

AGENDA ITEM 3

Highland and Western Isles Valuation Joint Board

Minutes of Meeting of the Highland and Western Isles Valuation Joint Board held in Council Headquarters, Inverness on Thursday 12 September, 2019 at 10.35 a.m.

Present:

Representing The Highland Council:

Ms K Currie
Mr L Fraser
Mr J Gray
Mr A MacKinnon
Mr D MacLeod
Mrs P Munro
Mrs M Paterson

Representing Comhairle nan Eilean Siar:

Mr J Mackay

In attendance:

Mr W Gillies, Assessor and Electoral Registration Officer
Ms M Thomson, Office & Support Manager, Assessor and Electoral Registration Service
Ms C Stachan, Accountant, Treasurer's Office
Mr J Boyd, External Auditor, Grant Thornton UK (by telephone conference)
Mr A MacInnes, Administrative Assistant, Clerk's Office

Mr J Gray in the Chair

Business

1. Apologies Leisgeulan

Apologies for absence were intimated on behalf of Mr A Graham and Mr A MacLeod.

2. Declarations of Interest Foillseachaidhean Com-pàirt

There were no declarations of interest.

3. Appointment of Treasurer

Following the retirement of the previous Treasurer, Mr D Yule, the Board **AGREED** to appoint Ms Liz Denovan, Executive Chief Officer, Resources & Finance, The Highland Council as Treasurer to the Board, with immediate effect.

4. Minutes of Meetings Geàrr-chunntas Coinneamh

The Minutes of Meeting of 21 June, 2019 were **APPROVED**, subject to the undernoted amendment:-

Item 9 – Recruitment and Selection Policy – last paragraph should read:- “ The Board **APPROVED** the updated Recruitment and Selection Policy”.

**5. Matters Arising from the Minutes
Gnothaichean Ag Èirigh on Gheàrr-chunntas**

There were no matters arising from the minutes.

**6. Revenue Budget Monitoring Statement 2019/20
Aithris Sgrùdaidh Buidseit Teachd-a-Steach 2019/20**

There was circulated Report No VAL/12/19 by the Assessor and Electoral Registration Officer which set out the revenue monitoring position of the Board for the period to 31 July, 2019 and the projected year end position.

It was reported that the overall outturn was expected to be an underspend of £59k, however, as in previous years, this projection was sensitive to the eventual outturn of the annual electoral canvass. Staff costs indicated an underspend, largely through the management of staff vacancies however advertising of some vacant posts would be taken forward in the coming months. There was uncertainty relating to the costs associated with Valuation Appeal hearings scheduled throughout the current financial year and the requirement for legal counsel. Further, Individual Electoral Reform funding from the Cabinet Office was higher than projected for 2019/20.

In discussion, the following main points were raised:-

- It was explained that payments for computer charges were projected as being within budget however to date, annual costs had not been billed by Wipro. In this respect, regular billing by Wipro would be preferred for budget monitoring purposes and would give reassurance that this budget was being controlled.
- In relation to staff vacancies, it was advised that currently 2 or 3 clerical posts were being held vacant. It may be possible to secure software to make electoral registration more efficient, thereby avoiding the need to recruit clerical staff. The department had been unsuccessful in its advertisement for Chartered Surveyors. Therefore, Graduate Surveyors as well as Trainee Valuers (non graduate) had been recruited instead.
- A meeting was to be held in October, 2019 between Highland Council's Interim Head of ICT and Wipro and an invite to this meeting would be extended to the Assessor and Electoral Registration Officer so that he could discuss issues relating to the computing environment of the department.

Thereafter, the Board **NOTED** the contents of the report.

**7. Departmental Report
Aithisg Roinneil**

There was circulated Report No VAL/13/19 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.

It was reported that the main business since the last meeting had been associated with the disposal of revaluation appeals, the annual electoral canvass and the maintenance of the Valuation Roll and Council Tax lists.

