



# Orkney & Shetland Valuation Joint Board



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If calling please ask for  
**Louise Adamson**  
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Date: 28 November 2018

Dear Sir/Madam

You are invited to the following meeting:

**Orkney and Shetland Valuation Joint Board**  
**Council Chamber, Town Hall, Lerwick**  
**Wednesday 5 December 2018 at 2pm**

Apologies for absence should be notified to Louise Adamson at the above number, or by e-mail to [louise.adamson@shetland.gov.uk](mailto:louise.adamson@shetland.gov.uk)

Yours faithfully

J R Riise  
Clerk to the Board

## **AGENDA**

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Confirm the minutes of the meetings held on (i) 26 June 2018, (ii) 13 September 2018, and (iii) 21 September 2018 (attached).

1.	Orkney and Shetland Valuation Joint Board – Progress Report
2.	Orkney and Shetland Valuation Joint Board – Risk Register
3.	Management Accounts for Orkney and Shetland Valuation Joint Board 2018/19 – Outturn at Period 7
<b><i>The following item contains Exempt Information</i></b>	
4.	Barclay Review Recommendations Report.



# Orkney & Shetland Valuation Joint Board



C(i)

**Orkney and Shetland Valuation Joint Board**  
**Committee Room 1, Council Offices, Kirkwall and**  
**Council Chamber, Town Hall, Lerwick (by video conference)**  
**Tuesday 26 June 2018 at 1.30pm**

**A & B**

**Present:**

Orkney

A Drever

D Dawson

S Heddle

H Johnston

Shetland

A Cooper

A Duncan

J Fraser

T Smith

B Wishart

**In Attendance:**

Orkney

G Mitchell, Head of Legal Services, OIC

Shetland

J Riise, Clerk to the Board

D Stevenson, Assessor and Electoral Registration Officer

C McCourt, Representative of the Treasurer to the Board

M Forrester, Senior Assistant Accountant, SIC

L Adamson, Committee Officer, SIC

**Apologies:**

S Clackson

**Circular**

The circular calling the meeting was held as read.

**Chairperson**

Mr A Drever, Convener of the Board, chaired the meeting.

**Minutes**

Subject to the following, the Board confirmed the minutes of the meeting held on 9 February 2018 on the motion of Ms Wishart, seconded by Mr Dawson.

Min Ref: 01/18 – Best Value Review – Progress Report

In the 2<sup>nd</sup> paragraph, 7<sup>th</sup> line, reference to 'Technician' should read 'Valuer'.

06/18      **Management Accounts 2017/18 – Outturn at Quarter 4**

A report by the Treasurer to the Board (VF-004) presented the Management Accounts 2017/18 showing the Board's financial position as at period 4 [Appendix 1].

The representative of the Treasurer to the Board summarised the main terms of the report.

In referring to the table in Appendix A, clarity was sought on the disparity in the "Supplies and Services" budget at Quarter 4. The Board was advised that the overspend relates to the cost of the Consultant Valuer to cover for the Assistant Assessor post which remains vacant. It was noted there was an underspend on Employee Costs as a result of the staff vacancies.

In response to a question, the Assessor and Electoral Registration Officer advised on the decision of the Cabinet Office to withdraw the costs associated with Household Enquiry Forms, which had formed part of the Cabinet Office funding towards Individual Electoral Registration (IER).

**Decision:**

The Board NOTED the report.

07/18      **Unaudited Annual Accounts 2017/18**

A report by the Treasurer to the Board (VF-005) presented the 2017/18 draft Annual Accounts, and sought approval of the 2017/18 Annual Governance Statement that forms part of the accounts [Appendix 2].

In introducing the report, the representative of the Treasurer to the Board highlighted the key issues as set out in Section 4.

In responding to a request for clarity, the representative of the Treasurer to the Board advised that determination of whether items of remuneration are pensionable or not is governed by legislation. It would be a decision for each employer as to whether pension benefits would apply to remuneration salary and expenses.

In response to a question, the representative of the Treasurer to the Board referred to pages 12 and 13 of the Annual Accounts, and advised on the movement of reserves held by the Board during the year 2017/18.

In responding to an observation that some figures had been rounded to thousands and some to pounds in a number of the tables in the Annual Accounts, the representative of the Treasurer to the Board advised on the specific requirements of the Remuneration Report for certain figures to be

rounded to the nearest pound. She added that to include the full amounts can be cumbersome, and rounding can provide a more readable format for the user of the accounts.

During the discussion, it was noted that no mileage had been disclosed within the Remuneration Report, and it was suggested that Members may not have claimed separately for attending Board meetings.

In responding to questions, the representative of the Treasurer to the Board confirmed the arrangement in place that the Assessor and Electoral Registration Officer authorises the “Statement of Responsibilities for the Annual Accounts”, on behalf of the Board.

On the motion of Mr Drever, seconded by Mr T Smith, the Board approved the recommendation in the report.

**Decision:**

The Board considered the 2017/18 Unaudited Accounts (Appendix 1), and the information at section 4 that highlights the key points from the 2017/18 accounts, and RESOLVED to approve the 2017/18 Annual Governance Statement that forms part of the accounts (Appendix 2).

08/18 **Appointment of a Data Protection Officer**

A report by the Assessor and Electoral Registration Officer informed on a requirement of the General Data Protection Regulation (GDPR) for the Board to appoint a Data Protection Officer [Appendix 3].

The Assessor and Electoral Registration Officer summarised the main terms of the report, and the Board approved the recommendation contained therein.

**Decision:**

The Board appointed Gavin Mitchell, Head of Legal Services, Orkney Islands Council, as the Data Protection Officer of the Orkney and Shetland Valuation Joint Board.

**Mr Drever moved that in order to avoid the disclosure of exempt information, to exclude the public for the remainder of the meeting, as it is likely that, if the public were present, there would be disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 7A to the said Act. Mr T Smith seconded.**

09/18 **Staffing**

A report by the Assessor and Electoral Registration Officer provided an update on staffing matters since the Board’s meeting in February 2018. [Appendix 4].

The Assessor and Electoral Registration Officer summarised the main terms of the report.

During the discussion, the Board agreed that a special meeting of the Board would be arranged for late August/September to consider the benchmarking report.

**Decision:**

The Board NOTED the report.

The meeting concluded at 1.55pm.

Chair



# Orkney & Shetland Valuation Joint Board



**C(ii)**

**A & B**

**Orkney and Shetland Valuation Joint Board  
Council Chamber, Council Offices, Kirkwall  
Thursday 13 September 2018 at 2.10pm**

**Present:**

Orkney

A Drever  
S Clackson  
D Dawson  
S Heddle  
J R Scott

Shetland

A Duncan  
J Fraser  
T Smith  
B Wishart

**In Attendance:**

Orkney

G Mitchell, Head of Legal Services, OIC  
G Waterson, Head of Finance, OIC  
D Stevenson, Assessor and Electoral Registration Officer  
A Kingston, Committees Officer, OIC

Shetland

H Tait, Representative of the Treasurer to the Board  
M Gordon, Team Leader – HR, SIC  
J Riise, Clerk to the Board

Crawford Consultancy

T Crawford

**Apologies:**

Orkney

H Johnston

Shetland

A Cooper

**Chairperson:**

Mr A Drever chaired the meeting.

**On the motion of A Drever, seconded by D Dawson, the Board resolved in terms of subsection 4 of Section 50A of the Local Government (Scotland) Act 1973 to exclude the public from this meeting during consideration of agenda Item 1 on the grounds that it was likely that, if the public were present, there would be disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 7A to the said Act.**

**10/18 Staffing – Assistant Assessor’s Post**

The Assessor had presented a report on staffing, specifically the Assistant Assessor’s post, including copies of the benchmarking exercise which had been carried out, the Policy for Use of Market Forces Supplements and the report by Crawford Consultancy.

Discussion and questions followed in respect of the benchmarking policy, and how the Market Forces Supplement policy had contributed to that. A summary of the observations and conclusions arising from the Benchmarking report, which had been undertaken by Crawford Consultancy, was scrutinised by the Board. Discussion around the findings and perceived barriers to recruitment, as detailed in the Crawford Consultancy report, also took place.

The Board were acutely aware of both the corporate and service risks that the vacant Assistant Assessor post presented. Options contained within the Assessor’s report were considered, together with the financial implications of those options.

A Duncan, seconded by D Dawson, moved that (1) in terms of the Market Forces Supplement policy, the Assistant Assessor post be supplemented with the application of a 30% enhancement to the minimum N1 salary scale, increasing the salary from £45,411 to £58,406 per annum, including Distant Islands Allowance, at an overall budget cost increase of £18,829 per annum; and (2) the salary for the Assistant Assessor post be reviewed within two years of a successful appointment.

