

LANARKSHIRE VALUATION JOINT BOARD

Minutes of meeting held via Microsoft Teams and in the Banqueting Hall, Council Offices, Almada Street, Hamilton on 27 June 2022

Convener:

Councillor Walter Brogan, South Lanarkshire Council (*after item 3*)

Councillors Present:

North Lanarkshire Council

Bob Burgess, Lesley Jarvie, Tom Johnston, Fergus MacGregor, Alex McVey, Jim Reddin (Depute Convener - *after item 3*), Anne Thomas

South Lanarkshire Council

Janine Calikes, Ross Clark, Colin Dewar, Lynsey Hamilton, Martin Hose, Gavin Keatt, Mark McGeever

Councillor's Apology:

North Lanarkshire Council

Bill Shields

Attending:

Assessor and Electoral Registration Service

G Bennett, Assessor and Electoral Registration Officer; R Pacitti, Assistant Assessor and Electoral Registration Officer

Clerk's Office

C Sneddon, Clerk; M Gordon, Administration Assistant; S McLeod, Administration Officer; L Wylie, Administration Assistant, South Lanarkshire Council

Treasurer's Office

P Manning, Treasurer; Y Douglas, Audit and Compliance Manager; J Taylor, Head of Finance (Strategy), South Lanarkshire Council

Also Attending:

Audit Scotland

Brian Gillespie, Lead Auditor

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Lanarkshire Valuation Joint Board held on 7 March 2022 were submitted for approval as a correct record.

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

3 Appointment of Convener and Depute Convener

A report dated 15 June 2022 by the Clerk was submitted on:-

- ♦ the procedure to be followed by the Board in appointing its Convener and Depute Convener following the Local Government elections held on 5 May 2022
- ♦ the levels of remuneration for each position in terms of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2022 and subsequent amendments

Councillor Keatt, seconded by Councillor Hamilton, moved that Councillor Brogan (South Lanarkshire Council) be appointed as Convener of the Board. Councillor Johnston, seconded by Councillor Calikes, moved that Councillor Clark (South Lanarkshire Council) be appointed as Convener of the Board.

On a vote being taken by roll call, members voted for the candidates as follows:-

Councillor Brogan

Walter Brogan, Bob Burgess, Lynsey Hamilton, Martin Hose, Gavin Keatt, Mark McGeever, Alex McVey, Jim Reddin

Councillor Clark

Janine Calikes, Ross Clark, Colin Dewar, Lesley Jarvie, Tom Johnston, Fergus MacGregor, Anne Thomas

8 members voted for Councillor Brogan and 7 members voted for Councillor Clark. Councillor Brogan was declared Convener of the Board.

Councillor McVey, seconded by Councillor Brogan, moved that Councillor Reddin (North Lanarkshire Council) be appointed as Depute Convener of the Board. Councillor Dewar, seconded by Councillor MacGregor, moved that Councillor Johnston (North Lanarkshire Council) be appointed as Depute Convener of the Board.

On a vote being taken by roll call, members voted for the candidates as follows:-

Councillor Reddin

Walter Brogan, Bob Burgess, Lynsey Hamilton, Martin Hose, Gavin Keatt, Mark McGeever, Alex McVey, Jim Reddin

Councillor Johnston

Janine Calikes, Ross Clark, Colin Dewar, Lesley Jarvie, Tom Johnston, Fergus MacGregor, Anne Thomas

8 members voted for Councillor Reddin and 7 members voted for Councillor Johnston. Councillor Reddin was declared Depute Convener of the Board.

The Board decided:

that Councillor Brogan (South Lanarkshire Council) be appointed as Convener of the Board and Councillor Reddin (North Lanarkshire Council) be appointed as Depute Convener of the Board for the period to the next Local Government elections.

Councillor Brogan took the Chair for the remaining items of business

4 Adoption of Standing Orders on Procedures, Financial Regulations, Standing Orders on Contracts, Scheme of Delegation and Terms of Reference

A report dated 17 June 2022 by the Clerk was submitted on revised Standing Orders on Procedures, Financial Regulations, Standing Orders on Contracts and the Scheme of Delegation for the Board, together with Terms of Reference for the Board's Appeals and Grievance and Disputes Panels.

