

Item: 12

Orkney and Shetland Valuation Joint Board: 29 June 2023.

Best Value – Progress Report.

Report by Assessor and Electoral Registration Officer.

1. Purpose of Report

To present a progress update, as required by the Board's Best Value Regime, for the reporting period October 2022 to May 2023.

2. Recommendations

The Valuation Joint Board is requested to scrutinise the contents of this report and discuss any issues identified.

3. Background

Under the Board's Best Value submission, it states that the Assessor and Electoral Registration Officer would produce six monthly Progress Reports for presentation to meetings of the Board.

4. Introduction

The statutory duties of the Assessor and Electoral Registration Officer are to prepare, maintain and publish the Valuation Roll, the Council Tax Valuation List and the Register of Electors. This report describes these three duties in more detail and presents to the Board details of the main tasks completed between October 2022 and May 2023.

5. Electoral Registration Service – Overview and Priorities

5.1. Annual Electoral Registration Canvass

5.1.1.

The annual canvass was successfully completed by the end of November 2022 and the revised annual register was published and distributed on 1 December 2022.

5.1.2.

The door to door aspect of the canvass, which is the final contact method for properties who have not made the required response, was concluded in time for the publication. This was the first occasion since before the Coronavirus pandemic that door to door visits were carried out to the extent that was undertaken in 2019. The successful results of trialling tablet based canvassing in 2021 meant it was fully implemented in 2022.

5.1.3.

The anticipated improvements for canvassers, especially in the use of the mapping system built into the software to allow easy locating of properties, proved to be beneficial and well received by all canvassers. The information gathered and uploaded to the Electoral Management System (EMS) proved to work well and was more efficient for administration staff to process than the previously used paper forms.

5.2. Electoral Registration Outwith Canvass

Outside the annual canvass period all individuals who can be identified as having changed address using Council Tax records (including new builds and house sales), Council Housing Tenancy records and Housing Association records etc. are targeted with focused correspondence. These changes also highlight electors who are no longer resident and this information is used to go through the necessary processes to remove electors who are no longer entitled to be registered.

5.3. Electoral Management System (EMS)

5.3.1.

Idox, the provider of the EMS, introduced a major update to the software on the system which is used to manage the running of the election based aspects of the ERO's statutory functions. This significant upgrade was successfully carried out by both councils' IT Services firstly on the Beta system then after being tested by senior electoral staff, implemented into the Live system in December 2022.

5.3.2.

Following Idox's guidance the full Test system was also recently brought up to date with this most recent version of the software. On line training provided by Idox was attended by all electoral staff. The Depute Electoral Registration Officer represents the Board on a recently formalised Idox Scottish Users group which meets to discuss EMS development matters and improvements.

5.4. Elections and Referendums

There were no scheduled elections during this period. Senior electoral staff used this opportunity to familiarise themselves with the newly implemented software detailed above, creating and running the Electoral Registration Officer's aspects of an election on the EMS Test system.

5.5. Business as Usual Activities

The following Electoral Registration functions were undertaken with reference to the guidance produced by the Electoral Commission and within legislative timetables.

- Plan, undertake and action continued staff training on changes to electoral legislation and the EMS.
- Follow up all correspondence issued to potential electors issued outwith the annual canvass period.

- Continue to process all registration and absent vote applications received, by whatever method.
- In January 2023 the annual absent vote signature refresh process on the required electors was successfully carried out. This fulfils the requirement to gather a fresh specimen signature from all electors who have a postal voting arrangement, whose held signature has been in place for 5 years.

5.6. Elections Act 2022

5.6.1.

Implementation of the Elections Act 2022 continues to progress.

5.6.2.

To facilitate various aspects of the Elections Act, the Department of Levelling Up, Housing and Communities (DLUHC) has developed an Electoral Registration Officers Portal (EROP) to give the public access to the government website, gov.uk, to make the necessary applications. Local Electoral Registration Officers and their staff also have access to this portal in order to process the applications.

5.6.3.