J R Scott, seconded by J Fraser, moved an amendment that the Assistant Assessor post be supplemented with the application of a 30% enhancement to the minimum N1 salary scale, with the post being reviewed within two years of a successful appointment, and that the Board should investigate the prospect of possible future links to a mainland authority.

On a vote being taken 3 members voted for the amendment and 6 for the motion, and the Board agreed:

1. That, in terms of the Market Forces Supplement policy, the Assistant Assessor post be supplemented with the application of a 30% enhancement to the minimum N1 salary scale, increasing the salary from £45,411 to £58,406 per annum including Distant Islands Allowance, at an overall budget cost increase of £18,829 per annum; and



2. That the salary for the Assistant Assessor post be reviewed within two years of a successful appointment.

The meeting concluded at 3.35pm.

Chair





# Orkney & Shetland Valuation Joint Board



**C(iii)**

**Special Orkney and Shetland Valuation Joint Board  
Committee Room 1, Council Offices, Kirkwall and  
Council Chamber, Town Hall, Lerwick (by video conference)  
Friday 21 September 2018 at 9am**

**A & B**

**Present:**

Orkney

D Dawson  
B Foulkes  
S Heddle  
J Scott

Shetland

A Drever  
A Duncan  
J Fraser  
S Leask  
T Smith

**In Attendance:**

Orkney

G Mitchell, Head of Legal Services, OIC

Shetland

J Riise, Clerk to the Board  
D Stevenson, Assessor and Electoral Registration Officer  
C McCourt, Representative of the Treasurer to the Board  
H Tait, Acting Executive Manager – Finance, SIC  
M Forrester, Senior Assistant Accountant, SIC  
L Malcolmson, Committee Officer, SIC

**Also in Attendance**

C Healy, Deloitte  
J Corrigan, Deloitte

**Apologies:**

S Clackson  
H Johnston  
A Cooper  
B Wishart

### **Circular**

The circular calling the meeting was held as read.

### **Chairperson**

Mr A Drever, Convener of the Board, chaired the meeting in Lerwick.

#### **11/18      Management Accounts 2018/19 – Outturn at Quarter 4**

A report by the Treasurer to the Board (VF-006) presented the Management Accounts 2018/19 showing the Board's financial position as at Period 4 [Appendix 1].

The representative of the Treasurer to the Board introduced the report and highlighted the main variances and the reasons for these.

In response to questions, it was confirmed that market forces has been applied to the vacant post.

Reference was made to the claim from the Cabinet Office for the additional cost of the Individual Electoral Registration (IER) and in response to a question, the Board were advised that this was a bid that has to be put in by January 2019.

#### **Decision:**

The Board NOTED the Management Accounts showing the projected outturn position as at Period 4: the end of July.

#### **12/18      Annual Audit Report on the 2017/18 Audit**

A report by the Treasurer to the Board (VF-007) presented the 2017/18 audited Annual Accounts for approval [Appendix 2].

The representative of the Treasurer to the Board introduced the report and the two Deloitte Representatives, Mr Healy and Mr Corrigan, who then referred to the key messages and issues set out in the Annual Audit Report.

*(The meeting adjourned for 5 minutes as a result of technical issues with the VC connection).*

Mr Healy explained the two significant risks identified and how those would be addressed and advised that an unmodified opinion had been given on the accounts.

Reference was made to the two recommendations for improvement in the Action Plan on page 25 of the Appendix and it was noted that management had accepted the recommendations and Deloitte would monitor the improvements and provide an update next year.

During further questions the Acting Executive Manager – Finance, SIC, confirmed that the increase in the figures on page 19 of the Annual Accounts for "Supplies and Services" related to the inclusion of costs for the consultant valuer.

Reference was made to page 25 of the Audit Report and the reference to there not being a requirement for a Medium Term Financial Strategy but instead there is a need for a Medium Term Financial Plan. An explanation was given as to the difference between the need for a Plan as opposed to a Strategy and that there is currently reliance on the Council's Plan where the Board should have a Plan of their own to show how they will deliver its services. The Board were advised that when undertaking monitoring next year if it is found not cost effective to develop a Plan the Auditors will accept that situation.

The Clerk to the Board advised on the importance for the constituent authorities to check it is operating its business effectively as a valuation authority but also to get information back on future cost demands otherwise it will appear as unexpected growth in future budgets. He said that he agreed with the Auditors and the Assessor had previously warned the Board that following the detailed report from the Barclay Review the Government made it clear that all Valuation Boards could find themselves with new imposed requirements if they did not accede to the recommendation which the Government had accepted. It is therefore reasonable for the Board to prepare a medium term financial plan so as to be in a good position to show where there is a match or mis-match of expectations between the Board and emerging Government requirements.

Mr Drever moved that the Board approve the recommendations contained in the report, seconded by Mr Dawson.

**Decision:**

The Board RESOLVED to approve the audited Annual Accounts for 2017/18 (Appendix 2) for Orkney & Shetland Valuation Joint Board for signature.

The meeting concluded at 09.30 am.

Chair





# Orkney & Shetland Valuation Joint Board



**To: Orkney and Shetland Valuation Joint Board**

**5 December 2018**

**From: Assessor & Electoral Registration Officer**

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

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

To present to the Board a six monthly Progress Report since the Board's meeting on 9 February 2018 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 is 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 last six months between February 2018 and August 2018 since the Board's full meeting on 9 February 2018.

### **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 were published on 1<sup>st</sup> December 2017.

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.

In order to deal with the more complex time consuming IER process the Board agreed to employ two 0.5 FTE Admin Assistants, one in each office. Both posts were filled on 1 April 2015. At the Board meeting on 17 February 2017 it was agreed to extend these posts in tandem with Cabinet Office funding until the end of the projected Parliament, at that time, to 2020 (Min Ref 10/17).

#### 4.2 Cabinet Office Funding for IER & overall costs/income

The main Cabinet Office funding awarded in the current financial year 2018-2019 has been set at £31,137.03 (previously £45,790 in 2017-2018).

A further Justification Led Bid (JLB) is available if there is a shortfall in Cabinet Office funding between the amount received and the evidenced identified extra costs of undertaking IER. A JLB will be submitted in January 2019 for any shortfall, currently estimated at £9,575 as detailed below.

The Cabinet Office had given an assurance that it would meet the additional costs associated with IER until the end of the former Parliamentary term to 2020, allowing for efficiencies in the process where identified.

A summary of the costs associated with IER are shown below.

<b>Summary Calculation of IER Cost Pressure 2018-2019 (Revised 10-10-2018)</b>				
Two 0.5 FTE Staff				£ 29,278.00
Canvass Door to Door requirement under Section 9A (HEF)				£ -
Rolling Door to Door ITR costs (ITR's)				£ 3,200.00
Increase in Postage Costs				£ 5,134.00
Increase in Printing Costs				£ 2,000.00
Contribution to IER National Publicity Campaigns				£ 500.00
Increase in Stationary/In house Printing Costs				£ 600.00
Total Estimated Cost				£ 40,712.00
<b>Cabinet Office IER Funding for 2018-2019</b>				<b>£ 31,137.03</b>

#### 4.3 Election Management Systems (EMS)

As reported at the Board meeting in October 2017, at that time six Electoral Registration Officers in Scotland, including Orkney and Shetland, used the same Electoral Management System (EMS) and while the general consensus held is that our current supplier does not necessarily provide the most up to date or complete package available on the market, reliability has improved over previous years. Since October 2017 two ERO's have moved to a new EMS supplier leaving four ERO's remaining on our current EMS. In addition to Orkney & Shetland these are Highland & Western Isles VJB, Glasgow and Fife.

Our current EMS supplier's parent company has now acquired one of its main competitors, giving it two systems in the same market. As noted in previous reports, should the remaining ERO's using our current EMS choose to migrate to the alternative system now acquired by our existing supplier, or a different supplier, we would be placed in a position of having to do likewise.



Electoral registration software requires a number of Scottish specific solutions to be built in to it. The most significant of these has been the registration of 14 and 15 year olds. Software development costs are considerable and if the Board were left in the position of being the only Scottish customer of a particular EMS provider we may have to consider an alternative EMS supplier or system. This situation is currently being monitored.

#### 4.4 Updating the Register under IER

The third annual canvass under IER commenced in August 2017, which required the issuing of a Household Enquiry Form (HEF) to each property within each local authority area. Each HEF requires a response be made to it, even if there has been no change to household occupancy. A total of 23,276 HEF's were issued on 14 August 2017. A combined total of 8,236 first HEF reminders were issued on 13 September. The third phase of the process was the production of a combined total of 4,109 second reminder HEF's which were used in tandem with our door-to-door canvasser visits.

