

## **Item: 8**

**Orkney and Shetland Valuation Joint Board: 24 June 2021.**

**Best Value – Progress Report.**

**Report by Assessor and Electoral Registration Officer.**

### **1. Purpose of Report**

To present a progress update, as required by the Board's Best Value Regime, for the reporting period October 2020 to April 2021.

### **2. Recommendations**

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

### **3. 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.

### **4. 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 three duties in more detail and presents to the Board details of the main tasks completed in the six months between October 2020 to April 2021.

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

#### **5.1. Electoral Management Systems (EMS)**

##### **5.1.1.**

Orkney and Shetland VJB migrated over to the new supported EMS from March 2020 onwards under a 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.

##### **5.1.2.**

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

## **5.2. Electoral Canvass Reform**

### **5.2.1.**

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

### **5.2.2.**

Therefore, our first annual canvass under canvass reform commenced in August 2020. Canvass Reform allows the local ERO much more discretion over how the annual canvass is run to be most suitable and effective for the 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. Due to COVID-19 restrictions all Scottish EROs did not undertake the follow up door-to-door canvasser visits to source unreturned electoral forms, however we did undertake a telephone canvass along with postal distribution where alternative contacts methods could be made.

### **5.2.3.**

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 including those confirmed vacant against other Council records, termed Route 1 properties, receive a communication that still allows changes to be made, if required, but these receive no further canvassing.

### **5.2.4.**

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

### **5.2.5.**

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

### **5.2.6.**

From April onwards preparations for the 2021 Annual Canvass were underway and this will commence in early August.

### **5.3. 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 was undertaken on the Scotland wide agreed timetable in January 2021.

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

#### **5.4.1.**

The Scottish Parliamentary Election (SPE) was held on 6 May 2021.

#### **5.4.2.**

From Electoral Commission surveys it was estimated that up to 40% of the eligible electorate may wish to vote by post in the SPE which would place the electoral administration system under extreme pressure. In order to address this potential impact Scotland wide estimated required resources were compiled and submitted to the Scottish Government as part of a funding mechanism.

#### **5.4.3.**

To reduce the impact of late postal vote applications in the run up to the SPE timetable an additional activity was undertaken in response to the expected potential demand from the general electorate wishing to vote by post. In early February a Household Notification Letter (HNL) was issued to every household in Scotland detailing the current registered electors and also the voting status of each elector, allowing the opportunity to act early to apply for a postal vote.

#### **5.4.4.**

In Orkney and Shetland, we received and processed 3,494 postal vote applications between 1 December 2020 (Register publication date) and the SPE application cut-off date on 6 April 2021. As a final percentage of each Islands electorate this represented a postal vote allocation of 34.38% for Orkney and 25.8% for Shetland. The Scotland average was 23.62%.

#### **5.4.5.**

Additional staffing resources were sourced in each Island office to deal with the above extra activity which was fully funded by the Scottish Government.

### **5.5. Main service priorities for April to October 2021**

#### **5.5.1.**

The following Electoral Registration functions are to be undertaken with reference to the guidance produced by the Electoral Commission and within legislative timetables:

- Plan, undertake and action staff training on new EMS.

- Prepare, plan and action the Canvass Reform requirements for the 2021 annual canvass.
- Continue to process household and 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.

#### **5.5.2.**

Other service priorities include:

- 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.

## **6. Council Tax**

### **6.1. New Entries**

As at 1 October 2020, there were 11,404 chargeable dwellings in Orkney and 11,383 in Shetland which has risen to 11,468 in Orkney and 11,429 in Shetland, as at 1 April 2021. These figures include the addition of 50 new dwellings in Orkney and 46 in Shetland over the 6 month period. The number of completed new dwelling coming into existence has seen a significant increase over the period on comparison to previous update reports.

### **6.2. Proposals/Appeals**

The numbers of Council Tax proposals/appeals remain at very low levels in Orkney and Shetland. Proposals to alter bands are dealt with as business as usual queries in the first instance and it is unusual that any proceed before the Valuation Appeal Committee. At 1 April 2021, there are two outstanding proposals in Orkney and Shetland.

### **6.3. Service Priorities April to October 2021**

#### **6.3.1.**

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

- Maintain the improvement on the time taken between completion of new dwellings and the insertion of the dwelling in the Council Tax List in accordance with performance targets.

- Maintain the improvement on the time taken between the sale of houses which have been altered and the date their Council Tax Band is changed.
- Continue to resolve proposals and appeals against Council Tax banding.

### **6.3.2.**

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.

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

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

As at 1 October 2020, there were 2,625 entries in the Orkney Valuation Roll with a Rateable Value of £30,103,965 and 2,388 in Shetland Valuation Roll with a Rateable Value of £60,605,890. As at 1 April 2021, this has been amended to 2612 entries in Orkney with a Rateable Value of £29,087,795 and 2,384 in Shetland with a Rateable Value of £59,647,835.