In discussion, the following main points were raised:-

- The annual electoral canvass was currently underway and the total number of household enquiry forms issued was 139,865 of which 104,758 (74.9%) had been returned. It was advised that of the enquiry forms returned, 43,190 had been returned interactively via online or text options which was welcomed. It was advised that in the reminder form sent to households a contact telephone number was the wrong number and this would be rectified for the final reminder.
- The benefits of the interactive return were clear in terms of savings, but there had been a change to the software and the system had a number of issues. This had the consequence of significant manual intervention and checking, which took the edge off the benefits.
- The department was still waiting on the desktop refresh so there had been no improvement in the computing environment which had a significant impact on the department in order to carry out its function efficiently. However, on a positive note, the Assessor and ERO had been invited to take part in the ICT Implementation Board and he would be attending these meetings in future.
- It was requested that a letter of support be sent on behalf of the Board, requesting improvements be made in the computing environment for Assessor and Electoral Registration Officer staff.
- Highland Council had issued a notice to review the rent for the Wick office. However the proposal for an increase of over 100% was not acceptable and a meeting had been arranged next week to discuss the issue.

Thereafter, the Board:-

- NOTED** the recent activities of the Department as set out in the report; and
- AGREED** that a letter of support requesting improvements be made in the computing environment for Assessor and Electoral Registration staff be sent by the Clerk on behalf of the Board.

8. External Annual Audit Sgrùdadh Bliadhnaile air Taobh A-muigh

8a Report to Those Charged with Governance on the 2018/19 Audit Aithisg Dhaibhsan air a bheil Uallach airson Riaghladh air Sgrùdadh 2018/19

There was circulated Report No VAL/14/19 by the External Auditor, Grant Thornton, which provided a summary of the External Auditor's findings from their external audit work for the financial year ended 31 March, 2019.

For the financial year ended 31 March, 2019 the External Auditor planned to issue an unqualified audit opinion on the financial statements.

Also detailed in the report were the key risk areas associated with the financial statements, the work completed and the External Auditor's conclusions. It was reported that there were no issues arising from the work performed on the key risk areas.

The External Auditor had made a recommendation to the Board in relation to the Management Commentary in the Annual Accounts. It was recommended that the

report could be enhanced through greater focus against performance targets to measure outcomes against plans and this recommendation was accepted by the Board.

There had been one audit adjustment identified during the course of the audit and corrected in the financial statements, to recognise defined benefit pension scheme net liabilities for the impact of the McCloud court case. It was explained that this court case referred to Police and Fire Pension Schemes, but Local Authorities had accepted that they would have to consider the implications of the case in terms of the Local Government Pension Scheme. It was anticipated that the outcome of this review would be known in 2020.

Following consideration, the Board **NOTED** the report.

8b Letter of Representation 2018/19 Litir Riochdachaidh 2018/19

There was circulated Report No. VAL/15/19 a copy of the annual audit letter of representation 2018/19.

The Board **AGREED** that the letter of representation be signed by the Treasurer on behalf of the Board.

8c Audited Accounts 2018/19 Cunntasan Sgrùdaichte 2018/19

There was circulated Report No. VAL/16/19 which comprised the Audited Statement of Accounts for the financial year 2018/19.

It was highlighted that the balance sheet showed a negative overall balance as the Pension and Injury Benefits liabilities had a substantial impact on the net worth of the Board. As part of the governance of the Pension Fund, the Fund's Actuary assesses the Fund every 3 years to determine the Employer's contributions so as to ensure there would not be a shortfall to cover future liabilities. Other than this, the Audited Accounts were unqualified.

In relation to the total rateable value of the valuation roll decreasing by circa £4m from 2017/18 to 2018/19, despite the number of entries in the valuation roll increasing, it was explained that the decrease in valuation was largely as a consequence of appeal resolution. While there were still more properties being built in the Highlands and improvements and extensions to homes which would have the effect of increasing the total rateable value, there were also a significant number of revaluation appeals and as such some values would decrease. Further, it was advised that while Council Tax income was collected and retained locally, Non Domestic Rates were collected locally but redistributed nationally. A briefing on the Revenue Support Grant would be provided to Members.

Thereafter, the Board **APPROVED** the Audited Accounts for signature.

The meeting concluded at 11.25 a.m.