

## LANARKSHIRE VALUATION JOINT BOARD

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 4 December 2017

**Chair:**

Councillor Alex McVey, North Lanarkshire Council

**Councillors Present:****North Lanarkshire Council**

David Baird, Bob Burgess, Mary Gourlay (*substitute for Councillor T Castles*), William Shields, Annette Valentine

**South Lanarkshire Council**

Poppy Corbett, Peter Craig, Isobel Dorman, Fiona Dryburgh, Geri Gray, Lynsey Hamilton (Depute), Ann Le Blond, Joe Lowe (*substitute for Councillor J Wardhaugh*)

**Councillors' Apologies:****North Lanarkshire Council**

Tom Castles, Cameron McManus, Jim Reddin

**South Lanarkshire Council**

Jim Wardhaugh

**Attending:****Assessor and Electoral Registration Service**

G Bennett, Assessor and Electoral Registration Officer; J Neason, Assistant Assessor and Electoral Registration Officer (North Lanarkshire)

**Clerk's Office**

L Freeland, Clerk; L Paterson, Administration Officer, South Lanarkshire Council

**Treasurer's Office**

P Manning, Treasurer; L O'Hagan, Finance Manager (Strategy), South Lanarkshire Council

**Also Attending:****Audit Scotland**

Dave Richardson, Senior Audit Manager; Louise Dodds, Lead Auditor

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**1 Declaration of Interests**

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No interests were declared.

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**2 Minutes of Previous Meeting**

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The minutes of the meeting of the Board held on 4 September 2017 were submitted for approval as a correct record.

**The Board decided:** that the minutes be approved as a correct record.

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### **3 Revenue Budget Monitoring and Probable Outturn Position 2017/2018 - Lanarkshire Valuation Joint Board**

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A report dated 2 November 2017 by the Treasurer was submitted comparing the Board's actual expenditure at 13 October 2017 against the budgeted expenditure for 2017/2018 and providing a forecast for the year to 31 March 2018.

Following the probable outturn exercise, a draw of £0.061 million would be required from reserves, leaving a balance of £0.215 million to the balance sheet reserves at 31 March 2018.

#### **The Board decided:**

- (1) that the underspend on the Board's revenue budget of £0.058 million at 13 October 2017, as detailed in Appendix A to the report, be noted;
- (2) that the additional income from the Cabinet Office in relation to Individual Electoral Registration, as detailed in Appendix A to the report, be noted; and
- (3) that it be noted that, following the probable outturn exercise, there would be a draw on reserves of £0.061 million, leaving a balance of £0.215 million to the balance sheet reserves at 31 March 2018.

*[Reference: Minutes of 5 December 2016 (Paragraph 4)]*

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### **4 Revenue Budget 2018/2019 - Lanarkshire Valuation Joint Board**

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A report dated 2 November 2017 by the Treasurer was submitted on the draft revenue budget for Lanarkshire Valuation Joint Board (LVJB) for 2018/2019.

The proposed budget totalled £4.108 million. Taking into account the current level of requisitions at £3.626 million and the anticipated funding of £0.312 million for Individual Electoral Registration from the Cabinet Office, this left a funding shortfall of £0.170 million which was required to deliver a balanced budget. It was considered that the shortfall could be met from the anticipated sum of £0.215 million which would be carried forward in the balance sheet at the end of 2017/2018.

The overall budget for 2018/2019, excluding the contribution from balances carried forward from 2017/2018, would be apportioned to both North and South Lanarkshire Councils at a level of 50% each. This would result in requisitions to each authority of £1.813 million, which remained unchanged from 2017/2018, with the anticipated pay award and increased revaluation appeal activities being managed within the proposed budget.

Based on the budget strategy for 2018/2019, it was anticipated that moving forward, a balance of £0.045 million would be available for use, however, compared to the proposed current draw on reserves, it was recognised that this balance would not meet a full year of funding. To address the anticipated funding gap, the Treasurer and Assessor and Electoral Registration Officer would prepare a 3 year Revenue Budget Strategy to be presented to the Board in March 2018.

The Treasurer responded to a member's question on the budget for the Lanarkshire Valuation Appeal Panel.

#### **The Board decided:**

- (1) that the budget strategy, resulting in the sum of £4.108 million for 2018/2019 for the Lanarkshire Valuation Joint Board, be approved; and

- (2) that a 3 year Revenue Budget Strategy for the Lanarkshire Valuation Joint Board be submitted to the Board's meeting on 5 March 2018.