Under IER, if new electors are added on a returned HEF the potential elector is issued with an Invitation to Register (ITR) which requires the elector to provide additional personal information including their nationality, national insurance number and date of birth. As an alternative to a paper return they can use the government's website and make an online return providing their personal identifiers. Either way, when received by the ERO, the elector's details are required to be verified via the Department of Work and Pensions (DWP) database. Only then can the elector's application be processed by the ERO. If the verification fails the check with DWP records further evidence is required from the applicant to verify their identity e.g. copy of passport etc.

This process can be time consuming and confusing for the elector and requires additional input of office resources.

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 HEFs or ITRs.

Where no response is received to the annual HEF during the canvass period, or additional HEFs or personal ITR forms throughout the year, legislation requires a personal visit to the property to obtain the required response. This continues to be carried out by existing staff and additional part time canvassers. These comprise of over 4000 HEF property visits and approximately 1200 ITR property visits.

#### 4.5 Absent Vote Signature Refresh

Each year, electors on a 5 year rolling cycle are required to submit a refreshed specimen signature where an absent vote is in place (e.g. Postal Vote). For the applicable electors this year, this initial issue has been undertaken on the Scotland wide agreed timetable to be commenced on 12<sup>th</sup> January 2018. This resulted in the issue of 130 letters in Shetland and 496 in Orkney. The Orkney figure is significantly higher as it reflects the removal of the outer Isles polling stations in 2012. Where forms remain outstanding, all electors will receive a reminder and a further final removal letter with a new application form enclosed.

#### 4.6 Elections and Referendums

While 2018 has seen no planned elections or referendums taking place, the ERO's legislative responsibilities remain unchanged and the requirement to have an up to date, complete and accurate register is essential as the snap general election in June 2017 illustrated.

#### 4.7 The main service priorities for – August 2018 - February 2019

- Issue and process Postal Vote signature refresh correspondence as detailed above.
- Continue to process HEF & IER application forms whether that be paper forms or on-line applications;
- Continue to canvass all properties and electors where an outstanding HEF or ITR response is required through door-to-door visits;
- As part of our Electoral Registration Public Awareness – Issue ITR forms 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.
- Plan, prepare and action the 2018 annual canvass.

#### 4.8 Proposals for the reform of the annual canvass

Since the introduction of IER it has become apparent to EROs that the current annual canvass of households is outdated and cumbersome. It is heavily paper based, expensive and complex to administer. A number of pilot projects were conducted through 2017/18 and the results of these have helped to inform the Government on making proposals to reform the annual canvass. The new model included in their proposals allows the opportunity for greater discretion for EROs to shape a canvass more suited to their local areas. National and local datasets would be used to confirm existing entries on the register to allow reduced contact with these static electors and allow resources to be targeted at required changes to the register. These proposals are currently subject to a public consultation process. If Legislation is laid and improved reforms are introduced these could result in reduced demand on ERO's resources. However, this will also see a reduced level, or an end, of additional Cabinet Office funding for the electoral registration function. These reforms are planned to be in place for the annual canvass in autumn 2020.

### 5. COUNCIL TAX

#### 5.1 Council Tax - New Entries

As at 1 February 2018 there were 11,234 chargeable dwellings in Orkney and 11,226 in Shetland which has risen to 11,252 in Orkney and 11,253 in Shetland, as at 1 August 2018. These figures include the addition of 64 new dwellings in Orkney and 34 in Shetland over the 6 month period.

#### 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 August there is 1 outstanding proposal in Orkney and 7 in Shetland.

#### 5.3 Council Tax - Service Priorities August 2018 - February 2019

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 is currently making regular trips to the Shetland Office in order to manage the valuation functions and offer support and guidance to valuation and technical staff.

## 6. NON-DOMESTIC RATING

### 6.1 Valuation Roll Statistics

As at 1 February 2018 there were 2,554 entries in the Orkney Valuation Roll with a Rateable Value of £28,985,035 and 2,372 in Shetland Valuation Roll with a Rateable Value of £61,761,240 which has been amended to 2,600 entries in Orkney with a Rateable Value of £29,088,805 and 2,384 in Shetland with a Rateable Value of £61,789,110 as at 1 August 2018.

### 6.2 2010 Revaluation Appeals

The number of 2010 Revaluation appeals outstanding at the Lands Tribunal amounts to 2 subjects for Shetland and none for Orkney. These represent telecommunication appeals which should be settled following a Lands Valuation Appeal Court decision which favoured the mobile phone companies.

### 6.3 2010 Running Roll Appeals

The number of outstanding running roll appeals stands at 1 for Shetland and 1 for Orkney. Both appeals have been cited for hearing by the Appeal Committee by December 2018. These appeals were cited for hearings in September and October 2018.

### 6.4 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.

### 6.5 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. Valuation Appeal Committee Hearings were held on 13<sup>th</sup> February in Shetland and 27<sup>th</sup> February in Orkney with the hearings covering the appealed subjects of shops and offices within both areas. Further hearings were set for 11<sup>th</sup> September in Orkney and 2<sup>nd</sup> October in Shetland mainly to cover Industrial subjects. At 1<sup>st</sup> August the number of 2017 Revaluation appeals settled and agreed were 31 in Orkney and 31 in Shetland.

### 6.6 2017 Revaluation Running Roll Appeals

The number of running roll appeals received against the 2017 Valuation Roll stands at 21 for Orkney and 46 for Shetland. Most of the 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 number of running roll appeals which relate to shooting entries stands at 10 for Orkney and 35 for Shetland. These subjects had been exempt since 1<sup>st</sup> April 1995. Since exemption, no records had been held or information gathered by the Assessor relating to these subjects. However, since the above Act has been introduced it required the issue of a shooting rights form to all known land holders to enable analysis of rental information. Throughout Scotland Assessors issued over 25,000 shooting rights forms and locally over 1000 were issued in Shetland and up to 800 in Orkney. Due to the late laying of Act, the amount of time taken receiving and collating the information and the subsequent analysis and production of Scottish Assessors

guidance no entries for shooting rights were made by 1<sup>st</sup> April 2017. However, entries were made by 30<sup>th</sup> September 2017 and resulted in 666 Valuation Roll entries in Orkney and Shetland, which represents 372 in Orkney and 294 in Shetland. This exercise increased the number of subjects in the Orkney & Shetland Valuation Rolls by over 16%. No additional funding from the Scottish Government has been available for the introduction of the above Act.

In an effort to address the concerns of the crofting community in Shetland, resources were directed to individually contacting and discussing the appeals lodged in relation to shooting rights. Of the 35 appeals lodged, 23 have been settled with the remaining outstanding appeals mainly relating to larger estates which will be cited at a later date once the national picture becomes clear after cases are heard in Highland region.

**6.7 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. These recommendations and the estimated cost implications on the Boards future budgets are the subject of a separate report to this meeting.

**6.8 Non-Domestic Rating - Service Priorities August 2018 - February 2019**

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;
- Survey 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 is currently making regular trips to the Shetland office in order to support any valuation queries raised by valuation and technical staff;

## **7. GOVERNANCE**

- 7.1 The General Data Protection Regulations (GDPR) come into force on 25<sup>th</sup> May 2018 and all the information held and processed by the Orkney & Shetland Valuation Joint Board is required to comply with GDPR. With guidance from the Scottish Assessors Association Governance Committee work was completed by the effective date to make sure our procedures will comply. Staff have been trained and are aware of the requirements under new regime of GDPR and associated requirements. A key member of senior staff has gained the Practitioners Certificate in Data Protection and will guide day to day operations of both offices. The Head of Legal Services in Orkney Islands Council was appointed as the Boards Data Protection Officer.

## **8. STAFFING**

### **8.1 Current situation**

The vacant Assistant Assessors post was re-advertised for the fourth time with a closing date of 31<sup>st</sup> May 2017. As agreed at the October 2017 meeting this post was subject to an assessment as to whether market forces would apply, which was confirmed at the Boards meeting on 13<sup>th</sup> September 2018. This post has been advertised from 19<sup>th</sup> October 2018 with an application closing date of 20<sup>th</sup> December.

## **9. FINANCIAL IMPLICATIONS**

9.1 Any financial implications arising from 4.3 will be reported to the Board along with the implications from 6.7 in a separate report.

## **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  
1 November 2018



# Orkney & Shetland Valuation Joint Board



Agenda Item

**2**

**To: Orkney and Shetland Valuation Joint Board**

**5 December 2018**

**From: Assessor & Electoral Registration Officer.**

## **RISK REGISTER**

### **BY ASSESSOR & ELECTORAL REGISTRATION OFFICER**

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

To present to the Board the Risk Register to ensure operations in relation to the Orkney & Shetland Valuation Joint Board's functions can operate effectively under all assessable and identifiable risks.