The necessary facilitation of this portal required input for both councils' IT Services to ensure the correct connectivity between the EROP and our local EMS installations and that security compliances and software are in place. The required data protection documentation was also completed and signed off with the assistance of the Board's Data Protection Officer.

5.6.4.

The first aspect of the Act to be implemented is the requirement for Voter ID at polling stations for elections. It should be noted that under this Act this requirement will only be for Westminster Parliamentary elections in Scotland. This requirement first applied at the local government elections in England held on 4 May 2023. While registered electors across Great Britain who do not already hold suitable photographic ID can apply to their local ERO for a Voter Authentication Certificate (VAC), uptake in Scotland has been light as there has been no publicity on the requirement for it yet. Within Orkney and Shetland only a very small number of applications have been received so far.

5.6.5.

Electoral registration staff have attended on line training hosted both by Idox and DLUHC. Comprehensive guidance on the management of these VAC applications has also been provided by the Electoral Commission.

5.6.6.

Electoral Registration Officers have received funding from the Department of Levelling Up Housing and Communities in regard to implementing the Elections Act 2022. As a result of the funding method used it is not anticipated that EROs will require to currently use the Justification Led Bid process that is available to allow EROs to submit claims for additional expenses incurred over and above the initial payments.

5.6.7.

Public uptake of the requirement for a VAC is not yet known. Initial estimates received by EROs suggested this may be 2% of the electorate but further suggested levels indicate that this may be 4% or 6% of the electorate. Therefore we are still not able to accurately estimate the uptake ahead of the first applicable election, at a local level, at this time.

5.7. Main service priorities for October 2021 to April 2022

5.7.1. Elections Act 2022

Continue with implementation of the Elections Act. As the DLUHC progresses with the significant changes this legislation is bringing into place, Electoral Registration Officers are kept in regular contact with developments by that Department. This is done through the Scottish Assessors Association, the Association of Electoral Administrators and the Electoral Commission in addition to DLUHC themselves. Questionnaires on our preparedness and anticipated requirements continue to be produced by the DLUHC and will be completed as required.

The next stage of the Act to come into force are the changes to absent (Postal and Proxy) voting arrangements. Of particular concern to electoral administrators in Scotland is the divergence in legislation in regard to absent voting that will result in changes in respect of the requirements for Westminster parliamentary process as opposed to those currently in place and remaining unchanged for Local Government and Scottish Parliamentary Elections. The secondary legislation required to bring these changes into force is anticipated to be in place in October 2023.

Electoral staff will be involved at all appropriate levels as information is distributed and training made available.

5.7.2. Annual Canvass 2023

Planning for the largest single event in the annual cycle of electoral registration, the annual canvass, is now well under way. As there have been no changes to the legislation covering the canvass it will be conducted in a very similar manner to that of 2022 with only minor changes being carried out as it progresses. Existing processes and the newer initiatives brought in work well and it is planned that it will commence slightly earlier this year at the beginning of August. In 2022 it was delayed to allow for the Shetland Islands Council By Election for the North Isles ward held on 4 August to be completed.

6. Council Tax

6.1. New Entries

As at 1 October 2022, there were 11,627 chargeable dwellings in Orkney and 11,552 in Shetland which had risen to 11,653 in Orkney and 11,627 in Shetland, as at 1 April 2023. These figures include the addition of 24 new dwellings in Orkney and 14 in Shetland over the 6 month period. The number of completed new dwellings coming into existence has fallen significantly in both Orkney and Shetland over the period in comparison to the last update report. This large decrease in new dwellings is most likely attributable due to a seasonal drop in completions over winter.

6.2. Proposals/Appeals

The numbers of Council Tax proposals/appeals remain at very low levels in Orkney and Shetland. Proposals to alter bands are dealt with as business as usual queries in the first instance and it is unusual that any proceed before the Valuation Appeal Committee. As at 1 April 2023, there is 1 outstanding proposal covering both Orkney and Shetland. From 1 April 2023, the Valuation Appeal Committee ceased to exist, and proposals that cannot be resolved are now referred to the First Tier Tribunal of the Scottish Courts and Tribunals Service.