The various documents had been reviewed and amended to take account of legislative changes, organisational and operational requirements, actual practice and terminology.

Following the review, no changes had been proposed to the Scheme of Delegation or Terms of Reference for the Appeals and Grievance and Disputes Panels. Summaries of the proposed changes to the Standing Orders on Procedures, Standing Orders on Contracts and the Financial Regulations were attached at appendices 1, 2 and 3 to the report respectively.

The Board decided: that the Standing Orders on Procedures, Financial Regulations, Standing Orders on Contracts, Scheme of Delegation and Terms of Reference for the Appeals and Grievance and Disputes Panels, as detailed in the supporting documentation pack, be approved.

5 Timetable of Future Meetings

A report dated 8 June 2022 by the Clerk was submitted on the proposed timetable of meetings for the Board for the remainder of 2022 and 2023. It was proposed that the meetings be held at 2.00pm in South Lanarkshire Council Offices, Almada Street, Hamilton and via remote access on the following dates:-

- ◆ Monday 5 September 2022
- ◆ Monday 5 December 2022
- ◆ Monday 6 March 2023
- ◆ Monday 5 June 2023
- ◆ Monday 4 September 2023
- ◆ Monday 4 December 2023

The Board decided: that the arrangements for meetings of the Board for the remainder of 2022 and 2023 be approved.

6 Revenue Budget Monitoring 2022/2023 – Lanarkshire Valuation Joint Board

A report dated 6 June 2022 by the Treasurer was submitted comparing the Board's actual expenditure at 20 May 2022 against the budgeted expenditure for 2022/2023 and providing a forecast for the year to 31 March 2023.

As at 20 May 2022, there was an underspend on the Board's revenue budget of £0.059 million. The financial forecast to 31 March 2023 was a breakeven position.

The Board, at its meeting on 6 December 2021, had approved a budget of £3.665 million for 2022/2023. Following receipt of the Local Government Settlement from the Scottish Government in December 2021, the 1% reduction in the constituent authorities had been reinstated which had resulted in a further £0.035 million of income.

The Scottish Government had granted funding totalling £0.698 million for 2022/2023 to address costs to the Board arising from the Barclay Review. The sums from North and South Lanarkshire Councils, each amounting to £0.349 million, would be transferred to the Board via the council contribution payments.

As a result of the Barclay funding award, additional contribution payments and the preparation of the Board's medium term Financial Strategy, the level of anticipated spend for 2022/2023 had been refined with the budgets for expenditure and income both being increased by £0.600 million.

The adjustments and revised budget for 2022/2023 of £4.265 million, which reflected the level of requisitions and use of reserves, were detailed in Appendix A to the report.

The Treasurer responded to members' questions on the current economic situation and the financial forecast to 31 March 2023 of a breakeven position.

The Board decided:

- (1) that an underspend of £0.059 million on Lanarkshire Valuation Joint Board's revenue budget, as detailed in Appendix A to the report, be noted; and
- (2) that the forecast to 31 March 2023 of a breakeven position be noted.

[Reference: Minutes of 6 December 2021 (Paragraph 4)]

7 Internal Audit Annual Assurance Report 2021/2022

A report dated 15 June 2022 by the Executive Director (Finance and Corporate Resources), South Lanarkshire Council was submitted:-

- ◆ detailing progress on, and performance of, Internal Audit services to Lanarkshire Valuation Joint Board in 2021/2022
- ◆ providing an independent audit opinion on the adequacy and effectiveness of the Board's framework of governance, risk management and control arrangements for the year ended 31 March 2022

The Internal Audit Annual Report in relation to the Lanarkshire Valuation Joint Board covered:-

- ◆ workload and performance
- ◆ basis of the audit opinion
- ◆ delivery of audit actions
- ◆ audit findings
- ◆ the opinion of Internal Audit on the adequacy and effectiveness of the Board's internal control systems

The opinion of Internal Audit for the year 2021/2022 was that a reasonable level of assurance could be placed on the adequacy and effectiveness of the Board's internal control systems and governance arrangements.

