

## **Item: 14**

**Orkney and Shetland Valuation Joint Board: 30 June 2022.**

**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 2021 to May 2022.

### **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 2021 and May 2022.

### **5. Electoral Registration Service – Overview and Priorities**

#### **5.1. Annual Electoral Registration Canvass**

##### **5.1.1.**

Our second annual canvass under canvass reform was completed by the end of November 2021 and the revised annual register published on 1 December 2021. For the 2021 canvass door to door visits to the non-responding properties recommenced after being suspended in 2020 due to COVID-19 restrictions. This comprised mainly of visits made to households using paper forms for completion by the householders. Telephone calls were also made where contact numbers were available.

##### **5.1.2.**

An alternative that is now available to Electoral Registration Officers (EROs) is to use a tablet based system to conduct these household enquiries. This is at various stages of implementation by EROs throughout Scotland. This was trialled in

Shetland in 2021 with the system being used by one canvasser supported by office staff. The Shetland North ward and a number of other individual polling districts were canvassed using this method and were found to work successfully.

#### **5.1.3.**

The process still depends on householders being at home or answering the door. Where this was achieved the use of the tablet with the public and the subsequent upload of the information given by them was found to work well and efficiently. Of particular benefit is an integrated mapping system.

#### **5.1.4.**

E-Communications were also used on a trial basis to send additional reminders to respond to households where we hold a contact email address.

### **5.2. Local Government Boundary Changes**

#### **5.2.1.**

The December 2021 revised register reflected the implementation of the Statutory Review of Electoral Arrangements for both Council Areas by Boundaries Scotland.

#### **5.2.2.**

In Shetland this meant the movement of the existing polling districts of Weisdale and Whiteness from the Shetland West ward to the Shetland Central ward and the movement of the Gulberwick polling district from the Lerwick South ward to the Shetland South ward.

#### **5.2.3.**

In Orkney the changes involved the integration of the Wideford area into Kirkwall East and minor changes to the Kirkwall wards' boundaries in the harbour area.

### **5.3. Annual 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 we use this information to go through the necessary processes to remove electors who are no longer entitled to be registered.

### **5.4. Elections and Referendums**

#### **5.4.1.**

The Scottish Local Government Elections (LGE) were held on 5 May 2022. Orkney Islands Council are holding Community Council Elections in June 2022.

#### **5.4.2.**

2021 saw a significant increase in the number of postal voters due to the COVID-19 restrictions. Many of those who first applied for a postal vote in 2021 chose to make that a permanent arrangement meaning that at publication of the revised register on 1 December 2021, 32.8% of electors in Orkney and 24.4% of electors in Shetland had a postal voting arrangement in place.

#### **5.4.3.**

In 2021 the Scottish Government provided funding to EROs to cope with the increase in postal voting administration before the Scottish Parliamentary Elections that year. A portion of that funding remained at the end of 2020/21 and EROs were permitted to carry forward that surplus into 2021/22 to be used for similar purposes. As part of the activities in February 2021, a Household Notification Letter (HNL) was issued to every household in Scotland detailing the current registered electors and also the voting status of each elector, allowing the opportunity to act early to apply for a postal vote. This was replicated in February 2022 in Orkney and Shetland using the carried forward funding. This resulted in earlier applications for registration changes and postal vote applications ahead of the LGE in May 2022. However, this was balanced out by less public activity closer to the election and overall contact levels were similar to previous LGE.

#### **5.4.4.**

Two wards in Shetland, North Isles and Shetland North, were uncontested at the LGE. A By Election for the remaining vacant seat in the North Isles Ward is scheduled for 4 August 2022. Outputs from our system for the Returning Officer for this have commenced.

#### **5.4.5.**

Community Council elections are planned for Orkney during June and July 2022. While the ERO involvement is much less than for other elections we are supplying the required Registers of Electors to the Council and will provide any assistance as required.

### **5.5. Main service priorities for April 2022 to September 2022**

#### **5.5.1.**

The following Electoral Registration functions are to be 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 Election Management System (EMS).
- Prepare, plan and action the requirements for the 2022 annual canvass.
- Continue to canvass all properties and electors where an outstanding household form or individual registration response is required through door-to-door visits.
- Continue to process household and individual application forms whether that be paper forms or on-line applications.