#### **2. BACKGROUND**

At the January 2016 Video Conference meeting the Board requested a Risk Register be prepared and presented to the 27<sup>th</sup> February 2015 meeting and all future full Board meetings to address the staffing issues. The Risk Register refers to the Business Continuity Plans which already exist locally for Orkney and Shetland offices. These were presented to the Board meeting in June 2016 (Min Ref 06/16).

#### **3. INTRODUCTION**

The statutory duties of the Assessor and Electoral Registration Officer is to prepare, maintain and publish the Valuation Roll; prepare, maintain and publish the Council Tax Valuation List and prepare, maintain and publish the Register of Electors. These reports describe how the duties will be or are maintained under the identified risks.

#### **4. REPORT SUMMARY**

The attached Risk Register highlights the identified risks and procedures to follow under the headings of Premises, Finance, Staffing, Service, Planning & Organisation, Loss of Premises, Loss of IT, Communication, Failure on part of Contractors, Integrity Issues and Completeness and Accuracy of Records.

The traffic light system has been reflected throughout the Risk Register along with reference to Corporate Risks and Operational Risks for clarity.

The local Business Continuity Plan for Orkney and Shetland offices detail locally what procedures will be followed under each identifiable event.

## **5. RISK SUMMARY**

The Board carries a red risk at 5.1 relating to the Barclay Report recommendations in relation to having sufficient resources in place to implement the planned roll out of 3 yearly Revaluations of non-domestic subjects from 2022 onwards.

## **6. FINANCIAL IMPLICATIONS**

While there are no financial implications arising directly from this report there will be financial implications relating to 5 above contained in separate reports for consideration.

## **7. RECOMMENDATIONS**

The Valuation Joint Board is requested to note the contents of this report.

Dennis M Stevenson  
Assessor and Electoral Registration Officer  
1 November 2018





ORKNEY AND SHETLAND VALUATION JOINT BOARD



## RISK REGISTER

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	INHERENT RATING	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>1</b>	<b>PREMISES</b>											
1.1	Total loss of premises	Due to: Fire Flood, Structural Damage	Unable to fulfill statutory duties. Loss of records.	1	3	3	The Board has a detailed Business Continuity and Disaster Recovery Plan. Ensure inventories are kept up to date.	3	1	Board to find alternative accommodation through each Island Authority	Assessor	Annual
		Loss of Tenure	Unable to fulfill statutory duties.	1	3	3	Ensure compliance with lease terms.	3	1	As above	Assessor	
1.2	Total loss of access to/use of building	Due to: Fire, Flood, Structural Damage Vandalism/Civil Unrest, Power Failure, Heating Failure, Water Supply Failure	Unable to fulfill statutory duties. Loss of records.	1	3	3	The Board has a detailed Business Continuity and Disaster Recovery Plan. Ensure inventories are kept up to date.	3	1	Periodic testing of various scenarios and possibility of home working.	Assistant Assessor to liaise with Assessor	Annual
1.3	Unable to meet Disabled Access requirements Shetland Office	Inadequate disabled access to building.	Disabled stakeholders unable to access building.	3	1	3	Provision of alternative meeting place at Shetland Islands Council HQ Building North Ness Business Park.	3	1	Periodic review whether or not 20 Commercial Road Lerwick is "fit for purpose" in the longer term.	Assessor / Assistant Assessor, Shetland. O & S VJB	Annual

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent	Mitigation / current controls	Control Score	Residual	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>2</b>	<b>FINANCE</b>											
2.1	Failure to receive required funding	Insufficient budget allocated.	Depletion of funds required to ensure that full statutory duties are carried out.	1	3	3	Budgetary process should insure adequate funding. Three year structured budgetary process provides adequate control. Close contact with Board Treasurer and constituent Authorities Finances Directors.	3	1	Monitor draft legislation for likely budgetary consequences and completion of Best Value Review.	Assessor & ERO / Assistant Assessor / to overview & raise with Orkney and Shetland VJB	Annual
2.2	Unexpected Expenditure leading to cash flow problems	Unplanned purchases or invoices.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Budget expenditure is regularly monitored. Reports provided to Board to highlight likely overspends. Immediate contact with Treasurer and Board if necessary. Board approval required for extra funding requirements.	3	1		Administration Manager (Finance/ Personnel)	
2.3	Unauthorised Expenditure	Items or services purchased without following correct procedure.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Ensure adherence to authorised limits by monitoring monthly transaction updates, invoices and receipts. Full tender procedures and financial regulations are in place.	3	1	Monitor tender procedures, purchasing procedures and financial regulations for updating as required.	Administration Manager (Finance/ Personnel)	
2.4	Fraud	Staff expenses claims.	Depletion of funds required to ensure that full statutory duties are carried out.	1	1	1	Validation and authorisation procedures are in place. Fraud guidelines are also in place.	3	1	Periodic audit of procedures.	Administration Manager (Finance/ Personnel)	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>2</b>	<b>FINANCE (Cont.)</b>											
2.5	Inadequate Insurance	Failure to review cover.	Unable to replace lost or damaged items leading to depletion of funds required to ensure that full statutory duties are carried out.	1	2	2	Annual review of requirements ensures adequate provision is made.  Procedures and practices are in place and provided to staff to minimise error and claims of negligence.	3	1		Assessor for Service Level Agreement & Administration Manager (Finance/ Personnel) to ensure that adequate cover is in place.	
<b>3 IT</b>												
3.1	Failure of third party system providers e.g. Electoral Management System Providers	Bankruptcy or could no longer provide service.	Other provider of similar service would be required. Others systems are available on the market along with other EROs own systems.	1	3	3	Contractual agreements are in place including hardware maintenance and replacement through EMS license and robust back-up procedures are in place through SLAs. Site specific backups of the main services are carried out and stored off-site.	3	1	Maintain awareness of alternative providers of these services.	Assessor & IT Development Manager	
3.2	Malicious damage to systems	Office break-in. Hacking, viruses.	Equipment may be required to be replaced.	1	2	2	Back-up procedures are in place. Spare hardware located in each IT Services office. Refer to IT Business Continuity Plan.	3	1		IT Development Manager	
3.3	Attempted breach of security	Hacking, viruses.	Systems could cease to operate.	3	2	6	Firewall and Anti-Virus software in place. Systems are password protected. Staff guidelines are in place. Additional PSN security requirements in place. <a href="#">SIC Security Policy</a>	3	2	Periodic testing. Consideration of external providers of security software.	IT Development Manager	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
3.4	Failure of back-up procedures	Faulty tape drive/ media/ communication lines.	Work carried out on the failed date could be lost if systems malfunction.	1	3	3	All data is backed up in by each Council in accordance with each SLA by each Council's IT Service. Back-ups procedures follow each constituent Council's corporate policies on Electronic back-up and security.	3	1	Identify off site back-up facilities. Hard copies of all records still held in event of system failure	Assessor / ICT Manager	
3.5	Failure of internal applications	Poor coding or Network failure.	Information could not be stored on systems.	1	3	3	As Above	3	1	As Above	Assessor / ICT Manager	
3.6	Major internal system failure	Network failure.	Nothing can be processed.	1	3	3	As Above	3	1	As Above	Assessor / ICT Manager	
3.7	Theft of equipment	Office break-in.	Replacement equipment/ furniture.	2	2	4	Inventories of all IT equipment are maintained by each Authority's IT Services. A full <a href="#">Asset Register</a> of all the Board's equipment and furniture is maintained in each area. Each office has separate arrangements for office security including intruder alarms.	3	1		ICT Development Manager for IT equipment & Assessor/ Assistant. Assessor for all other equipment	Annual
3.8	Inappropriate use of Internet/E-mail by staff	Staff do not adhere to guidelines set out for Email/Internet use.	Potentially brings Board into disrepute or renders it liable for legal sanctions.	2	2	4	Guidelines on e-mail and Internet use are in place. All staff must confirm that they have read these guidelines. All internet and e-mail traffic is recorded and may be monitored.	3	1		Assessor/ Assistant Assessor & ICT Development Manager to identify inappropriate use	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
3.9	Failure of hardware	Old/faulty equipment.	System down until faulty hardware fixed or replaced under SLAs.	2	2	4	Maintenance contracts are in Place through SLRs. Hardware is replaced according to terms of each SLA.	3	1	Check that priority is given to key equipment.	ICT Development Manager	As detailed in SLA's
<b>4</b>	<b>STAFFING (VALUATION SERVICE)</b>											
4.1	Industrial Action	Poor labour relations or pay claims.	Insufficient number of staff to carry out full statutory duties.	1	1	1	Timing of industrial action is usually known in advance, giving time for ensuring coverage of the key activities of those likely to take part.	3	1	Skills audit of staff to ensure knowledge of key activities exists.	Assessor & Assistant Assessor to have overview for any issues	
4.2	Widespread or epidemic/pandemic illness	Cross contamination. Poor hygiene.	As above.	1	2	2	Absence levels are monitored closely which may provide advance warning of a problem. Overtime working would be available to supplement reduced staffing levels. Media and local Health Board warnings monitored.	3	1	Provide written instructions for all key activities. Consider the possibility of remote working.	Assessor & Assistant Assessor to have overview for local issues	
4.3	Loss of key members of Professional staff through resignation, retirement, illness	Possibility of disproportionate number of key staff nearing retirement age.	As above. May have an impact on a specific service, a single area or the services of the Board as a whole.	2	3	6	Succession planning for key activities/knowledge areas. Policies on managing stress and sickness absence management are in place. In extreme cases advice or assistance is available from any of the other 13 Scottish Assessors.	2	3	Consider the possibility of remote working. Engage in short-term measures such as extra hours for part-time staff to cover urgent survey work with Senior Staff responsible for signing off. Consider recruiting a Consultant to cover service needs. Market forces application to Assistant Assessors post.	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	September 2018