The Board decided:

- (1) that the Internal Audit Annual Report for 2021/2022 for the Lanarkshire Valuation Joint Board be noted; and

- (2) that the opinion of Internal Audit be considered in the preparation of the 2021/2022 Statement of Governance for the Lanarkshire Valuation Joint Board.

[Reference: Minutes of 7 June 2021 (Paragraph 4)]

8 Annual Governance Statement

A report dated 7 June 2022 by the Treasurer was submitted on the Annual Governance Statement for 2021/2022 which would be included in the Lanarkshire Valuation Joint Board's 2021/2022 Annual Accounts.

The Board's Annual Governance Statement 2021/2022, which was attached as an appendix to the report, provided details of the systems for internal control which were in place to ensure a robust governance structure. For 2021/2022, the Treasurer's opinion was that the systems for internal control were effective. Those systems would continue to be reviewed and improved, as appropriate, in 2022/2023.

The Board decided: that the Annual Governance Statement, attached as an appendix to the report, be approved for inclusion in the Lanarkshire Valuation Joint Board's 2021/2022 Annual Accounts.

9 2021/2022 Annual Report and Accounts – Lanarkshire Valuation Joint Board

A report dated 1 June 2022 by the Treasurer was submitted on the Board's Annual Report and Accounts for the financial year ending 31 March 2022.

At its meeting on 7 March 2022, the Board had been advised of a probable outturn transfer to reserves of £0.021 million. Appendix 1 to the report detailed the actual position for the Board for the year ended 31 March 2021 which showed a transfer to reserves of £0.352 million. An explanation for the variance in the transfer to reserves of £0.331 million was provided in the report and Appendix 1. The unaudited Annual Report and Accounts, attached as Appendix 2 to the report, detailed the Revenue Accounts and Balance Sheet position as at 31 March 2022 which showed a net deficit position of £0.312 million. After implementing statutory accounting practice, the net position on the Board's General Fund Balance was a surplus of £0.352 million, as shown in Appendix 1. This sum, when added to the General Reserve of £1.127 million carried forward from 2020/2021, gave the Board a closing General Reserve position of £1.479 million at 31 March 2022.

The Treasurer responded to a member's question on the surplus position of the Board's General Fund Balance and the closing General Reserve position.

The Assessor and Electoral Registration Officer responded to a member's question on the training and retention of employees.

The Board decided: that the unaudited Annual Report and Accounts for the Board for the year ended 31 March 2022, attached as an appendix to the report, be approved for submission to the external auditors, Audit Scotland.

[Reference: Minutes of 7 December 2020 (Paragraph 3) and 7 March 2022 (Paragraph 3)]

Councillor Calikes left the meeting after consideration of the above item of business

10 Financial Strategy 2023/2024 to 2025/2026

A report dated 15 June 2022 by the Treasurer was submitted on a Financial Strategy for Lanarkshire Valuation Joint Board over the medium-term for the years 2023/2024 to 2025/2026 which included a Reserves strategy.

A revised medium-term financial strategy for 2021/2022 to 2023/2024 had been presented to the Board in December 2020 which detailed the planned approach to managing the Board's budget and explained the planned use of Reserves until the end of 2023/2024.

This strategy had been based on using £0.175 million of Reserves in the final year and acknowledged that, as the reliance on the use of Reserves was not sustainable in the longer term, the Board would be required to make efficiency savings of £0.175 million over the next 3 years to cover the use of Reserves after 2023/2024.

Following the 2021/2022 financial year-end, there had been a balance on Reserves of £1.479 million for use in 2022/2023 and beyond and this was the position on which the medium-term Strategy had been based.

The continued increase in workload across all 3 key business areas of the Board (Non-Domestic Valuation, Council Tax Valuation and Electoral Registration) meant that ways of maintaining service delivery and compliance with statutory duties of the Assessor and Electoral Registration Officer, against a backdrop of budgetary pressures, continued to be reviewed and were reflected in the proposed Financial Strategy.

