

Item: 9

Orkney and Shetland Valuation Joint Board: 24 June 2021.

Best Value Performance Report.

Report by Assessor and Electoral Registration Officer.

1. Purpose of Report

To report to the Board the annual performance related targets and outcomes, in relation to the statutory Valuation functions, for the financial year 2020-2021 as summarised and detailed in Appendix 1.

To address the external Auditors recommendations on performance reporting under “Value for Money” as contained in the 2019-2020 annual report.

To partially address the Governance items which was presented to the Board meeting on 25 March 2021.

2. Recommendations

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

3. Background

3.1.

As a result of the annual audit process for 2019-20 it was a recommendation and observation from Deloitte, the Board’s external auditors, that the robustness of performance reporting and reporting against Best Value should be improved by clearly setting out historical performance targets in addition to current performance, to enable monitoring of improvement. Reporting on Best Value should be clearly linked to the themes of Best Value set out in statutory guidance.

3.2.

The Orkney & Shetland Valuation Joint Board is currently reviewing its governance arrangements and this report will partially address some of the issues raised in relation to that process of continued development.

4. Introduction

4.1.

The Orkney and Shetland Valuation Joint Board’s performance related targets and outcomes for 2020-21 are shown in Appendix 1.

4.2.

The 2020-21 targets and outcomes are compared with the 2019-20 targets and outcomes and additionally compared to the average targets set by the remaining 13 Assessors in Scotland to ascertain the Orkney and Shetland performance as a means to establishing value for money.

5. Performance Targets and Outcomes

5.1. Council Tax Targets and Outcomes – Orkney and Shetland

Performance Information 2020/21.	
Valuation List (Council Tax List).	
Total number of entries at 1 April 2020.	23,504
Number of new dwellings added in 2020/21 (includes former self-catering units).	240
Number of new dwellings added in 2020/21 (excludes former self-catering units).	141
% entered in List within 3 months of occupation (Target 87%).	93.78%
% entered in List within 6 months of occupation (Target 96%).	97.30%
% entered in List more than 6 months after occupation (Target less than 4%).	2.70%
Total number of entries at 31 March 2021.	23,667.

Performance Information 2019/20.	
Valuation List (Council Tax List).	
Total number of entries at 1 April 2019.	23,411
Number of new dwellings added in 2019/20 (includes former self-catering units).	215
Number of new dwellings added in 2019/20 (excludes former self-catering units).	169
% entered in List within 3 months of occupation (Target 87%).	97.66%
% entered in List within 6 months of occupation (Target 96%).	99.07%
% entered in List more than 6 months after occupation (Target less than 4%).	0.93%
Total number of entries at 31 March 2020.	23,504.

5.1.1.

The above summary of performance outcomes for 2020-21 are compared to the outcomes for 2019-2020 to gauge any deviations from set targets.

5.1.2.

All performance and outcomes are analysed against the number of new dwellings (including Self Catering Units) added to the Council Tax List for the financial year with the number of new dwelling coming into existence (Excludes Self Catering Units) for information purposes.

5.1.3.

It can be seen, while all targets have been achieved, the performance has dropped below what was experienced 2019-20, although not significantly. Unfortunately, some of the performance related outcomes are out with the Assessor's control in relation to information received for Self-Catering Units, where they transfer between tax bases on a regular nature when occupied as someone's main residence and therefore required by law to be entered in the Council Tax List. Receipt of this occupancy information is driven by a combination of sources, either the landlord, occupier or information received from local authority revenue sections and not always of a timely nature that would align with best value targets.

5.1.4.

From March 2020 onwards the impact of COVID-19 on continued active survey of dwellings clearly has had an adverse impact on the performance outcomes. However, as restrictions ease the active survey of dwellings may resume, to different parameters, as they existed in 2019-20.

5.2. Council Tax Targets – Other Assessors

5.2.1.

The average of all of the 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB.

	Other Assessors	Orkney and Shetland
% Entered in List within 3 months of occupation	87.2%	87%
% Entered in List within 6 months of occupation	95.7%	96%
% Entered in List more than 6 months after occupation	4.23%	4%

5.2.2.