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>4 STAFFING (VALUATION SERVICE) (contd)</b>												
4.4	Inability to Recruit or retain Professional staff.	Unattractive employment terms. Lack of qualified staff in market place.	Insufficient number of staff to carry out full statutory duties.	3	3	9	Recruitment strategies; Career structure/progression. Favorable terms and conditions. Job redesign; Additional hours available for part-time staff through vacant posts to help cover some of the duties;	2	4.5	Seek application of market forces supplement to try to attract suitable candidates. Creative marketing, job re-design and career grading are also options. (See Policy for Use of Market Forces Supplements).	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	
4.5	Travel disruption preventing staff getting to base	Bad weather conditions, flight or other travel disruptions.	Loss of key members of staff	2	3	6	Staff work at home or at other premises or organisations	3	2	As short term, if necessary (long term impact less likely)	Assessor/ Assistant Assessor	
4.6	Failure to address equality issues	Lack of equality, knowledge or training.	As above.	1	2	2	Policies/Guidelines are in place.	3	1	Continue to monitor and implement relevant legislation.	Assessor	
4.7	Failure to address Health & Safety issues	Insufficient Health & Safety knowledge.	Contravention of Health & Safety legislation.	1	2	2	Policies/Guidelines are in place covering Health & Safety and Safe Working Arrangements. Health & Safety advice obtained from lead authority.	3	1	Continue to monitor and implement relevant legislation.	Health & Safety Officers	
4.8	Loss of Assessor & ERO prior appointment of vacant senior posts.	Resignation or illness.	Insufficient number of key senior staff to carry out full statutory duties.	2	3	6	Temporary Consultant Valuer has full deputising powers under Valuation Acts to discharge statutory functions.	2	3	Recruitment/advertising of Assistant Assessor post in progress.	Orkney & Shetland VJB	October 2018 onwards

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

4.9	Large scale resignation	Lottery or pools syndicate win.	As above. May have an impact on a specific service, a single area or the services of the Board as a whole	1	3	3	Use of notice periods to manage coverage of tasks. Advertise at earliest possible time. Consider secondment from other 13 Scottish Assessors or other sources.	3	1	Check age profiles of staff- eg a number of staff may reach retirement age within a short timescale.	Assessor/ to overview & raise with Orkney and Shetland VJB	
Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>5</b>	<b>SERVICE</b>											
5.1	<b>Legislative Changes Affecting: Statutory Authority</b>	Uncertainty as to legislative intent of future government eg current approach to Council Tax. Barclay Review of Non-Domestic Rating.	Inability to plan with certainty. Insufficient valuation staff & resources to carry out statutory duties.	3	3	9	Maintain contacts with Scottish Government, Electoral Commission, AEA and SAA. Adequate lead-in times usually apply. Personnel advice obtained from Shetland Islands Council. VJB informed of potential Barclay implications on resources Nov 2017, Sept 2018 & Dec 2018.	1	9	Review of staffing & resources once Barclay recommendations are clear and adopted by Scottish Government. VJB to consider resource implications and impact on statutory functions as part of the 2019-20 budget setting exercise.	Assessor/ Assistant Assessor to overview & raise with Orkney and Shetland VJB	December 2018 onwards
	Personnel	As above.	As above.	2	2	4	As above.	3	1		Assessor	
	Board Policies	As above.	As above.	1	2	2	As above.	3	1		Assessor	
5.2	<b>Failure of Information Provision: Council Tax: Buildings Warrants</b>	Inadequate information provided by Local Authority or government department regarding new, sold and altered dwellings.	Inability to adequately maintain accurate Council Tax List.	1	2	2	Monitor receipt as noted in Procedural documents. Maintain contacts and formal agreements with information providers.	3	1	Specify the acceptable periods of time that we can afford to be without information from the various sources	Assessor & Assistant Assessor	
	Planning Permissions	As above.	As above.	1	1	1	As above.	3	1	As above.	Assessor & Assistant Assessor	
	Land Register	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor & Assistant Assessor	
	Revenues	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor & Assistant Assessor	



Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>5</b>	<b>SERVICE (contd)</b>											
5.2	<b>Failure of Information Provision: Non Domestic Rating: Buildings Warrants</b>	Inadequate information provided by Local Authority or government department regarding non domestic property.	Inability to adequately maintain accurate Valuation Roll.	1	1	1	Monitor receipt as noted in Procedural documents. Maintain contacts and formal agreements with information providers.	3	1	Specify the acceptable periods of time that we can afford to be without information from the various sources	Assessor/ Assistant Assessor	
	Planning Permissions	As above.	As above.	1	2	2	As above.	3	1	As above.	Assessor/ Assistant Assessor	
	Land Register	As above.	As above.	1	3	3	As above.	3	1	As above.	Assessor/ Assistant Assessor	
	Stakeholders eg Lands Valuation Returns, Rent Returns	As above.	As above.	2	1	2	Systems are in place to monitor issue and receipt. Reminders are issued as appropriate.	3	1		Assessor/ Assistant Assessor	
	Electoral Registration (See Section 6)											

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>5</b>	<b>SERVICE (contd)</b>											
5.2	<b>Failure of Support Service Provision:</b> Cleaning	Interruption to supply of any services.	Disruption of normal service provision.	1	1	1	Monitor Provision. Maintain agreements/contracts with suppliers. Be aware of alternative providers eg use of mobile phones, alternative courier services, e-mail. Refer to Business Continuity Plan 1.	3	1		Assessor/ Assistant Assessor/ (Finance) for funding and resources	
	Telephone	As above.	As above.	1	2	2	As above.	3	1	Update Office Website & notify SAA of alternative means of communications. Notify general public on local radio and local press of alternative arrangements.	As above	
	Electricity	As above.	As above.	1	2	2	As above.	3	1		As above	
	Heating	As above.	As above.	1	2	2	As above.	3	1		As above.	
	IT	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor & IT	
	Postal Service	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Legal Services	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Personnel	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Payroll	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Finance/ Personnel	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>5</b>	<b>SERVICE (contd)</b>											
5.3	<b>Partnership/ Stakeholders</b> Constituent Council's Finance Departments	Communication breakdown.	Disruption of normal service provision.	1	2	2	Maintain contact details. Monitor statutory service provision. Participate in/arrange regular meetings with each body as appropriate.	3	1		Assessor/ Assistant Assessor	
	Shetland Island Council's Support Services	As above.	As above.	1	2	2	As above.	3	1		Assessor/ Assistant Assessor	
	Returning Officer/ Depute Returning Officer	As above.	As above.	1	2	2	As above.	3	1		Assessor & ERO / Depute ERO	
	Scottish Assessors' Association	As above.	As above.	1	1	1	As above.	3	1		Assessor	
	Valuation Office Agency	As above.	As above.	1	1	1	As above.	3	1		Assessor	
	Electoral Commission	As above.	As above.	1	2	2	As above.	3	1		Assessor & ERO / Depute ERO	
	Scottish Government	As above.	As above.	1	1	1	As above.	3	1		Assessor	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD  
ELECTORAL REGISTRATION**

