



# Orkney and Shetland Valuation Joint Board



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## Item: 10

**Orkney and Shetland Valuation Joint Board: 23 June 2026.**

**Best Value Performance Report.**

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

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## 1. Overview

- 1.1. As a result of the annual audit process for 2019/20, the Board's external auditors recommended 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.
- 1.2. The annual performance related targets and outcomes, in relation to the statutory Valuation functions, for the reporting period 1 April 2025 - 31 March 2026, are detailed in Appendix 1, with supplementary information included in section 3 below.

## 2. Recommendations

- 2.1. It is recommended that members of the Board:
  - i. Scrutinise the performance related targets and outcomes, in order to obtain assurance.

## 3. Performance Targets and Outcomes

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

- 3.1. Within the table below, the 2025/26 targets and outcomes are compared with the 2024/25 targets and outcomes and subsequently (in section 3.9) 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.

<b>Valuation List (Council Tax List)</b>	<b>2024/25</b>	<b>2025/26</b>
Total number of entries at 1 April	24,232	24,337
Number of new dwellings added in 2024/25 (Includes former Self Catering Units)	232	129
Number of new dwellings added in 2024/25 (Excludes former Self Catering Units)	167	110
% entered in List within 3 months of occupation (Target 70%)	71.69%	84.88%
% entered in List within 6 months of occupation (Target 75%)	74.61%	88.95%
% entered in List more than 6 months after occupation (Target less than 25%)	25.39%	11.05%
Total number of entries at 31st March	24,337	24,378

- 3.2. The above summary of performance outcomes for 2025/26 are compared to the outcomes for 2024/25 to gauge any deviations from set targets.
- 3.3. 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.
- 3.4. Following poor performance last year, targets were significantly lowered. This would appear to have been overly pessimistic given all targets have been easily surpassed. However, there are two important factors contributing to this, neither of which we have any real control over. The first factor is a significant reduction in the number of self-catering subjects which have failed the annual audit and been moved back to Council Tax – the retrospective nature of this task means that all such moves will take place more than 6 months after effective date. The second factor is a reduction in the number of genuine new dwellings entering the List.
- 3.5. As can be seen in Appendix 1, when Self-Catering entries are removed, performance is even better, and performance is more like the levels we experienced before impact was felt by the change in regulations relating to self-catering properties. This is satisfying to see, and testament to a relatively new Council Tax Technician team who are rapidly becoming established.

- 3.6. By way of further explanation in terms of the impact of the Self-Catering audit on Council Tax statistics, in accordance with recent legislation, since 1 April 2022 these properties are subject to an annual audit to confirm they meet the criteria to be considered non-domestic. As this relates to the number of nights let during the financial year, the audit can only take place retrospectively, and therefore all failures are put back to the Valuation List in a timescale always exceeding 12 months. We are finally seeing low numbers of audit failures, and while this is essentially in the hands of the ratepayers, our non-domestic valuers (who carry out the audit task) have worked tirelessly to make sure all relevant occupiers are contacted several times to facilitate compliance. However, this does have a detrimental effect on other work, as will be seen later in this report.
- 3.7. For the last two years I have been predicting that the audit would cause less impact on our statistics as ratepayers become more familiar with the process (and its consequences), and finally this does appear to have come to fruition.
- 3.8. Given the improvement in performance, I believe that it is appropriate to raise target levels. However, I have tempered this slightly, given that new dwelling numbers were down year on year, so this may have artificially improved performance. Targets for 2026/27 are noted below:

	Target 2024/25	Target 2025/26	<b>Target 2026/27</b>
% Entered in List within 3 months of occupation	85%	70%	<b>80%</b>
% Entered in List within 6 months of occupation	95%	75%	<b>85%</b>
% Entered in List more than 6 months after occupation (less than)	5%	25%	<b>15%</b>

### **Council Tax Targets – Other Assessors**

- 3.9. The average of the other 13 Assessor areas (excluding Orkney and Shetland) are given below as a comparison to the targets set for Orkney and Shetland for 2025/26, as the proposed targets for 2026/27 are unavailable at the time of the report preparation.

	Other Assessors	Orkney and Shetland
% Entered in List within 3 months of occupation	74.31%	70%
% Entered in List within 6 months of occupation	86.88%	75%
% Entered in List more than 6 months after occupation (less than)	13.2%	25%

3.10. While the comparison is to be treated with some caution due to the one-year lag, it does show that the Orkney and Shetland targets have fallen behind that of other Assessors' performance targets. As stated above however, the targets from last year were overly pessimistic, and the situation has been amended with uplifted targets for 2026-27.