It can be seen that the VJB targets historically and currently set broadly mirror the average of all other Assessors' performance targets which would show Orkney and Shetland are not out of line with the expectations of the Scottish Assessors Association performance indicators.

5.2.3.

The 2020-21 performance outcomes also show Orkney and Shetland has exceeded the targets set in all areas.

5.3. Valuation Roll Targets and Outcomes – Orkney and Shetland

Performance Information 2020/21.	
Valuation Roll.	
Total number of entries at 1 April 2020.	5,005.
Total Rateable Value at 1 April 2020.	£91,416,420.
Number of amendments made to Roll in 2020/21.	305.
% entered in Roll within 3 months of effective Date (Target 75%).	81.12%.
% entered in Roll within 6 months of effective Date (Target 90%).	90.9%.
% entered in Roll more than 6 months after effective Date (Target less than 10%).	9.1%.
Total reduction on appeal 2017 to 2021 (Target 1%).	3.03%.
Total number of entries at 31 March 2021.	4,996.
Total Rateable Value at 31 March 2021.	£89,735,630.

Performance Information 2019/20.	
Valuation Roll.	
Total number of entries at 1 April 2019.	4,958.
Total Rateable Value at 1 April 2019.	£90,524,840.
Number of amendments made to Roll in 2019/20.	398.
% entered in Roll within 3 months of effective Date (Target 75%).	68.91%.
% entered in Roll within 6 months of effective Date (Target 90%).	81.16%.
% entered in Roll more than 6 months after effective Date (Target less than 10%).	18.8%.
Total reduction on appeal 2017 to 2020 (Target 1%).	1.04%.
Total number of entries at 31 March 2020.	5,005.
Total Rateable Value at 31 March 2020.	£91,416,420.

5.3.1.

As shown above the comparison of the 2020/21 three main performance outcomes has improved from the outcomes shown in the 2019/20.

5.3.2.

Having low numbers of valuation staff the focus of attention has to vary depending on the valuation cycle of workloads and during 2019/20 resources were directed towards outstanding appeal resolution. As a consequence the general performance levels fell short of set targets. It is understood some Assessors vary the performance targets depending on the Revaluation timetable and availability of resources. For Orkney and Shetland this approach has not been adopted but by consequence may be seen to fail as key pinch points within the Revaluation timetable.

5.3.3.

The only target outcome not met is the reduction on appeals from the 2017 Non-Domestic Revaluation sitting at 3.03% as opposed to the target of 1%. In hindsight it could be said the target of 1% was unrealistic considering the 2017 Revaluation was undertaken with minimal qualified professional staff, no permanent Assistant Assessor/Depute Assessor and limited Trainee Valuer positions. This performance indicator would reflect how robust the Valuation Roll valuations were and this in turn reflects the amount of time available to consider and apply the rental or cost information at the valuation date of April 2015. The make-up of the Orkney and Shetland Valuation Rolls can unfortunately be skewed by the appeal settlements of the larger oil and gas related subjects, any significant rateable value amendments can have a disproportionate impact on the overall levels of value in the Rolls.

5.4. Valuation Roll Targets – Other Assessors

5.4.1.

The average of all of the 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland VJB.

	Other Assessors	Orkney and Shetland
% Entered in Roll within 3 months of effective date	67.7%	75%
% Entered in Roll within 6 months of effective date	18.4%	15%
% Entered in Roll more than 6 months after effective date	13.9%	10%

5.4.2.

It can be seen that the VJB targets historically and currently set are higher than the average of all other Assessors performance targets which would show Orkney and Shetland not to be below the average expectations of the Scottish Assessors Association performance targets.

5.4.3.

The 2020/21 performance outcomes also show Orkney and Shetland has met or exceeded the targets set in the above three areas.

5.4.4.

There are no appeal loss performance indicators for other Assessors and the Orkney and Shetland performance target is for Board best value performance purposes only.

6. Corporate and Service Plans

The above performance targets and outcomes should be read along with and aligned to the contents of the VJB's Corporate and Service plans which can be viewed on the Board's website at www.orkney-shetland-vjb.co.uk

7. Value for Money

7.1.