6.3. Service Priorities April 2023 to September 2023

The current service priorities are summarised as follows:

- Administer the transfer of a potentially large number of Self Catering subjects from the Valuation Roll to Council Tax List.
- Maintain the time taken between completion of new dwellings and the insertion of the dwelling in the Council Tax List in accordance with performance targets.
- Maintain the time taken between the sale of houses which have been altered and the date their Council Tax Band is changed.
- Continue to resolve proposals and appeals against Council Tax banding.
- Hire new staff in both Kirkwall and Lerwick to replace staff/fill a vacancy, and integrate as smoothly as possible with a view to maintaining above priorities.
- Continue to train staff with the new valuation system, especially with regard to the features around automated import of Land Registry information, and Building Warrant and Planning details.

7. Non-Domestic Rating

7.1. Background

7.1.1.

The Assessor is required to carry out a general Revaluation of all Non-Domestic properties. Historically this was generally carried out every five years but, from 1 April 2023, Revaluations now take place every three years. The most recent Non-Domestic Revaluation took effect from 1 April 2023, with a valuation date of 1 April 2022.

7.1.2.

The Non-Domestic Rates (Scotland) Act 2020 was passed in March 2020 and The Non-Domestic Rates (Scotland) Act 2020 (Commencement No.2 and Transitional Provisions) Regulations 2020, specified a range of dates, from November 2020 to April 2023, on which various sections of the Act came/will come into force. Grant funding of £70,000 per island area (£140,000 in total) was provided for 2023/24 to assist with the implementation of reforms. As part of the transition the Board procured a new valuation system and recruited two Graduate Apprentice Valuers, one in each area office.

7.1.3.

The powers and duties of the independent local Valuation Appeal Panels/ Committees passed to the First Tier Tribunal (FTT) of a newly formed Local Taxation Chamber of the Scottish Courts and Tribunals Service (SCTS), with effect from 1 April 2023.

7.1.4.

The Assessor is required to maintain the Valuation Roll for his/her area by amending it to reflect a number of circumstances including physical changes to properties. Any such change to the Valuation Roll may be appealed by relevant parties.

7.2. Maintenance of the Valuation Roll

7.2.1. Valuation Roll Statistics

As at 1 October 2022, there were 2,648 entries in the Orkney Valuation Roll with a Rateable Value of £28,962,015 and 2,381 in the Shetland Valuation Roll with a Rateable Value of £55,850,190. As at 1 April 2023, this has been amended to 2,654 entries in Orkney with a Rateable Value of £33,015,815 and 2,369 in Shetland with a Rateable Value of £62,384,705.

7.2.2. Revaluation Appeals

Appeals against the 2017 valuations were lodged between 1 April and 30 September 2017. The number of appeals lodged by 30 September was 181 in Orkney and 246 in Shetland. All of these appeals have been settled.

For the 2023 Revaluation, new Legislation has changed the method for ratepayers to challenge their valuations. A shortened four-month period following revaluation, expiring 31 July, is allowed for interested parties, or their appointed agents, to lodge Proposals to alter the value. In the event that agreement cannot be reached between the Assessor and the ratepayer, there will be a right to appeal at the First Tier Tribunal (FTT) referred to above.

7.2.3. Coronavirus and Running Roll Appeals

In response to the Covid-19 pandemic, 353 appeals were received over 2020 and 2021. The statutory date for disposal of these appeals was amended by Statutory Instrument in June 2021 to 31 December 2022, and subsequently to 31 December 2023. These appeals have all been passed to the First Tier Tribunal Service.

7.3. 2023 Revaluation

7.3.1.

The recent rating Revaluation came into force on 1 April 2023 after all 5,000+ entries in the Orkney and Shetland Valuation Rolls were revalued based on the level of value existing at 1 April 2022. Ahead of Revaluation, for the first time Draft valuation notices were issued in November 2022, followed by the final valuation notices on 1 April 2023. Assessors are now required to furnish ratepayers, of qualifying subjects, with a list of comparisons which were considered when arriving at the Rateable Value.

7.3.2.