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

Valuation Roll	2024/25	2025/26
Total number of entries at 1 April	4,992	5,031
Total Rateable Value at 1 April	£95,276,630	£104,250,275
Number of amendments made to Roll	410	578
% entered in Roll within 3 months of effective Date (Target 70%)	29.76%	34.95%
% entered in Roll within 6 months of effective date (Target 90%)	47.56%	52.60%
% entered in Roll more than 6 months after effective date (Target less than 10%)	52.44%	47.40%
Total number of entries at 31 March	5,031	5,137
Total Rateable Value 31 March	£104,250,275	£102,798,999

3.11. We have disappointingly once again fallen short on all targets, but the year-on-year improvement on all targets is encouraging. There are two reasons for the performance levels:

- the Self-Catering audit.
- The new revaluation cycle.

3.12. In the previous Council Tax section, it was noted the improvement on statistics due to fewer Self-Catering audit failures. This does help to an extent with non-domestic statistics, but the resource to carry out the audit will always impact on this workstream, especially while numbers of self-catering subjects continue to increase. We did put a significant amount of effort in to contacting ratepayers to ensure they supplied information ahead of the deadline. Also, the work is carried out by our valuers, taking them away from other work, and therefore allowing timescales to slip for changes to the roll. This is a particular problem for our small offices due to the lack of clerical staff – we have no option but to use non-domestic valuers for the task – whereas other Assessors have most of this work carried out by clerical staff.

- 3.13. The second reason for the performance impact is the 3-yearly revaluation cycle. Much of 2025/26 was spent dealing with non-domestic revaluation proposals (formerly appeals), and particularly the more labour intensive and higher value cases. As stated in this report last year, for the current (2026) revaluation, work on proposals will commence much sooner, with the benefit of learning from the 2023 cycle, and allow more of a spread of this work across the period. Additionally, we had to complete a draft valuation roll by 30 November 2025, and final roll by 1 April 2026 – having regard to the intensity of that work, I feel that the performance noted above is nothing short of remarkable.
- 3.14. Targets were significantly reduced last year, a recognition of the intensity of the 3-year non-domestic revaluation cycled, coupled with the pressures of a self-catering audit out of proportion to our overall valuation rolls. Although we fell behind those targets, I believe they are realistic for the ever-increasing capability of our team, and therefore no change is proposed this year.

	Target 2024/25	Target 2025/26	<b>Target 2026/27</b>
% Entered in Roll within 3 months of effective date	70%	45%	<b>45%</b>
% Entered in Roll within 6 months of effective date	90%	65%	<b>65%</b>
% Entered in Roll more than 6 months after effective date	10%	35%	<b>35%</b>

### Valuation Roll Targets – Other Assessors

- 3.15. The average of the 13 other Assessor areas (excluding Orkney and Shetland) is given below as a comparison to the targets set for Orkney and Shetland for 2025/26, as the proposed targets for 2026/27 are unavailable at the time of the report preparation.

	Other Assessors	Orkney and Shetland
% Entered in Roll within 3 months of effective date	53.62%	45%
% Entered in Roll within 6 months of effective date	75.77%	65%
% Entered in Roll more than 6 months after effective date	24.69%	35%

3.16. The Orkney and Shetland targets are set lower than the average of all other Assessors, but again it should be treated with some caution due to the 1-year lag. This is a change from recent years where we have typically been ahead of the average of other Assessors. While we would aspire to be better, I believe it would be reckless and potentially demotivating to alter our targets at this time.

### **Non-Statutory Valuation Roll Targets**

3.17. We have an existing performance indicator that is not one that is reported to the Scottish Government. That is the total Rateable Value reduction on proposal, seen as a benchmark for accuracy. As can be seen at Appendix 1, the loss on proposal for the 2023 Revaluation is 4.26% of the total value of the Roll as at 1 April 2023. Traditionally our target for this was <1%. However, internal auditors, in their audit report on Performance Reporting 2024/25, recommended a <5% target over the revaluation period to be more appropriate. Therefore we have met this target.

3.18. I have expressed misgivings about this target previously, the reason being that loss on proposal can often be out of our control, rather than being a true measure of valuer error. For example, valuation Practice Notes can change through a revaluation period. In addition, some of our largest subjects can make changes significant to value which are not trackable through the usual means of monitoring planning/building lists, or even basic observation. As such, I have been somewhat critical of the statistic but would be reluctant to lose it entirely.

3.19. The same audit report mentioned in 3.17 above also asked the Board to consider alternative measures. In this regard, I have devised a complementary statistic to the loss on proposal, and that is the saving against proposal, i.e. the difference between the ratepayer's proposed alternative value, and the value either agreed or stated in our final decision notice. As can be seen at Appendix 1, this figure for the 2023 revaluation period is 18.33% of the total Valuation Roll, or just under £16.9m of Rateable Value that we have successfully defended against proposed alternative values. It is hoped that this will give the Board assurance that staff are working hard to defend values and therefore limit the loss on proposals.

### **For Further Information please contact:**

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### **Implications of Report**

- 1. Financial** – there are no financial implications arising directly from this report.
- 2. Corporate Governance** – Not applicable.
- 3. Human Resources** – Not applicable.