The Orkney and Shetland Valuation Joint Board undertakes the three statutory functions on behalf of the two Local Valuation Authorities. As the duties are statutory, and not optional, there is limited scope to reduce costs without impacting on the level of service provision to all stakeholders.

7.2.

Therefore, by comparing the performance targets and outcomes to similar organisations in the Scottish Assessors Association could be seen as a gauge as to whether value for money is being achieved.

8. Financial Implications

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

9. Legal Aspects

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

10. Contact Officer

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11. Appendix

Appendix 1: Statistics April 2021.

ORKNEY & SHETLAND VALUATION JOINT BOARD
Performance Information 2020/2021

Valuation List (Council Tax List)

Total number of entries at 1st April 2020	23504
Number of new dwellings added in 2020/21 (Includes former Self Catering Units)	240
Number of new dwellings added in 2020/21 (Excludes former Self Catering Units)	141
% entered in List within 3 months of occupation (Target 87%)	93.78%
% entered in List within 6 months of occupation (Target 96%)	97.30%
% entered in List more than 6 months after occupation (Target less than 4%)	2.70%
Total number of entries at 31st March 2021	23667

Valuation Roll

Total number of entries at 1st April 2020	5005
Total Rateable Value at 1st April 2020	£91,416,420
Number of amendments made to Roll in 2020/21	305
% entered in Roll within 3 months of effective Date (Target 75%)	81.12%
% entered in Roll within 6 months of effective date (Target 90 %)	90.90%
% entered in Roll more than 6 months after effective date (Target less than 10%)	9.10%
Total Reduction on appeal 2017 to 2021 (Target 1%)	3.03%
Total number of entries at 31st March 2021	4996
Total Rateable Value 31st March 2021	£88,735,630

Register of Electors

There are no current performance indicators for the Electoral Registration Service.

		<u>ORKNEY</u>	<u>SHETLAND</u>
Total electorate at 1st December 2020	Full Register	17532	17969
	Open Register	9005	9943

STAFFING

Total budgeted cost of all staff in providing the Valuation and Electoral Registration services in 2020/21.	£652,981
Number of full time equivalent staff posts.	13

VALUATION ROLL STATISTICS AS AT 1st APRIL 2021

Category	ORKNEY		SHETLAND	
	Number	Rateable Value	Number	Rateable Value
Shop	270	£2,960,400	248	£2,420,515
Public House	13	£119,050	11	£299,900
Offices inc. Banks	173	£2,127,215	181	£2,443,215
Hotel Etc.	56	£1,111,500	38	£1,612,150
Industrial Subjects	546	£4,845,860	470	£7,356,145
Leisure Entertainment	490	£1,982,195	365	£2,566,275
Garages & Petrol Stations	72	£375,545	80	£520,525
Cultural	36	£206,930	19	£504,420
Sporting Subjects	396	£320,140	300	£252,805
Education & Training	32	£3,137,875	55	£3,330,425
Public Service Subjects	201	£2,662,780	296	£6,053,555
Communications	18	£342,400	20	£690,700
Quarries Mines Etc.	27	£118,450	16	£118,150
Petrochemical	2	£5,493,000	8	£29,280,850
Religious	100	£393,130	151	£247,880
Health, Medical	36	£1,671,975	29	£839,305
Other	126	£580,250	71	£282,770
Care Facilities	18	£639,100	26	£828,250
Advertising	0	£0	0	£0
Undertakings	0	£0	0	£0
Total	2612	£29,087,795	2384	£59,647,835
Of which have zero value	34		29	

COUNCIL TAX STATISTICS AS AT 1st APRIL 2021

(Including garages and stores)

BAND	ORKNEY			SHETLAND		
	NUMBER	PERCENTAGE		NUMBER	PERCENTAGE	
A	2518	21.68%		3584	29.74%	
B	2913	25.08%		1852	15.37%	
C	2427	20.89%		2871	23.83%	
D	1890	16.27%		1891	15.69%	
E	1487	12.80%		1476	12.25%	
F	354	3.05%		307	2.55%	
G	23	0.20%		67	0.56%	
H	5	0.04%		2	0.02%	
Totals	11617	100%		12050	100%	