



# Orkney & Shetland Valuation Joint Board



To: Orkney and Shetland Valuation Joint Board

26 November 2020

From: Assessor & Electoral Registration Officer

## **BEST VALUE REGIME - PROGRESS REPORT**

### **1. PURPOSE OF REPORT**

To present to the Board a Progress Report since the Board's meeting on 16 July 2020 as required by the Board's Best Value Regime.

### **2. BACKGROUND**

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

### **3. 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 3 duties in more detail and presents to the Board details of the main tasks completed in the eight months between April 2020 and October 2020 since the Board's full meeting on 16 July 2020.

### **4. ELECTORAL REGISTRATION SERVICE OVERVIEW AND PRIORITIES**

#### **4.1 Individual Electoral Registration (IER)**

Individual Electoral Registration came into force on the 19 September 2014 and continues to operate as it has done since that date. Monthly updates to the registers are published from January to September each year and the latest Orkney & Shetland revised Register of Electors was published on 1<sup>st</sup> February 2020. The next publication is scheduled to be on 1<sup>st</sup> December 2020.

To support the move to IER and assist those electors who receive new application forms, the Cabinet Office created an on-line registration system which is accessed through the government web site, [www.gov.uk/register-to-vote](http://www.gov.uk/register-to-vote). This site is continually being improved by the Cabinet Office and is the most popular method of registration used by the public.

#### 4.2 Electoral Management Systems (EMS)

We were notified in late December 2019 that our current EMS system would no longer be supported by our supplier and recent changes to the Legislation in relation to electoral Franchise development would not be actioned. This left us in a position of having no supported EMS system after May 2020.

Our EMS supplier offered to migrate Orkney & Shetland VJB over to its alternative supported EMS at no extra annual charge. Having effectively little or no window of opportunity to explore and procure an alternative EMS we agreed to take up the offer and signed a 5-year service agreement. The new EMS is extensively used within Scotland with 9 out of 15 ERO's now using the same system.

While this has been an intensive learning curve for electoral staff, we have undertaken our annual canvass and conducted the Orkney North Isles By-election under the new EMS.

#### 4.3 Electoral Canvass Reform

Canvass Reform Legislation was laid and came into force on 3<sup>rd</sup> March 2020 with the intention that's its introduction and improved reforms will result in reduced demand on ERO's resources.

Therefore, our first annual canvass under canvass reform commenced in August 2020. Canvass Reform allows the local ERO much more discretion over how he runs the annual canvass to be most suitable and effective for his local area. This includes the use of e-comms and telephone to communicate with households in addition to the traditional paper communications. This will allow many variations in how the canvass is conducted in coming years but for 2020 with staff working within the limitations of learning a new EMS and also the requirement to work from home, where possible, this canvass was conducted within the new regulations but in as straight forward a fashion as possible.

The ERO can now use national and local government datasets to compare against existing entries in the published register which allows reduced contact with those properties where there are no anticipated changes to those registered and allow resources to be targeted at required changes and additions to the register. All anticipated static properties, termed Route 1 properties, receive a communication that still allows changes to be made, if required, but these receive no further canvassing.

Properties where all the existing electors cannot be confirmed or require changes, are termed Route 2 and go through the familiar canvassing process in attempts to receive the required response.

A combined total of 19,816 Route 1's were issued on 14 August 2020 for Orkney and Shetland along with a combined total of 4,004 Route 2's.

A total of 2,442 first reminder Route 2's were issued on 14 September for Orkney and Shetland.

The third phase of the process was the production of a combined total of 1,684, Orkney 737 and Shetland 947, Route 2's which would normally be used in tandem with our door-to-door canvasser visits but due to the ongoing Coronavirus pandemic these will be used to form a telephone canvass along with postal distribution where no alternative contacts methods can be made.

Outwith the annual canvass period all individuals who can be identified as having changed address using Council Tax records, Council Housing Tenancy records and Housing Association records etc. are targeted with focused correspondence.

#### 4.4 Absent Vote Signature Refresh

Each year, electors on a 5-year rolling cycle are required to submit a refreshed specimen signature where a postal vote is in place. For the applicable electors this year, this initial issue will be undertaken on the Scotland wide agreed timetable to be commenced in January 2021.

#### 4.5 Elections and Referendums

During 2020 one Local By-Election was held in Orkney's North Isles ward on 1<sup>st</sup> October 2020.

The next scheduled election is the Scottish Parliamentary Election on 6<sup>th</sup> May 2021. Note the last bullet point under 4.6 below.