**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>1</b>	<b>PLANNING AND ORGANISATION (ELECTORAL REGISTRATION)</b>											
1.1	Failure to ensure proper plans are in place	<p>No comprehensive written project plan.</p> <p>Poor planning assumptions.</p> <p>Lessons from previous electoral registration activities are not incorporated into planning.</p>	<p>Necessary actions not completed or completed late.</p> <p>Missed deadlines.</p> <p>Potential breach of legislation.</p>	1	3	3	<p>Project plans are maintained, reviewed and updated regularly to ensure that all necessary activities are planned and sufficient resources are available when required.</p> <p>Senior Management meets regularly to consider all requirements and activities, including plans and objectives; evaluation of past activity; performance standards; and training needs.</p> <p>Strategies and timetables are in place for meeting all duties and for delivering an accurate and comprehensive register.</p> <p>The impact of new legislation on existing plans and procedures is considered as required and is communicated to all relevant staff.</p> <p>Ongoing liaison with Returning Officer staff; suppliers of electoral registration software; and suppliers of printing services.</p> <p>Liaison with other EROs through SAA ER Committee.</p> <p>Liaison with Cabinet Office and Electoral Commission.</p>	3	1		Assessor & ERO / Depute ERO	Ongoing review of activities

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>1</b>	<b>PLANNING AND ORGANISATION (ELECTORAL REGISTRATION) (contd)</b>											
1.2	Electoral Commission require additional information for Performance Standards	Electoral Commission review their timescales for monitoring Performance Standards.	Diversion from other duties to comply with requests.	2	1	2	Maintain robust recording procedures for all electoral procedures.	3	1		Assessor & ERO / Depute ERO	
1.3	Insufficient resources	Insufficient budget allocated.  Unexpected expenditure.	Unable to meet statutory responsibilities	1	3	3	<p>Projected costs to meet all activities are identified early in the planning process</p> <p>Robust budgetary processes ensure adequate funding.</p> <p>Close contact with Board Treasurer and constituent Authorities.</p> <p>Budget approved by the Board annually takes account of all planned activities.</p> <p>Consideration is given to changes or potential in costs: e.g. postage costs.</p> <p>Costs arising from additional duties, e.g. the introduction of Individual Electoral Registration may be recovered from other sources, e.g. Cabinet Office.</p>	3	1		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>2</b>	<b>LOSS OF PREMISES (ELECTORAL REGISTRATION)</b>											
2.1	Loss of Electoral Registration office	Office affected by fire, flood, loss of power, etc.	Unable to process applications and data.  Loss of data.	1	3	3	<p>The Board has a detailed Business Continuity Plan and each constituent authority's IT Services has a Disaster Recovery Plan and associated Risk Registers, which take account of potential loss of buildings.</p> <p>The Business Continuity Plan and IT Disaster Recovery Plan are tested and reviewed regularly.</p> <p>Daily backups of data are taken in each area as part of the SLA in each Island Area to ensure secure off-site storage. Additional back-ups are taken</p>	3	1		Assessor/ Assistant Assessor / Depute ERO	

## ORKNEY AND SHETLAND VALUATION JOINT BOARD

## RISK REGISTER

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>3</b>	<b>FAILURE OF IT PROVISION (ELECTORAL REGISTRATION)</b>											
3.1	Loss of IT capability	System, network or hardware failure	<p>Unable to process forms by the required deadlines</p> <p>Need to carry out processes manually.</p>	1	3	3	<p>A detailed IT Disaster Recovery Plan is in place in each office.</p> <p>Constituent councils' IT Services provide immediate assistance.</p> <p>Robust backup procedures are in place. The data can be reloaded onto servers in each office through each Island authority's IT Services, where fully configured backup facilities are available.</p> <p>Spare hardware located in each IT Services offices through SLAs.</p> <p>Contractual arrangements and system maintenance agreements are in place.</p> <p>Telephones and local area networked workstations will be available through each Island authority's IT Services</p> <p>Firewall and Anti-Virus software in place.</p> <p>All systems are subject to each Island authority's IT Services, are password protected and staff IT security guidelines are in place.</p>	3	1		Assessor & ERO / Depute ERO / ICT Development Manager	Arrangements reviewed annually

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>4</b>	<b>COMMUNICATION (ELECTORAL REGISTRATION)</b>											
4.1	Registration applications and enquiries unable to reach electoral staff	Telecom/Fax/IT failure  Large volume of calls during the canvass period or in the lead up to an election	Lack of information  Voters unable to register or to vote by chosen method (i.e. postal or proxy)  Wrong advice given	1	3	3	Refer to Business Continuity Plan and IT Disaster Recovery Plan.  Maintain work plan specifying roles and responsibilities.  Maintain agreements and contracts with suppliers.  Be aware of alternative providers e.g. use of mobile phones, email and alternative courier services. Record staff mobile telephone numbers.  Arrangements can be made to facilitate staff travelling to any alternative location within each Island area.  Queries can be dealt with at either of the Board's two offices although there is currently no shared server and database. This is being considered for a later date if funding is available.  Frontline staff are provided with a note of frequently asked questions. Complex enquiries are referred to core registration staff.	3	1		Assessor & ERO / Depute ERO in conjunction with the ICT Development Manager	



Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>4</b>	<b>COMMUNICATION (ELECTORAL REGISTRATION) (contd)</b>											
							At critical times, announcements can be made in the local press and radio stations to publicise alternative contact details. Information will be placed on the Board's website, if available.					
4.2	Registration forms/postal vote applications do not reach office before the deadlines	Telecom//IT Failure/fax  Wrong advice given  Lack of information	Voter confusion  Voters unable to register or to vote by chosen method (i.e. postal or proxy)	2	3	6	<p>Public awareness strategy to make provision for communication of key information, including deadlines.</p> <p>Registration forms can be downloaded from OSVJB website or from <a href="http://yourvotematters.co.uk">yourvotematters.co.uk</a>.</p> <p>Forms can be delivered or faxed to an alternative office for onward transmission.</p> <p>Alternative offices of the Board can be used to update records.</p> <p>Notices can be posted on OSVJB and Councils' websites to advise public of changes to the telephone, fax and email services.</p> <p>Notify local media outlets of any changes to contact details and deadlines.</p>	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>4</b>	<b>COMMUNICATION (ELECTORAL REGISTRATION) (contd)</b>											
4.3	Electoral registration process is not accessible to all.	Information is provided in one format with no account taken of the needs of different audiences.	Voters unable to register or to vote by chosen method (i.e. postal or proxy).	1	3	3	<p>Information and registration forms are available on the OSVJB website and at yourvotematters.co.uk</p> <p>Forms are available in large print.</p> <p>OSVJB mainstreaming equalities report and equalities outcomes published in accordance with specific duties of the Equality Act 2010.</p> <p>Staff training and advice provided in equalities duties.</p> <p>Advice available for young voters under 16 years of age of the registration procedure.</p>	3	1		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>5</b>	<b>FAILURE ON THE PART OF CONTRACTORS (ELECTORAL REGISTRATION)</b>											
5.1	Non/late delivery and return of Household Enquiry forms and Invitations to Register.	Missed printing deadlines or non-completion  Printing errors  Postal strike  Software supplier ceases to trade	Households do not receive annual canvass form and do not register.	2	3	6	Contract details for production of annual canvass forms is commenced well in advance of the annual canvass start date.  IER forms designed by Electoral Commission and ERO to add contact information.  A list of external providers is maintained in Business Continuity Plan.  Use alternative service providers.  Use another service provider if Royal Mail is unable to deliver forms.	2	3	Check contractor's business continuity arrangements	Assessor & ERO / Depute ERO	Annual

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>6</b>	<b>INTEGRITY ISSUES (ELECTORAL REGISTRATION)</b>											
6.1	False information is given on form	Electoral malpractice  Mistake by applicant	Integrity of register/ election is called into question  ERO's ability called into question (reputation risk)	2	3	6	Maintain and update the Board's Integrity Plan and Risk Register. Validation and Authorisation Fraud procedures are in place. Fraud guidelines are also in place as part of the Integrity Plan. Members of staff with responsibility for processing forms and checking data are briefed to look out for irregular registration patterns and are made aware of advice from the Electoral Commission. Staff made aware of trigger points for referrals to Police Single Point of Contact (SPOC). Police SPOC contact details kept up to date.  Electoral Registration Officer and Returning Officers also have local police contacts..  Arrangements in place to support 100% postal vote identifier verification – all scanned and data provided to Returning Officers, as required for election deadlines.	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>6</b>	<b>INTEGRITY ISSUES (ELECTORAL REGISTRATION) (contd)</b>											
6.2	Unauthorised access to electoral register/ application forms and data	Lack of security	Breach of confidentiality	2	3	6	<p>All forms are scanned and then held in secure storage for time required by law and in accordance with retention policy.</p> <p>All OSVJB offices have adequate security measures in place.</p> <p>Firewall and Anti-Virus software in place.</p> <p>All systems are password protected and staff guidelines are in place.</p> <p>All registration forms which contain dates of birth and National Insurance numbers are to be destroyed within 13 months and have the data held on EROS redacted – in accordance with retention policy..</p>	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>6</b>	<b>INTEGRITY ISSUES (ELECTORAL REGISTRATION) (contd)</b>											
6.3	Taking of electronic notes or other means of unauthorised copying of electoral register	Lack of supervision	Unauthorised access to data	2	1	2	<p>Staff to be made aware again of data protection and consequences of misuse of information</p> <p>Staff to personally monitor visitors to ensure no unauthorised copying of register.</p> <p>Advice also given to other recipients of the register regarding statutory provisions on access and use</p>	3	1		Assessor & ERO / Depute ERO	