4. **Equalities** – An Equality Impact Assessment is not required for performance reporting.
5. **Island Communities Impact** – An island Communities Impact Assessment is not required for performance reporting.
6. **Environmental and Climate Risk** – Not applicable.
7. **Risk** – there is a risk of staff demotivation if targets are not met, potentially leading to vacancies, so it is important that these are realistic.
8. **Procurement** – Not applicable.
9. **Health and Safety** – Not applicable.

#### **List of Background Papers**

Orkney and Shetland Valuation Joint Board – Service Plan 2026-29.

#### **Appendix**

Appendix 1 – Statistics April 2026

**ORKNEY & SHETLAND VALUATION JOINT BOARD**  
**Performance Information 2025/26**

Valuation List (Council Tax List)

Total number of entries at 1st April 2025	24337
Number of new dwellings added in 2025/26 (Includes former Self Catering Units)	129
% entered in List within 3 months of occupation (Target 70%)	84.88%
% entered in List within 6 months of occupation (Target 75%)	88.95%
% entered in List more than 6 months after occupation (Target less than 25%)	11.05%

Number of new dwellings added in 2025/26 (Excludes former Self Catering Units)	110
% entered in List within 3 months of occupation (Target 70%)	92.38%
% entered in List within 6 months of occupation (Target 75%)	96.55%
% entered in List more than 6 months after occupation (Target less than 25%)	3.45%
Total number of entries at 31st March 2026	24378

Valuation Roll

Total number of entries at 1st April 2025	5031
Total Rateable Value at 1st April 2025	£104,250,275
Number of amendments made to Roll in 2025/26 (Includes Self Catering Units)	578
% entered in Roll within 3 months of effective Date (Target 45%)	34.95%
% entered in Roll within 6 months of effective date (Target 65%)	52.60%
% entered in Roll more than 6 months after effective date (Target less than 35%)	47.40%

Number of amendments made to Roll in 2025/26 (Excludes Self Catering Units)	480
% entered in Roll within 3 months of effective Date (Target 45%)	40.42%
% entered in Roll within 6 months of effective date (Target 65%)	58.33%
% entered in Roll more than 6 months after effective date (Target less than 35%)	41.67%

Total Reduction on proposal 2023 to 2026 (Target less than 5%)	4.26%
Total Saving against proposals (difference between proposed and settled values)	18.33%
Total number of entries at 31st March 2026	5137
Total Rateable Value 31st March 2026	£102,798,999

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 2025	Full Register	17927	17903
	Open Register	7804	8854

STAFFING

Total budgeted cost of all staff in providing the Valuation and Electoral Registration services in 2025/26.	£949,800
Number of full time equivalent staff posts.	13

VALUATION ROLL STATISTICS AS AT 1st APRIL 2026

Category	ORKNEY		SHETLAND	
	Number	Rateable Value	Number	Rateable Value
Shop	277	£3,614,490	219	£2,810,865
Public House	11	£141,360	9	£217,000
Offices inc. Banks	212	£2,438,485	193	£3,196,100
Hotel Etc.	55	£1,230,400	33	£983,480
Industrial Subjects	553	£6,271,285	509	£7,397,040
Leisure Entertainment	596	£3,804,305	385	£3,820,570
Garages & Petrol Stations	71	£510,725	90	£711,115
Cultural	32	£300,565	16	£609,975
Sporting Subjects	384	£181,815	297	£250,710
Education & Training	30	£3,356,710	46	£3,226,920
Public Service Subjects	199	£4,815,225	293	£6,690,750
Communications	25	£567,750	30	£1,309,750
Quarries Mines Etc.	27	£60,090	16	£130,810
Petrochemical	2	£7,026,000	3	£30,092,000
Religious	91	£410,325	135	£304,125
Health, Medical	34	£2,266,950	30	£874,980
Other	83	£669,645	96	£1,200,485
Care Facilities	31	£789,950	27	£729,275
Advertising	0	£0	0	£0
Undertakings	4	£440,000	4	£9,595,200
<b>Total</b>	<b>2717</b>	<b>£38,896,075</b>	<b>2431</b>	<b>£74,151,150</b>

COUNCIL TAX STATISTICS AS AT 1st APRIL 2026

(Including garages and stores)

BAND	ORKNEY		SHETLAND	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
A	2503	20.79%	3608	29.24%
B	2957	24.56%	1881	15.24%
C	2524	20.97%	2935	23.78%
D	1984	16.48%	1946	15.77%
E	1635	13.58%	1559	12.63%
F	402	3.34%	332	2.69%
G	27	0.22%	77	0.62%
H	6	0.05%	2	0.02%
<b>Totals</b>	<b>12038</b>	<b>100%</b>	<b>12340</b>	<b>100%</b>