#### 4.6 The main service priorities for - October 2020 – March 2021

- Plan, undertake and action staff training on new EMS.
- Prepare, plan and action the new Canvass Reform requirements for the conclusion of 2020 annual canvass.
- Continue to process HEF & individual application forms whether that be paper forms or on-line applications.
- Continue to canvass all properties and electors where an outstanding Route 2 or individual registration response is required through door-to-door visits, taking account of any new Covid-19 guidelines and alternative methods.
- As part of our 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.
- All of the above Electoral Registration functions are to be undertaken with reference to the guidance produced by the Electoral Commission and within legislative timetables.
- Carry out the Electoral Registration function in accordance with electoral Commission performance standards.
- Monitor the political scene for any unscheduled Elections, Referendums and By Elections.

- Roll out extra staff resources and training in preparation for the potential increase in Postal Voting applications in the lead up to the Scottish Parliamentary Election in May 2021.

## 5. COUNCIL TAX

### 5.1 Council Tax - New Entries

As at 1 April 2020 there were 11,367 chargeable dwellings in Orkney and 11,366 in Shetland which has risen to 11,404 in Orkney and 11,383 in Shetland, as at 1 October 2020. These figures include the addition of 29 new dwellings in Orkney and 16 in Shetland over the 6 month period. The number of completed new dwelling coming into existence has seen a significant decrease over the period on comparison to previous update reports.

### 5.2 Council Tax - 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<sup>st</sup> October there were no outstanding proposals in Orkney and Shetland.

### 5.3 Council Tax – Court of Session Appeal

The Board was informed at its meeting in November 2019 of the Court of Session's decision in an appeal by a council tax payer against a decision of the Joint Valuation Appeal Panel. The Court held, and subsequently made an award of expenses, in favour of the Assessor.

The council tax payer subsequently sought the Court's permission to appeal its decision to the Supreme Court of the United Kingdom. The application for permission was opposed by the Assessor through legal Counsel. At the hearing on 15<sup>th</sup> October 2019 permission was refused and costs were awarded in favour of the Assessor. These costs are still in the process of being challenged and remain outstanding to date.

### 5.4 Council Tax - Service Priorities October 2020 – March 2021

The main service priorities are affected by the current valuer shortage in the Shetland Office. The current service priorities are summarised as follows;

- Continue 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;
- Continue 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;
- The Assessor was making regular trips to the Shetland Office in order to manage the valuation functions and offer support and guidance to valuation and technical staff. These trips are currently on hold based on Covid-19 guidance. Support is being provided remotely at this current time.

## 6. NON-DOMESTIC RATING

### 6.1 Valuation Roll Statistics

As at 1 April 2020 there were 2,624 entries in the Orkney Valuation Roll with a Rateable Value of £30,214,715 and 2,381 in Shetland Valuation Roll with a Rateable Value of £61,201,705 which has been amended to 2625 entries in Orkney with a Rateable Value of £30,103,965 and 2,388 in Shetland with a Rateable Value of £60,605,890 as at 1 October 2020.

### 6.2 2017 Revaluation

The 2017 Revaluation of all non-domestic subjects shown in the Valuation Roll was completed with values available for public inspection on the Scottish Assessors Portal website ([www.saa.gov.uk](http://www.saa.gov.uk)) from 1<sup>st</sup> April 2017. Valuation Notices were issued to all proprietors, tenants and occupiers on 15<sup>th</sup> March 2017.

### 6.3 2017 Revaluation Appeals

Appeals against the new valuations were lodged between 1<sup>st</sup> April and 30<sup>th</sup> September 2017. The number of appeals lodged by 30<sup>th</sup> September was 181 in Orkney and 246 in Shetland. Seven Valuation Appeal Committee Hearings have been held in both Orkney and Shetland. Further hearings are set for December in Orkney and Shetland. At 1<sup>st</sup> October the number of 2017 Revaluation appeals settled and agreed were 157 in Orkney and 226 in Shetland. The final disposal date for the 2017 Revaluation appeals has been extended to 31<sup>st</sup> December 2021 under The Valuation Timetable (Disposal of Appeals and Complaints) (Scotland) (Coronavirus) Amendment Order 2020.

### 6.4 2017 Revaluation Running Roll Appeals

The number of running roll appeals received against the 2017 Valuation Roll are 50 for Orkney and 66 for Shetland. Most of the early running roll appeal activity is the result of the implementation of The Land Reform (Scotland) Act 2016 where it re-introduced the valuation of shootings and deer forests into the Valuation Roll with effect from 1<sup>st</sup> April 2017. The combined number of appeals outstanding at 1<sup>st</sup> October 2020 is 27.

### 6.5 2020 Coronavirus Running Roll Appeals

The number of running roll appeals received against the 2017 Valuation Roll at 1<sup>st</sup> April 2020 was 183, namely 96 for Orkney and 87 for Shetland. These appeals challenge the level of premises values in response to the impact of the current pandemic. All appeals have to be disposed by 31<sup>st</sup> December 2021. Addressing these appeals will be a significant area of work over the next 12 months involving making a judgement on the effect of the Coronavirus pandemic on the Non-Economic and Economic levels of value on premises at particular points in time. After taking legal Counsel's opinion it has become clear that all subjects in the Valuation Rolls may require alteration if a Material Change of Circumstances has occurred. Therefore, all subjects may require alteration, to varying degrees, in respect of the effects of the coronavirus pandemic has had on levels of value. This will have a significant impact on resources over the next 12 months.