**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>7</b>	<b>STAFFING (ELECTORAL REGISTRATION)</b>											
7.1	Loss of staff	Sickness  Outbreak of pandemic or other contagious illness affecting staff	Insufficient number of staff to cover processes  Unable to carry out house-to-house enquiries as required by law	2	3	6	<p>The Business Continuity Plan contains detailed contingency plans and instructions for all key activities.</p> <p>Monitor annual leave requests and allow for sufficient cover at peak periods.</p> <p>Consider secondment from the other board office or from Council election related staff.</p> <p>Advice and assistance can be provided from experienced staff in other Electoral Registration offices in Scotland.</p> <p>Temporary canvassers' contracts may be extended.</p> <p>Consider the possibility of remote working.</p> <p>Minor, short-term or intermittent disruption can be absorbed by utilising existing resources and Flexi time working.</p> <p>If a major or long term disruption, reallocation of work to other staff or employ temporary staff.</p> <p>Media and local Health Board warnings monitored.</p>	2	3		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion/ Review Date
<b>7</b>	<b>STAFFING (ELECTORAL REGISTRATION) (contd)</b>											
7.2	Unable to appoint sufficient staff	Insufficient/non-provision of resources  Difficulty in recruiting suitable staff	Insufficient staff to cover processes  Unable to carry out house-to-house enquiries as required by law	2	3	6	Electoral Registration staff structure already in place to cover the service duties.  Vacancies are filled at the earliest possible time.  Temporary staff requirements identified as part of the Canvass Plan and any staff not normally employed in electoral registration work will be provided with training.	2	3		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	
7.3	Insufficient support staff appointed	No detailed assessment of staffing requirements	Inability/ difficulty in meeting deadlines  Mistakes by overworked staff	1	3	3	Map out staffing requirements at an early stage in the project planning process.  Monitor progress of the canvass by checking reports.  Review staff comments and make plans for further training, if necessary.  Depute ERO/Admin Officer monitor the work of their staff.  Consider need to appoint temporary support staff to assist the core team at different points of the process.	3	1		Assessor & ERO / Depute ERO to overview & raise with Orkney and Shetland VJB	



**ORKNEY AND SHETLAND VALUATION JOINT BOARD**
**RISK REGISTER**

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>7</b>	<b>STAFFING (ELECTORAL REGISTRATION) (contd)</b>											
7.4	Mistakes by inexperienced staff or by staff not fully aware of legislation/ procedure	Inadequate/lack of training	Errors processing registration forms and/or absent vote applications  Failure to register electors	1	3	3	<p>Guidance notes and training are provided for all staff to ensure they are provided with the necessary information to be able to undertake their duties.</p> <p>Create work plan to include roles and responsibilities.</p> <p>Use training and support materials to ensure clarity and understanding of these (refer to EC Guidance and EMSI manual).</p> <p>Timetables for rolling registration and annual canvass are available and used by all electoral staff. Ensure roles are clear in Job Descriptions.</p> <p>New legislation and/or software training is provided for staff, either by external trainers or Depute ERO/Admin Officer. Training and support materials available for new staff members. They also monitor quality of work of staff.</p> <p>Ensure a robust quality checking process before publication of register.</p>	3	1		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>7</b>	<b>STAFFING (ELECTORAL REGISTRATION) (contd)</b>											
7.5	A threat to canvasser safety	Canvassers encounter problems with elector dissatisfaction or aggressive behaviour whilst trying to call at a property	Staff feel threatened and are unable to carry out their role	2	3	6	<p>Canvassers Guidance &amp; Training plan includes a safe working policy; how to deal with difficult circumstances.</p> <p>Risk assessments to be undertaken when allocating canvassers areas if required.</p>	3	2		Assessor & ERO / Depute ERO	

Number	Risk	Cause	Impact	Likelihood	Impact	Inherent rating	Mitigation / current controls	Control Score	Residual Rating	Further action required	Lead Officer / Owner of Risk	Completion / Review Date
<b>8</b>	<b>COMPLETENESS AND ACCURACY OF RECORDS (ELECTORAL REGISTRATION)</b>											
8.1	Low response to annual canvass	Households do not return canvass form  Persons within a property do not answer the door  Properties not accessible to canvassers	Incomplete and/or inaccurate register	2	2	4	Annual Canvass publicity plan has been produced. Vacant property data match plan for Council Tax records for both areas for non responding households. Use statutory review process for electors to improve accuracy of register. Admin Assistants can check responses to properties to update canvassers if required. Electoral staff to liaise with care centres and houses in multiple occupation to have residents complete canvass forms where required. Staff to monitor when they and other contacts have received their own canvass forms in case of late delivery.  Canvassers record on lists the date/time of calls to properties.  Use existing staff to complete canvass visits to assist canvassers if required.  Follow-up by telephone and email, where appropriate and required.	2	2	Consider additional publicity measures if poor response to canvass.  Consider existing work allocation; postage costs; timing to determine impact of conducting reviews.  Depute ERO/Admin Officer to monitor progress of canvassers' work.	Assessor & ERO / Depute ERO	

## Issues Register

This issues register can be used to record any issues arising. The log should cover the nature of the issue, its source, the date it was raised and its potential impact. It should also include the proposed action to deal with the issue, as well as assigning clear ownership to the issue and establishing the date of its anticipated resolution.

An issue which has occurred is usually the result of an earlier risk which has now become reality, so it is vital to ensure that both the issues register and risk register are live documents and that they are reviewed and updated in conjunction with each other.

Issue (already occurred)	Issue source (Where/Who raised)	Date issue arose	Potential impact (1-3)	Action	Issue owner	Target date for resolution (completion date in brackets)	Status
Failed attempts to fill senior post of Assistant Assessor in the Shetland Office.	Assessor & ERO raised with O & S Valuation Joint Board through Board meetings & Working Group meetings	04/05/2015	3	Valuation Joint Board to re-advertise Assistant Assessors post after application of Market Forces to salary. Retention of temporary Consultant Valuer hired services.	Assessor / O & S Valuation Joint Board	Potential recruitment process underway October 2018.	Open
Insufficient resources to implement the Barclay Review on Non-Domestic rating.	Assessor & ERO raised with O & S VJB at VJB meetings Nov 2017, Sept 2018 and Dec 2018.	22/05/2017	3	Valuation Joint Board to consider resource planning as part of the 2019-20 budget setting exercise.	Assessor / O & S Valuation Joint Board	Plans in place by February 2019.	Open

## Defining the level of impact and likelihood of risk

The risk register identifies the various activities carried out by the Orkney and Shetland Valuation Joint Board and assesses the likelihood and impact of any risks which may be encountered. The resultant risk rating permits identification of priorities in dealing with potential risks.

### Inherent risk evaluation

How likely is it that the risk going to happen?

1. **Unlikely** – Likelihood of occurrence is relatively slim – less than 10% chance of occurrence
2. **Possible** – Quite possible that the risk could occur, especially if control measures are inadequate - 10% to 50% chance of occurrence
3. **Probable** – More likely to happen than not – more than 50% chance of occurrence

What would the **impact** be if the risk was to materialise?

1. Minor – Unlikely to have a permanent or significant effect
2. Moderate – Potential impact on performance and service delivery. May be adequately managed through existing processes
3. Significant – Severe impact on performance through a reduced ability to deliver.

The 3x3 matrix below can be used to calculate the overall risk score:

IMPACT	3 Significant	3 (Significant & Unlikely)	6 (Significant & Possible)	9 (Significant & Probable)
	2 Moderate	2 (Moderate & Unlikely)	4 (Moderate & Possible)	6 (Moderate & Probable)
	1 Minor	1 (Minor & Unlikely)	2 (Minor & Possible)	3 (Minor & Probable)
		1 - Unlikely	2 - Possible	3 - Probable
LIKELIHOOD				

### Residual risk evaluation

Once the appropriate action has been identified to address an individual risk, the action is given a score of 1 to 3 based on an assessment of how likely it is to be effective in reducing the risk (not all risks are capable of being reduced).