*[Reference: Minutes of 5 December 2016 (Paragraph 5)]*

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## **5 Lanarkshire Valuation Joint Board Asset Management Policy**

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A report dated 16 November 2017 by the Assistant Assessor and Electoral Registration Officer was submitted on the Lanarkshire Valuation Joint Board (LVJB). Asset Management Policy.

On 4 September 2017, the Joint Board noted the External Auditor's 2016/2017 Annual Audit Report to members and the Controller of Audit. The External Auditor's report included an action plan which recommended that the LVJB asset planning strategy be submitted to the Board for scrutiny and approval.

In response to the External Auditor's recommendation, the LVJB Asset Management Policy was now presented to the Board for approval. The Policy, attached as an appendix to the report, set out the strategic plan for the management of the LVJB's assets.

**The Board decided:** that the Lanarkshire Valuation Joint Board Asset Management Policy be approved.

*[Reference: Minutes of 4 September 2017 (Paragraph 4)]*

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## **6 Lanarkshire Valuation Joint Board - Service Plan Update - January 2016 to December 2018 Service Plan - Update**

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A report dated 16 November 2017 by the Assistant Assessor and Electoral Registration Officer was submitted on progress made, at December 2017, on the Lanarkshire Valuation Joint Board (LVJB) Service Plan for the period January 2016 to December 2018.

Progress was detailed in relation to:-

- ◆ key tasks undertaken by the Board
- ◆ specific areas of the Assessor and Electoral Registration Officer's duties

The Assistant Assessor and Electoral Registration Officer responded to a member's question in relation to the transfer of paper based records, relating to council tax entries, to a digital platform.

**The Board decided:** that the progress achieved on the Lanarkshire Valuation Joint Board Service Plan for the period January 2016 to December 2018 be noted.

*[Reference: Minutes of 5 December 2016 (Paragraph 6)]*

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## **7 Summary of the Barclay Report on the Review of Non Domestic Rates**

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A report dated 16 November 2017 by the Assessor and Electoral Registration Officer was submitted on the content of the Barclay Report on the Review of Non-Domestic Rates.

The review of non-domestic rates, led by Kenneth Barclay, former Chair of the Royal Bank of Scotland, had been ongoing since the middle of 2016 and had now concluded with 30 recommendations.

The remit of the review had been:-

*"To make recommendations that seek to enhance and reform the non-domestic rates (also sometimes referred to as business rates) system in Scotland to better support business growth and long term investment and reflect changing marketplaces, whilst still retaining the same level of income to deliver local services upon which businesses rely."*

Details of the recommendations were provided in Appendix 1 to the report. Recommendations were categorised into 3 specific areas as follows:-

- ◆ 7 measures to support economic growth
- ◆ 12 measures to improve ratepayer experience and administration of the system
- ◆ 11 measures to increase fairness and ensure a level playing field

On 12 September 2017, in response to the Barclay Review, the Cabinet Secretary for Finance and the Constitution announced which of the 30 recommendations would be implemented immediately. The Scottish Assessors' Association (SAA) had maintained dialogue with the Scottish Government on the implementation of the recommendations which specifically affected Assessors' Offices and, where applicable, Valuation Joint Boards. As a first step, the SAA had developed an Action Plan, attached as Appendix 2 to the report, in response to recommendation 12 which stated:-

*'Assessors should provide more transparency and consistency of approach. If this is not achieved voluntarily, a new Scotland wide Statutory Body should be created which would be accountable to Ministers'.*

Recommendation 2 stated that from 2022 there should be 3 yearly Revaluations with valuations based on market conditions on a date 1 year prior, the 'Tone date'. The Assessor and Electoral Registration Officer highlighted that this would have a significant impact on both employee and financial resources for Assessors, which had been recognised in the Barclay Review.

The Joint Board would be updated, as appropriate, on the implications arising from the implementation of the Barclay Review recommendations.

#### **The Board decided:**

- (1) that the report be noted; and
- (2) that further updates on the implementation of the Barclay Review recommendations be provided to the Board as appropriate.

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## **8 Progress Update**

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A report dated 16 November 2017 by the Assessor and Electoral Registration Officer was submitted on:-

- ◆ an overview of the Service
- ◆ current issues and Service priorities
- ◆ an update on performance
- ◆ issues affecting the future direction of the Joint Board
- ◆ complaints received and dealt with since the last progress update report

Statistical information, illustrating progress made in terms of key areas of the work undertaken by Lanarkshire Valuation Joint Board, was provided in the appendices to the report.

**The Board decided:** that the report be noted.

*[Reference: Minutes of 4 September 2017 (Paragraph 6)]*

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## **9 Urgent Business**

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There were no items of urgent business.