### 6.6 Barclay Review on Non-Domestic Rating

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<sup>nd</sup> August 2017 and made 30 recommendations.

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 & Shetland allocation for 2020-21 is £51,000 per Island area (£102,000 in total).

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

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.

#### 6.7 2022 Revaluation

The next general rating Revaluation comes into force on 1<sup>st</sup> April 2022 and all 5,000+ entries in the Orkney & Shetland Valuation Rolls require to be re-valued based on the level of value existing at 1<sup>st</sup> April 2020.

Given the current Coronavirus pandemic, and the effect this has had on the general level of value at 1<sup>st</sup> April 2020, combined with the 181 appeals highlighted in 6.5 above, this will prove challenging for all valuation staff over the next 18 months.

The Scottish Government has laid The Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020 before Parliament with a view to postponing the 2022 Revaluation to 1<sup>st</sup> April 2023 . This also moves the valuation date from two years in advance of the Revaluation to only one year to 1<sup>st</sup> April 2021. This Order has not been passed by the Scottish Government and is yet to be debated.

Until the above Order is passed the Scottish Assessors Association is still making progress on the assumption the 2022 Revaluation will take place as scheduled.

#### 6.8 Non-Domestic & Council Tax Valuation Systems

The migration to Orkney & Shetlands new valuation system is progressing with a final completion date in the region of March 2021. By this time staff should be familiar in operation the system along with required training given. The old and new valuation systems will be operated in tandem during this period to offer increased resilience and mitigation of any associated risks.

#### 6.9 Non-Domestic Rating - Service Priorities October 2020 – March 2021

The current service priorities are summarised as follows: -

- Prepare any cases as may be required for the Valuation Appeal Committee scheduled hearings;
- Schedule and action the disposal of appeals resulting from the 2017 Revaluation and 2017 Running Roll appeals by 31<sup>st</sup> December 2021;
- Schedule and consider actions necessary for the disposal of Coronavirus appeals resulting from the current pandemic by 31<sup>st</sup> December 2021;

- 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;
- The Assessor was making regular trips to the Shetland office in order to support any valuation queries raised by valuation and technical staff. These trips are on hold due to Covid-19 guidance. Support is currently provided remotely;
- Monitor staff training requirements for migration to new valuation system;
- Prepare, plan and action the requirements of the 2022 or 2023 Revaluation and instruct staff on legislative requirements and procedures.

## **7. SHETLAND OFFICE ACCOMMODATION**

On 23<sup>rd</sup> September 2019 a meeting was held with Shetland Islands Councils Asset Strategy Manager to see if suitable additional accommodation could be secured within 20 Commercial Road or alternatively consider a longer term view to re-location within Lerwick.

No further feedback or progress has been received from Shetland Island Council on this item.

## **8. CORONAVIRUS PANDEMIC**

O&S VJB's management team held discussions in the run up to the eventual UK and Scottish Government's announcement on a country wide lockdown on towards the end of March 2020. The management discussions focused on, amongst other things, the welfare of staff, and enabling homeworking in order that statutory undertakings could continue to be carried out where possible.

Arrangements have been put in place to deal with all correspondence, both electronic and by post, and for O&S VJB staff to have full access to IT systems. All staff have undertaken individual risk assessments in relation to Coronavirus and both island offices premises have been organised to allow staff to be present if and when required allowing for appropriate Scottish Government guidance on safe working procedures.

Procedures have been put in place to undertake the three statutory functions as shown below:

- The Electoral Registers to be maintained and monthly updates produced as normal. Undertake the annual canvass of all properties in Orkney & Shetland as detailed in 4.3 above. Invitation to Register forms to be issued and processed as appropriate, although there is a current halt on any door to door visits.
- The Valuation List for Council Tax to be maintained, new entries added to the List including any Council Tax Band increases as a result of dwellings being materially altered and then subsequently sold, where information exists which allows such changes to be made without the need to undertake site visits. Proposals and appeals continue to be dealt with where possible.

- The Valuation Roll for non-domestic rating to be maintained, however activity in this area is reduced in respect of alterations where physical survey is required. Appeals continue to be dealt with where possible. Staff resources will be focusing on analysing market information in relation to Valuation Roll entries, with respect to the 180+ appeals that have been received against Valuation Roll entries as a result of the Coronavirus pandemic.

## **9. FINANCIAL IMPLICATIONS**

9.1 Any financial implications arising from item 7 will be reported to the Board.

## **10. RECOMMENDATIONS**

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

Dennis M Stevenson  
Assessor and Electoral Registration Officer  
10 November 2020