The risk owner will need to make an assessment as to whether the **control** measures are:

1. Poor – no control measures in place as yet, although actions may be planned
2. Average – some controls in place but further actions to be planned and/or executed
3. Good – control measures are fully in place, agreed by line manager and form part of everyday activity

The initial (inherent) risk score is then divided by the score for the control action to give a residual risk score. This is the ultimate assessment of the scale of the risk and whether it is Red, Amber or Green.

### How to use this register

This risk register contains the risks and associated mitigating actions that have been identified in relation to activities of Orkney and Shetland Valuation Joint Board. If additional risks are identified these should be reported to the report author and the management team so that the register can be updated and appropriate mitigating actions considered. This document also contains an issues register to log any issues that arise and subsequent action taken.

As a requirement to meet Electoral Registration performance standard 9 – planning for rolling registration and the annual canvass, the documents plans must contain identification of risks and subsequent mitigating actions.

Lead Officer / Ownership of Risk determines if the risk is an Operational risk or a Corporate risk in nature. Operational risks are managed by appointed officers of the Board while Corporate risks would require input or management by members of the Orkney & Shetland Valuation Joint Board. Where members of the Orkney & Shetland Valuation Joint Board are involved in the management of any risk or require take ownership of any risk it will be shown in this column.

Where the completion and review dates are blank this reflects that this is a continuous ongoing process with no end date.



# Orkney & Shetland Valuation Joint Board



Agenda Item

## 3

<b>Meeting(s):</b>	Orkney and Shetland Valuation Joint Board	5 December 2018
<b>Report Title:</b>	Management Accounts for Orkney and Shetland Valuation Joint Board 2018/19 - Outturn at Period 7	
<b>Reference Number:</b>	VF-008-F	
<b>Author / Job Title:</b>	Treasurer to the Board	

### 1.0 Decisions / Action required:

- 1.1 That the Orkney and Shetland Valuation Joint Board (“the Board”) considers the Management Accounts showing the projected outturn position as at Period 7: the end of October (Appendix 1).

### 2.0 High Level Summary:

- 2.1 The report sets out the Board’s financial position as at the end of Period 7. This shows that expenditure on services is expected to be £652k against a budget of £659k; a projected outturn underspend of £7k.
- 2.2 This is largely due to the underspend on employee costs owing to staff vacancies; see Appendix 1 for further detail.

### 3.0 Corporate Priorities and Joint Working:

- 3.1 Reduction in funding may impact on the Board’s ability to deliver service priorities. There is ongoing pressure on local authority funding and it is essential that the Board is able to plan and measure its outcomes and associated costs.

### 4.0 Key Issues:

- 4.1 On 9 February 2018 (O&SVJB Min Ref: 04/18), the Board approved the 2018/19 revenue budget with a net expenditure of £659k. It is vital to the economic wellbeing of the constituent authorities that the Board’s financial resources are managed effectively and that expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on the resources of constituent authorities.
- 4.2 On 13 September 2018 (O&SVJB Min Ref: 10/18), the Board approved the application of a 30% Market Forces enhancement to the salary scale of the Assistant Assessor post and that this be reviewed within two years of a successful appointment. The advertisement of the post is currently underway with a closing date of 20 December 2018.

4.3	Funding is being claimed from the Cabinet Office to meet the Board's additional costs of Individual Electoral Registration (IER). The expected value of this work for 2018/19 is £44k.
<b>5.0</b>	<b>Exempt and/or confidential information:</b>
5.1	None.
<b>6.0</b>	<b>Implications :</b>
<b>6.1 Service Users, Patients and Communities:</b>	None arising from this report.
<b>6.2 Human Resources and Organisational Development:</b>	The vacant Assistant Assessor post is currently being covered by consultancy services and extended duties of other staff. This is a temporary arrangement that is being managed within existing budgets and is subject to review by the Board.
<b>6.3 Equality, Diversity and Human Rights:</b>	None arising from this report.
<b>6.4 Legal:</b>	None arising from this report.
<b>6.5 Finance:</b>	<p>The Board is wholly funded by its constituent authorities: Orkney Islands Council and Shetland Islands Council.</p> <p>The Board's outturn position at Period 7 is £652k against a budget of £659k, an outturn underspend of £7k.</p> <p>This results in a reduced requisition to each authority: Shetland Islands Council by £2k and Orkney Islands Council by £5k.</p>
<b>6.6 Assets and Property:</b>	None arising from this report.
<b>6.7 ICT and new technologies:</b>	None arising from this report.
<b>6.8 Environmental:</b>	None arising from this report.
<b>6.9 Risk Management:</b>	<p>From a financial management perspective, risks are an integral part of future planning, as assumptions must be made. These can be affected by many internal and external factors, such as demand, which could have a significant financial impact.</p> <p>The Board maintains a Risk Register and its primary risk is a lack of sufficient funding that could result in the Board not meeting statutory duties.</p> <p>This report is part of the framework that provides assurance, or recognises any deviation from the budget that could put the Board in a financially challenging position and require remedial action.</p>



	A net overspend would have an adverse impact on the budgets of both constituent authorities.
<b>6.10 Policy and Delegated Authority:</b>	Overall stewardship of the Board's resources rests with the Orkney & Shetland Valuation Joint Board.
<b>6.11 Previously considered by:</b>	n/a

**Contact Details:**

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28 November 2018

**Appendices:**

*Appendix 1 – Revenue Outturn Position 2018/19 as at Period 7*

**Background Documents:**

*9 February 2018 – Orkney & Shetland Valuation Joint Board Proposed Budget 2018/19*



# Orkney and Shetland Valuation Joint Board

## 1. Revenue Outturn Position 2018/19 as at Period 7

Income & Expenditure Summary	2018/19 Revised Annual Budget £	2018/19 Outturn at Period 7 £	Budget v Outturn Variance (Adv) / Pos £
<b>EXPENDITURE:</b>			
Basic Pay	377,502	342,975	34,527
Vacancy factor	(12,000)	(12,000)	-
Overtime	500	500	-
National Insurance	39,896	33,571	6,325
Pension Costs	125,410	113,487	11,923
Allowances	28,027	31,489	(3,462)
Liability Insurance	3,100	2,594	506
<b>Employee Costs</b>	<b>562,435</b>	<b>512,616</b>	<b>49,819</b>
Administration	86,602	89,594	(2,992)
Agency Payments	8,854	18,154	(9,300)
Property and Fixed Plant	31,600	31,600	-
Supplies and Services	2,870	41,420	(38,550)
Transport and Mobile Plant	30,500	21,300	9,200
Recharges for Shetland Islands Council	13,797	15,000	(1,203)
<b>Operating Costs</b>	<b>174,223</b>	<b>217,068</b>	<b>(42,845)</b>
<b>TOTAL EXPENDITURE</b>	<b>736,658</b>	<b>729,684</b>	<b>6,974</b>
<b>INCOME:</b>			
Sales/Agency Income	(33,000)	(33,000)	-
IER Funding	(44,347)	(44,347)	-
<b>TOTAL INCOME</b>	<b>(77,347)</b>	<b>(77,347)</b>	<b>-</b>
<b>NET EXPENDITURE</b>	<b>659,311</b>	<b>652,337</b>	<b>6,974</b>
<b>CHARGE TO CONSTITUENT AUTHORITIES:</b>			
Orkney Islands Council	(334,775)	(330,053)	(4,722)
Shetland Islands Council	(324,536)	(322,284)	(2,252)
<b>TOTAL CHARGE TO CONSTITUENT</b>	<b>(659,311)</b>	<b>(652,337)</b>	<b>(6,974)</b>

An explanation for the main variances for Period 7 are set out below.

### **1.1 Employee Costs – projected outturn underspend £49,819 (8.9%)**

Of the projected employee costs underspend, £44k relates to the Assistant Assessor post, which represents a 10 month vacancy saving. The re-advertisement of the post with a Market Forces supplement should result in a successful recruitment by February 2019.

The remaining projected underspend can be attributed to two main items: following the triennial actuarial valuation of the Shetland Islands Council Pension Fund at the start of the year, there was an agreed reduction in the Board's employers' contribution rate by 2.7% and this is contributing to a £4k projected underspend here. The second projected underspend of £2k arises from a job evaluation review not increasing the pay grade, as had been anticipated in the budget.

### **1.2 Operating Costs – projected outturn overspend of (£42,845) (24.6%)**

This projected overspend relates predominantly to the ongoing use of a consultant Valuer in lieu of an internal Assistant Assessor while this post remains vacant (£38k).

The remaining £5k relates to one-off costs in the year, including the purchase of photocopier, Counsel Opinion on the 2017 Revaluation and a prior year pension report from the Board's actuary for the 2017/18 annual accounts.

### **1.3 Projected Requisition outturn**

The overall projected underspend of £7k equates to a reduction in requisition expected from the constituent authorities, as outlined in the table above.