The Board's budget for 2022/2023 had been approved by the Board at its meeting held on 6 December 2021 and Appendix 1 to the report showed the budget for 2022/2023 to 2025/2026, taking 2022/2023 as the starting point. Appendix 1 also showed the proposed Financial Strategy for the Board to the end of 2025/2026, the main principles on which it was based being that:-

- ◆ the employee cost budget reflected the progression of employees through pay grades, in line with agreed pay structures
- ◆ price increases, pay awards and an estimated 1% reduction in contributions were managed by efficiencies generated by the Board in each year
- ◆ the budget included a staff turnover target of 4% per annum (this was considered to be realistic based on prior years' experience)
- ◆ the pay award was higher than originally budgeted at 2% for 2022/2023, and then was assumed at 1% for the following 3 years (this was an area of risk)
- ◆ the transfer of Valuation Appeal Panel activities to the Scottish Courts and Tribunal Service would have no financial impact (the money would be removed from the councils' settlements and, therefore, from the income the Board received from both councils)
- ◆ the Barclay funding was assumed at the same level as 2022/2023, as no information was known beyond that year
- ◆ this position might be affected by further in-year underspends that had not yet been foreseen

Details of the Reserves forecast and strategy were also provided in the report.

As a body that was funded by contributions from councils under the direction of the Board, the Board would manage its budget in year with any risk items identified to the Treasurer as required. Any budget pressures and funding solutions would be considered by the Assessor and Electoral Registration Officer and the Treasurer.

The Treasurer responded to a member's questions on the increased workload and the risk of the pay award being higher than what had been budgeted for.

The Board decided: that the Financial Strategy 2023/2024 to 2025/2026, as detailed in the report and Appendix 1 to the report, be noted.

[Reference: Minutes of 5 March 2018 (Paragraph 4)]

11 Who We Are and What We Do

A report dated 9 June 2022 by the Assessor and Electoral Registration Officer was submitted on a document entitled "Who We Are and What We Do" which:-

- ◆ provided a brief description of the duties and functions of Lanarkshire Valuation Joint Board (LVJB), its members and the Assessor and Electoral Registration Officer
- ◆ highlighted the main undertakings in relation to the following 3 core statutory duties of the Assessor and Electoral Registration Officer which comprised the compilation and maintenance of the following for the whole of Lanarkshire:-
 - ◆ Valuation Roll
 - ◆ Valuation List
 - ◆ Electoral Registers

The Board decided: that the report be noted.

12 Lanarkshire Valuation Joint Board Public Performance Report 2021/2022

A report dated 15 June 2022 by the Assessor and Electoral Registration Officer was submitted on the Board's Public Performance Report for the financial year 2021/2022. The Public Performance Report, attached as an appendix to the report, outlined the Board's performance in its core service delivery areas during 2021/2022.

The Board decided: that the report be noted.

[Reference: Minutes of 7 June 2021 (Paragraph 9)]

13 Monitoring of Complaints - 1 April 2021 to 31 March 2022

A report dated 9 June 2022 by the Assessor and Electoral Registration Officer was submitted on complaints received by the Lanarkshire Valuation Joint Board for the period 1 April 2021 to 31 March 2022.

A total of 13 complaints had been received in the period 1 April 2021 to 31 March 2022. Of those, 3 related to Council Tax and 10 related to electoral registration. 3 complaints had been classified as upheld, 9 had not been upheld and 1 had been partially upheld.

No decisions on complaints had been received from the Scottish Public Services Ombudsman for the period 1 April 2021 to 31 March 2022.

The Board decided: that the report be noted.

[Reference: Minutes of 7 June 2021 (Paragraph 11)]

14 Progress Update

A report dated 15 June 2022 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

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 Assessor and Electoral Registration Officer responded to a member's question on the transfer of the work of the Valuation Appeal Panels to the Scottish Courts and Tribunals Service.

The Board decided: that the report be noted.

15 Urgent Business

There were no items of urgent business.