

## **Item: 13**

**Orkney and Shetland Valuation Joint Board: 29 June 2023.**

**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 reporting period 1 April 2022 to 31 March 2023 as detailed in Appendix 1.

### **2. Recommendations**

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

### **3. Background**

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.

### **4. Introduction**

#### **4.1.**

The Orkney and Shetland Valuation Joint Board's performance related targets and outcomes for 2022/23 are shown in Appendix 1.

#### **4.2.**

Within section 5 below, the 2022/23 targets and outcomes are compared with the 2021/22 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.

#### **4.3.**

The year 2022/23 has been the first to allow operations to continue, more or less as normal, post Covid-19 pandemic, with office working returning and largely becoming standard again. Internal inspections have recommenced as far as possible, allowing more robust survey information to be gathered.

## 5. Performance Targets and Outcomes

### 5.1. Council Tax Targets and Outcomes – Orkney and Shetland

#### Performance Information 2022/2023

##### Valuation List (Council Tax List)

Total number of entries at 1st April 2022	23854
Number of new dwellings added in 2022/23 (Includes former Self Catering Units)	196
Number of new dwellings added in 2022/23 (Excludes former Self Catering Units)	130
% entered in List within 3 months of occupation (Target 87%)	95.98%
% entered in List within 6 months of occupation (Target 96%)	99.08%
% entered in List more than 6 months after occupation (Target less than 4%)	0.92%
Total number of entries at 31st March 2023	24063

#### Performance Information 2021/2022

##### Valuation List (Council Tax List)

Total number of entries at 1st April 2021	23667
Number of new dwellings added in 2021/22 (Includes former Self Catering Units)	269
Number of new dwellings added in 2021/22 (Excludes former Self Catering Units)	219
% entered in List within 3 months of occupation (Target 87%)	96.32%
% entered in List within 6 months of occupation (Target 96%)	98.86%
% entered in List more than 6 months after occupation (Target less than 4%)	1.14%
Total number of entries at 31st March 2022	23854

#### 5.1.1.

The above summary of performance outcomes for 2022/23 are compared to the outcomes for 2021/22 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 Valuation List for the financial year with the number of new dwellings coming into existence (Excludes Self Catering Units) for information purposes.

#### 5.1.3.

There has been a decrease in the number of new dwellings added to the Valuation List in the year 2022/23. All targets have been met and performance compares favourably to 2021/22. It is noted that the 3 month target for adding new dwellings to the Valuation List has remained at 87% for a number of years despite being exceeded annually, and indeed scope for significant further improvement is now limited.

#### 5.1.4.

It is anticipated KPIs next year will be significantly impacted by the changes to the qualifying criteria for Self Catering Unit assessment. The requirement to provide proof of lettings will result in many retrospective changes between tax bases. Given this forthcoming uncertainty, it is not considered appropriate to increase Council Tax KPI targets for the current financial year. In addition, we are due to be advertising Technician roles due to retirement and an existing vacancy, which will mean that, for the first time in many years, we will have inexperienced Technicians in training, which will put further pressure on our KPI targets for 2023/24.

### 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	84.31%	87%
% Entered in List within 6 months of occupation	93.46%	96%
% Entered in List more than 6 months after occupation (less than)	6.54%	4%

#### 5.2.2.

The OSVJB targets exceed the average of all other Assessors' performance targets. Orkney and Shetland are therefore not out of line with Scottish Assessors Association performance indicators.

#### 5.2.3.

The 2022/23 performance outcomes show Orkney and Shetland has exceeded the targets set in all areas, though it is worth noting again the points in section 5.1.3 above, outlining the challenges we have ahead, and it is almost inevitable that our targets will suffer as a result.

## 5.3. Valuation Roll Targets and Outcomes – Orkney and Shetland

### Performance Information 2022/2023

#### Valuation Roll

Total number of entries at 1st April 2022	5040
Total Rateable Value at 1st April 2022	£85,605,100
Number of amendments made to Roll in 2022/23	225
% entered in Roll within 3 months of effective Date (Target 75%)	70.49%
% entered in Roll within 6 months of effective date (Target 90%)	86.75%
% entered in Roll more than 6 months after effective date (Target less than 10%)	13.25%
Total number of entries at 31st March 2023	5010
Total Rateable Value 31st March 2023	£84,668,575

### Performance Information 2021/2022

#### Valuation Roll

Total number of entries at 1st April 2021	4996
Total Rateable Value at 1st April 2021	£88,735,630
Number of amendments made to Roll in 2021/22	316
% entered in Roll within 3 months of effective Date (Target 75%)	79.53%
% entered in Roll within 6 months of effective date (Target 90%)	92.13%
% entered in Roll more than 6 months after effective date (Target less than 10%)	7.87%
Total number of entries at 31st March 2022	5040
Total Rateable Value 31st March 2022	£85,605,100

### 5.3.1.

Disappointingly, we have fallen short of all Valuation Roll targets for 2022/23, with performance also falling well below 2021/22 levels. The total number of Valuation Roll amendments is also less than last year.

