22

Monitoring Category	17/18 Actuals	Current Year Budget	Presented	Proposed	Proposed	Proposed
			25/01/2019	Budget	Budget	Budget
			19/20 Board	19/20 Revised	20/21	21/22
Salaries including NI, superann and overtime	1,776,458	1,856,444	1,995,484	1,995,484	2,071,075	2,148,702
Other staff costs	50,343	54,400	54,600	50,400	50,400	50,400
Travel and subsistence	61,212	78,500	78,500	71,500	71,500	71,500
Heating, lighting and cleaning	43,064	45,700	48,800	47,800	47,800	51,800
Rent, rates and water	204,334	207,056	210,456	207,456	218,261	220,019
Other property costs	7,282	8,100	8,100	7,100	7,100	7,100
Printing, stationery and photocopying	26,964	37,000	31,000	26,500	26,500	26,500
Postages	155,673	180,000	170,000	158,000	158,000	158,000
Telephone and fax costs	11,476	11,800	12,600	11,600	11,600	11,600
Advertising	1,024	2,500	2,500	2,500	2,500	2,500
Legal expenses	7,258	20,000	40,000	30,000	30,000	30,000
Other administration costs	8,797	10,000	10,000	9,000	9,000	9,000
Central service support	62,919	60,000	60,000	60,000	60,000	60,000
Transport Costs	4,629	5,200	6,000	4,500	4,500	4,500
Computer charges	315,929	350,700	350,700	350,700	350,700	350,700
Board Expenses	8,582	10,000	10,000	10,948	11,101	11,257
Valuation Appeal Committee expenses	51,506	53,000	188,000	140,000	140,000	100,000
Income (Including grant income)	(147,840)	(130,250)	(85,250)	(85,250)	(65,250)	(5,250)
Pressures/Savings:						
Office Rationalisation - Rent	-	-	-		(14,500)	(14,500)
Efficiencies - New ER System (Staffing)			(22,778)	(22,778)	(46,992)	(48,474)
Efficiencies - Vacancy Management				(50,000)	-	-
Grand Total	2,649,610	2,860,150	3,168,712	3,025,460	3,143,295	3,245,354
Requisitions (Exc Barclay Requirement):						
CnES	10.66%	304,892	337,785	322,514	335,075	345,955
THC	89.34%	2,555,258	2,830,927	2,702,946	2,808,220	2,899,399
Total			3,168,712	3,025,460	3,143,295	3,245,354
Barclay Requirement						
Barclay Review of NDR - IT Development	-	-	40,000	40,000	-	-
Barclay Review of NDR - Implementation	-	-	-	110,000	315,000	360,000
Grand Total (Inc Barclay Requirement)			3,208,712	3,175,460	3,458,295	3,605,354
Requisitions (Inc Barclay Requirement):						
CnES	10.66%	304,892	342,049	338,504	368,654	384,331
THC	89.34%	2,555,258	2,866,663	2,836,956	3,089,641	3,221,023
Total			3,208,712	3,175,460	3,458,295	3,605,354
Total Requisitions 18/19:						
	2,860,150	Proposed Requisition (Inc Barclay)	3,208,712	3,175,460	3,458,295	3,605,354
		Total Incremental Movement	348,562	315,310	282,835	147,059