As part of NDR Reform, the valuation date was shortened from two years in advance of Revaluation, to one, thus significantly compressing the time to carry out the task. This was more profoundly felt given the bulk of the work had to be done ahead of the Draft valuation date. Barclay funding mitigated this to a large extent, with the two Graduate Apprentice Valuers we now have, but the shortened timescale remains challenging.

7.3.3.

Having delivered the Revaluation, we are currently in the four-month phase of receiving Proposals to alter values. To date, we have received a small number (proportionate to other Assessors), but it is expected that July will see the biggest influx of Proposals when appointed agents make their submissions. That will lead to a significant piece of work in terms of planning responses to Proposals. Currently we are liaising with other Assessor working groups in terms of how Proposals should be dealt with – this is extremely important given this is a brand-new process.

7.4. Non-Domestic and Council Tax Valuation Systems

7.4.1.

The data migration to Orkney and Shetland's new valuation system has been completed and the system went live on 4 October 2021. Staff have undertaken training to action business as usual processing in relation to the Valuation Roll and Council Tax Valuation List amendments. As of 1 April 2023, the Valuation Roll is only maintained on the new system. Council Tax amendments are predominantly undertaken on the new system, but the old one has been retained as a valuation tool.

7.4.2.

Training and a close working relationship with our supplier is essential to ensure we make the best of the new system. This is especially true on the Council Tax side – partly because most emphasis to date has been on the Valuation Roll while the Revaluation was delivered, but also because we will be taking on new staff in the short-term due to retirements.

7.4.3.

The new system has the potential to make efficiencies through bulk valuations and the automated generation of notices. Other benefits include the automated uploading to case files of lists from the land registry, planning and building control, where previously this would have been a manual task per subject entry.

7.5. Service Priorities April to October 2023

The current service priorities are summarised as follows:

- Conclude audit of Self-Catering evidence required to allow such subjects to remain on the Valuation Roll.
- As a consequence of the above, plan for the transfer of a potentially significant number of subjects from Valuation Roll to Council Tax List.
- Monitor Revaluation Proposals coming into the office, acknowledge accordingly, and plan for dealing with Proposals over the statutory time period.
- In connection with the above, work alongside our valuation system provider to integrate a caseload facility for dealing with Proposals.
- Continue to liaise with Scottish Assessors Association to ensure harmonisation in practices dealing with the new Proposal process.
- Survey (where possible) and value new property or alterations to existing properties to ensure that the Valuation Roll is as complete and accurate as possible.
- To upload all records to the Scottish Assessors Portal on a weekly basis.
- Monitor staff training requirements for efficient continued use of the new valuation system.
- Support trainee valuers through their courses of degree and RICS APC studies.

8. Shetland Office Accommodation

8.1.

At the time of the previous report, some measures had been taken to mitigate the previously reported space and layout issues at our Lerwick office. These were generally along the lines of basic housekeeping, with a tidy up and removal of various surplus items of furniture and equipment. A number of paper records were disposed of in line with our records management plan and retention arrangements. Desk spaces have been reconfigured in the reception area to improve the existing layout. A further move/rearrangement of storage and cabinets has more recently improved the layout of the office. However, the office remains at or around capacity for the headcount, and it lacks a dedicated room for private meetings with the public and service partners, or simply for occasional quiet workspace. This has been facilitated to some extent by making use of a first-floor office. However, this was granted through the goodwill of the first-floor occupier (the Emergency Planning section of Shetland Islands Council).

8.2.

While space is at a premium within the office, a search of the local market shows that there are limited alternative options available. 20 Commercial Road does have advantages to us, and Management and employees would like to remain at the location. As such, an approach has been made to Shetland Islands Council to discuss options on site, such as formalising the use of the first-floor office. A meeting is sought in early course to progress this. There will be a cost implication to consider in the event of this space being secured.

9. Financial Implications

There are no direct financial implications arising from the report. Any costs arising should be met from within the approved budgets and requisitioned amounts.

10. Governance Aspects

The content and implications of this report have been reviewed and, at this stage, it is deemed that the Board **DOES NOT** require external legal advice in consideration of the recommendations contained in this report.

11. Contact Officer

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