### 5.3.2.

With low numbers of valuation staff, the focus of attention has to vary depending on the valuation cycle of workloads and during 2022/23 resources were directed towards carrying out the Revaluation within the new, shortened timescale. This is undoubtedly the reason for falling short of our targets.

## 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	63.42%	75%
% Entered in Roll within 6 months of effective date	20.88%	15%
% Entered in Roll more than 6 months after effective date	15.69%	10%

#### 5.4.2.

The OSVJB targets are set higher than the average of all other Assessors performance targets.

#### 5.4.3.

The 2022/23 performance outcomes show Orkney and Shetland has fallen short of the targets set in the above three areas.

#### 5.4.4.

As noted at section 5.1.3 above, the changes to the qualifying criteria for Self-Catering Unit assessment is likely to result in a number of retrospective changes between tax bases, though the main effect of this is likely to crystallise in the next financial year. However, as stated in section 5.3.2, the workload created by the shortened timescale for Revaluation is the main reason for missing these targets. It is not necessarily the case that this will be a consequence going forward at all Revaluation years, but rather there were a number of lessons learned about the new timescales across all Assessor offices, and at a local level, going forward we should yield the benefits of more experienced staff and a fully embedded modern valuation system. The changes to criteria for Self-Catering subjects is likely to have a more profound ongoing effect on performance, but the general approach by Assessors has been to retain KPI targets at current levels and re-consider next year once the full impact is known.

## 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](http://www.orkney-shetland-vjb.co.uk)

## 7. Value for Money

### 7.1.

The Orkney and Shetland Valuation Joint Board undertakes the three statutory functions, i.e. the preparation, publication and maintenance of the Electoral Register, Valuation Roll and Council Tax List (Valuation List), 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.

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. Governance Aspects

The content and implications of this report have been reviewed and, at this stage, it is deemed that the Board **DOES NOT** require external legal advice in consideration of the recommendations contained in this report.

## 10. Contact Officer

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## 11. Appendix

Appendix 1: Statistics April 2023.

**ORKNEY & SHETLAND VALUATION JOINT BOARD**  
**Performance Information 2022/23**

Valuation List (Council Tax List)

Total number of entries at 1st April 2022	23854
Number of new dwellings added in 2022/23 (Includes former Self Catering Units)	196
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Valuation Roll

Total number of entries at 1st April 2022	5040
Total Rateable Value at 1st April 2022	£85,605,100
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% entered in Roll within 3 months of effective Date (Target 75%)	70.49%
% entered in Roll within 6 months of effective date (Target 90 %)	86.75%
% entered in Roll more than 6 months after effective date (Target less than 10%)	13.25%
Total Reduction on appeal 2017 to 2023 (Target 1%)	6.46%
Total number of entries at 31st March 2023	5010
Total Rateable Value 31st March 2023	£84,668,575

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 2022	Full Register	17696	17910
	Open Register	8643	9404

STAFFING

Total budgeted cost of all staff in providing the Valuation and Electoral Registration services in 2022/23.	£852,648
Number of full time equivalent staff posts.	13

VALUATION ROLL STATISTICS AS AT 1st APRIL 2023

Category	ORKNEY		SHETLAND	
	Number	Rateable Value	Number	Rateable Value
Shop	273	£3,325,760	243	£2,872,865
Public House	10	£113,150	11	£291,000
Offices inc. Banks	197	£2,277,210	188	£2,878,825
Hotel Etc.	53	£1,097,175	34	£879,655
Industrial Subjects	550	£5,174,260	487	£8,865,345
Leisure Entertainment	558	£2,700,140	342	£2,973,855
Garages & Petrol Stations	74	£474,030	80	£554,160
Cultural	32	£239,425	16	£586,200
Sporting Subjects	384	£227,585	300	£226,205
Education & Training	30	£3,083,530	50	£3,469,175
Public Service Subjects	201	£3,908,645	293	£6,512,065
Communications	18	£434,410	20	£789,950
Quarries Mines Etc.	28	£105,875	16	£214,325
Petrochemical	2	£6,228,500	3	£28,198,900
Religious	91	£377,970	139	£269,435
Health, Medical	35	£1,905,650	31	£918,325
Other	89	£640,475	90	£1,037,070
Care Facilities	29	£702,025	26	£847,350
Advertising	0	£0	0	£0
Undertakings	0	£0	0	£0
Total	2654	£33,015,815	2369	£62,384,705
Of which have zero value	33		24	

COUNCIL TAX STATISTICS AS AT 1st APRIL 2023

(Including garages and stores)

BAND	ORKNEY		SHETLAND	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
A	2451	20.74%	3648	29.78%
B	2891	24.47%	1876	15.32%
C	2542	21.52%	2899	23.67%
D	1951	16.51%	1911	15.60%
E	1573	13.31%	1523	12.43%
F	379	3.21%	319	2.60%
G	24	0.20%	70	0.57%
H	4	0.03%	2	0.02%
Totals	11815	100%	12248	100%