- Prepare for the implementation of the Elections Act 2022 the main results of which, for the ERO, will see significant changes to the administration of the postal voting system, the addition of Voter ID cards and the entitlement of Overseas Electors to a vote for life. All of these will require changes in working methods updates to our EMS and training for all levels of staff who will see an increase in workload. Secondary legislation detailing how these changes will be implemented is currently being made. An initial questionnaire on resource requirements for these changes has been completed.
- As part of our ongoing Electoral Registration Public Awareness – issue individual registration forms (ITRs) to all individuals who can be identified as having changed address using other records available to the ERO.

### **5.5.2.**

Other service priorities include:

- Carry out the Electoral Registration function in accordance with Electoral Commission performance standards and update the documentation required for these.
- Monitor the political scene for any unscheduled Elections, Referendums and By Elections.

## **6. Council Tax**

### **6.1. New Entries**

As at 1 October 2021, there were 11,493 chargeable dwellings in Orkney and 11,463 in Shetland which has risen to 11,589 in Orkney and 11,492 in Shetland, as at 1 April 2022. These figures include the addition of 98 new dwellings in Orkney and 25 in Shetland over the 6 month period. The number of completed new dwellings coming into existence has increased significantly in Orkney and fallen back in Shetland over the period in comparison to the last update report. The large increase in new Orkney dwellings has been due to a large volume of completions of developments by the Local Authority occurring in the second half of the year, while the drop in Shetland is a seasonal fall rather than an actual decrease in the overall trend.

### **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. At 1 April 2022, there is one outstanding proposal covering both Orkney and Shetland.

### **6.3. Service Priorities April 2022 to September 2022**

The current service priorities are summarised as follows:

- Maintain the improvement on 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 improvement on 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.

## **7. Non-Domestic Rating**

### **7.1. Valuation Roll Statistics**

As at 1 October 2021, there were 2,625 entries in the Orkney Valuation Roll with a Rateable Value of £30,103,965 and 2,388 in Shetland Valuation Roll with a Rateable Value of £60,605,890. As at 1 April 2022, this has been amended to 2,644 entries in Orkney with a Rateable Value of £29,016,490 and 2,396 in Shetland with a Rateable Value of £56,588,610.

### **7.2. 2017 Revaluation Appeals**

Appeals against the new 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. The final disposal date for the 2017 Revaluation appeals was extended to 31 December 2021 under The Valuation Timetable (Disposal of Appeals and Complaints) (Scotland) (Coronavirus) Amendment Order 2020. A total of 4 appeals have been referred to the Lands Tribunal for hearing and determination with all other Revaluation appeals successfully disposed of.

### **7.3. Coronavirus and Running Roll Appeals**

#### **7.3.1.**

The number of running roll appeals received against the 2017 Valuation Roll at 1 April 2020 was 183; 96 for Orkney and 87 for Shetland. Most appeals challenged the level of subject values in response to the impact of the COVID-19 pandemic.

#### **7.3.2.**

A further raft of appeals were received by 31 March 2021, which appears to be on the same basis as the original appeals above. The number of appeals received in this second wave were 170; 81 for Orkney and 89 for Shetland.

#### **7.3.3.**

Scottish Ministers laid a Statutory Instrument on 10 June 2021, coming into effect on 30 June 2021, extending the appeal disposal date from 31 December 2021 to 31 December 2022 for all appeals received between 1 January 2020 to 31 March 2021.

#### **7.3.4.**

Scottish Ministers laid secondary legislation in the form of The Valuation and Rating (Coronavirus) (Scotland) Order 2021 to address any appeals lodged which are based on Coronavirus after 1 April 2021. This will reduce the scope of some of the appeals we have received but will not cover all the appeals detailed in sections 7.3.1 and 7.3.2 above.

### **7.3.5.**

The functions of the Valuation Appeals Committees and the Council Tax Reduction Review Panel are scheduled to transfer to the First-Tier Tribunal for Scotland Local Taxation Chamber on 1 January 2023. The valuation appeal functions of the Lands Tribunal for Scotland will transfer to the Upper Tribunal on the same date.

## **7.4. Barclay Review on Non-Domestic Rating**

### **7.4.1.**

The Barclay Review group was set up to make recommendations that seek to enhance and reform the business rates system in Scotland to better support business growth and long-term investment and reflect changing marketplaces. The Barclay report was published on 22 August 2017 and made 30 recommendations.