### **7.2. 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 April 2017. Valuation Notices were issued to all proprietors, tenants and occupiers on 15 March 2017.

### **7.3. 2017 Revaluation Appeals**

Appeals against the new valuations were lodged between 1 April and 30 September 2017. The number of appeals lodged by 30 September was 181 in Orkney and 246 in Shetland. Eight Valuation Appeal Committee Hearings have been held in both Orkney and Shetland. Further hearings are set for December 2021 in Orkney and Shetland. At 1 April 2021, the number of 2017 Revaluation appeals settled and agreed were 169 in Orkney and 239 in Shetland. The final disposal date for the 2017 Revaluation appeals has been extended to 31 December 2021 under The Valuation Timetable (Disposal of Appeals and Complaints) (Scotland) (Coronavirus) Amendment Order 2020.

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

#### **7.4.1.**

The number of running roll appeals received against the 2017 Valuation Roll at 1 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. Addressing these appeals will be a significant area of work over the next eighteen 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. Valuation Appeal Committee hearings have been set for

December 2021 in each Island area to address the appeals received as at April 2020.

#### **7.4.2.**

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

#### **7.4.3.**

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

#### **7.4.4.**

Scottish Ministers are currently considering if they will follow England's lead in classifying COVID-19 appeals outwith the definition of Material Change of Circumstance, which could mean all COVID-19 based appeals would have no legal foundation.

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

#### **7.5.1.**

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

#### **7.5.2.**

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

#### **7.5.3.**

As part of the transition towards 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.

#### **7.5.4.**

The Barclay Review resulted in the passing of the Non-Domestic Rates (Scotland) Act 2020. One of the main changes will be that Non-Domestic Revaluation will take place every 3 years instead of every 5 years, significantly compressing the valuation timetable.

## **7.6. 2023 Revaluation**

### **7.6.1.**

The next general rating Revaluation comes into force on 1 April 2023 and all 5,000+ entries in the Orkney and Shetland Valuation Rolls require to be re-valued based on the level of value existing at 1 April 2021.

### **7.6.2.**

The Scottish Government laid legislation to postpone the 2022 Revaluation to 1 April 2023 under The Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020. This also moves the valuation date from two years in advance of the Revaluation to only one year to 1 April 2021.

### **7.6.3.**

Given the one year time date above between levels of rental values to effective completion of the Revaluation, combined with the 183 and 170 appeals highlighted in section 7.4 above, this will prove challenging for all valuation staff over the next 22 months.

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

The data migration to Orkney and Shetland's new valuation system was completed in May 2021. Staff have undertaken training to action business as usual processing in relation to the Valuation Roll and Council Tax Valuation List amendments. The old and new valuation systems will be operated in tandem during a period of time to offer increased resilience and mitigation of any associated risks.

## **7.8. Service Priorities April to October 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 December 2021.
- Schedule and consider actions necessary for the disposal of Coronavirus appeals resulting from the current pandemic by 31 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 efficient continued use of the new valuation system.

- Prepare, plan and action the requirements of the 2023 Revaluation and instruct staff on legislative requirements and procedures.

## **8. Governance**

### **8.1.**

The VJB's revised Scottish Public Service Ombudsman (SPSO) Model Complaints Handling Procedure, as required by public bodies with effect from 1 April 2021, will be presented to the next Board meeting for discussion and approval.

### **8.2.**

The VJB's revised Equalities Mainstreaming and Equalities Outcomes 2021-2025 will be presented to the next Board meeting for discussion and approval.

## **9. Shetland Office Accommodation**

### **9.1.**

VJB staff have gained temporary access to additional rooms on the first floor of 20 Commercial Road, Lerwick, in order to allow more staff to attend the office in the run up to the Scottish Parliamentary Election to maintain social distancing where appropriate. It is hoped this current arrangement may continue.

### **9.2.**

This item was discussed at the Board's meeting held on 26 November 2020 and an extract of the minute is given below.

"In response to a query from Councillor Duncan regarding the Shetland accommodation, the Chief Executive, Shetland Islands Council, advised that the Council had developed a new strategy around estates, and she undertook to ensure this matter was picked up in that process. The COVID-19 response had impacted on use of the estate. The Executive Manager – Governance and Law further advised that, following the first lockdown, many services had not returned to full occupancy; another element was record keeping, whereby paper records could potentially be digitalised, thereby potentially freeing up accommodation."

## **10. Financial Implications**

Any financial implications arising from sections 7.5 (Barclay) or 9 (Shetland Office Accommodation) will be reported to the Board.

## **11. Legal Aspects**

There are no legal implications arising from the contents of this report.

## **12. Contact Officer**

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