### **7.4.2.**

The Scottish Assessors Association made a submission to the Scottish Government as part of the Financial Memorandum in connection to the Non-Domestic Rates (Scotland) Bill. From this the Scottish Government allocated £53,000 per Island area (£106,000 in total) to cover the identified additional costs during 2019/20 of implementing the above Bill. The Orkney and Shetland allocation for 2020/21 was £51,000 per Island area (£102,000 in total). The Orkney and Shetland allocation for 2021/22 was £60,000 per Island area (£120,000 in total). The Orkney and Shetland allocation for 2022/23 is £69,958 per island area (£139,916 in total).

### **7.4.3.**

As part of the transition towards implementation of the Non-Domestic Rates (Scotland) Act 2020, the Board has procured a new valuation system and recruited two Graduate Apprentice Valuers, one in each area office.

### **7.4.4.**

The Barclay Review resulted in the passing of the Non-Domestic Rates (Scotland) Act 2020. One of the main changes will be that Non-Domestic Revaluation will take place every 3 years instead of every 5 years, significantly compressing the valuation timetable. Further legislation is awaited setting out the arrangements for a new non-domestic appeals system. This is expected to be a 2-tier system when an initial proposal to alter a rateable value is submitted before progressing to an appeal.

## **7.5. 2023 Revaluation**

### **7.5.1.**

The next general rating Revaluation comes into force on 1 April 2023 and all 5,000+ entries in the Orkney and Shetland Valuation Rolls require to be re-valued based on the level of value existing at 1 April 2022. Draft valuation notices will require to be issued in November 2022 and followed by a final valuation notice on 1 April 2023. Assessors will now be required to furnish ratepayers, of qualifying subjects, a list of comparisons which were considered when arriving at the Rateable Value.

### **7.5.2.**

The Scottish Government laid legislation to postpone the 2022 Revaluation to 1 April 2023 under The Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020. This also moves the valuation date from two years in advance of the Revaluation to only one year to 1 April 2022. This significantly alters the amount of time available to undertake a Revaluation.

### **7.5.3.**

The next 6 months will prove to be very challenging as we seek to deliver draft valuations by November, deliver on our additional Barclay requirements, undertake our first Revaluation on the new valuation system, dispose of COVID-19 appeals, prepare for and develop systems for NDR appeal system changes and continue to deliver normal services on a business as usual basis.

## **7.6. Non-Domestic and Council Tax Valuation Systems**

### **7.6.1.**

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. The old and new valuation systems will be operated in tandem for a period of time to offer increased resilience and mitigation of any associated risks.

### **7.6.2.**

As of June 2022 both systems continue to be operated in tandem. We have successfully managed to utilise the new system to issue and track Assessors Information Notices which provide rental, cost and turnover information necessary to undertake a Revaluation.

### **7.6.3.**

Further migration work is required to allow bulk Revaluation valuations to be displayed at the SAA portal. Following an initial meeting between the new Assessor and the system provider it has been agreed that a project plan will be devised setting out the key milestones and timeframes for full migration and functionality.

## **7.7. Service Priorities April 2022 to October 2022**

The current service priorities are summarised as follows:

- Set up of internal working groups covering valuation, administration and management functions.
- Prepare, plan and action the requirements of the 2023 Revaluation and instruct staff on legislative requirements and procedures.
- Schedule and consider actions necessary for the disposal of Coronavirus appeals resulting from the current pandemic by 31 December 2022.

- 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.
- To engage with our valuation system provider to ensure bulk category valuations and additional new valuation templates as agreed by the Scottish Assessors Association are functional prior to the publication of draft Revaluation values in November 2022.
- To engage with our valuation system provider to ensure that the newly required Portal Rented Property Lists for comparative subjects are functional prior to the publication of draft Revaluation values in November 2022.
- 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**

VJB staff have gained temporary access to additional rooms on the first floor of 20 Commercial Road, Lerwick, in order to allow more staff to attend the office to maintain social distancing where appropriate. Taking account of recent and future recruitment of staff this position would require a permanent solution to expand the current accommodation beyond the ground floor only.

## **9. Financial Implications**

Any financial implications arising from sections 7.4 (Barclay) or 8 (Shetland Office Accommodation) will be reported to the Board.

## **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 of this report.

## **11. Contact Officer**

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